

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 14

To be held at the ANTELOPE VALLEY TRANSIT AUTHORITY
42210 6th Street West, Lancaster, California

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

THURSDAY	June 13, 2024	At 11:30 A.M.
Governing Body	Director	Alternate
LANCASTER	PARRIS (Chairperson)	CRIST (Chair pro tem)
PALMDALE	BISHOP	LOA
LOS ANGELES COUNTY	HORVATH	BARGER

1. Pledge of Allegiance
2. Director Compensation
3. Public Comment
4. Approve Minutes of Regular Meeting Held May 9, 2024
5. Approve March 2024 Expenses in Amount of \$2,441,309

Summary: Local District expenses represent costs that are the sole responsibility of the individual District. Allocated expenses represent the District’s proportionate share of expenses made by District No. 2, the Administrative District, on its behalf pursuant to the Joint Administration Agreement. This Agreement provides for the joint administration and technical support for all of the signatory Districts along with the methodology for determining the proportionate costs for each District. A listing of Districts’ payments and previously approved budgets can be found on the Districts’ website at lacs.org/financial-documents. This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

Local District Expenses:	
Operations & Maintenance	\$1,537,873
Capital	510,171
Legal	517
Allocated Expenses:	
Joint Administration	190,148
Technical Support	195,057
Legal	<u>7,543</u>
Total Expenses	<u>\$2,441,309</u>

6. Re: Annexations Nos. 450, 452, and 453 to District
 - (a) Adopt Resolutions for Making Application to Local Agency Formation Commission (LAFCO) for Annexation; Review, Consider and Find Adequate [California Environmental Quality Act \(CEQA\) Document for Annexation No. 450](#); Review, Consider and Find Adequate [CEQA Document for Annexation No. 453](#); and Consent to Waiver of Protest Proceedings
 - (b) Adopt Joint Resolution with County of Los Angeles, Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Lancaster, and Antelope Valley - East Kern Water Agency Approving and Accepting Negotiated Exchange of Property Tax Revenues Resulting from Annexations Nos. 450 and 453
 - (c) Adopt Joint Resolution with County of Los Angeles, Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, Antelope Valley - East Kern Water Agency, and Palm Ranch Irrigation District Approving and Accepting Negotiated Exchange of Property Tax Revenues Resulting from Annexation No. 452

Summary: Annexation No. 450 consists of two proposed warehouses and Annexation No. 453 consists of one proposed warehouse, all in the City of Lancaster. Annexation No. 452 consists of one existing single-family home in Unincorporated Los Angeles County. Each annexation to the District’s service area requires adoption of two resolutions by the Board. The first resolution authorizes submittal of the annexation application to LAFCO, approves the CEQA document (if applicable), and consents to a waiver of the LAFCO protest hearing. The second resolution is a joint resolution with agencies that already provide services to the proposed annexation territory agreeing to the amount of property tax

6. Contd.

revenue that will be apportioned to the District in accordance with the Revenue and Taxation Code. A data sheet, map, and Notice of Finding for each annexation are attached. Links to the CEQA documents for Annexations Nos. 450 and 453 are provided above.

7. Re: Contract with Insituform Technologies, LLC, in Amount of Approximately \$5,532,278, for Construction of [District 14 Trunk A Sewer Rehabilitation](#) (Project)

(a) Report on Bids and Award and Order Executed Contract

(b) Order Staff to Review Insurance and Surety Bonds for Performance and Payment and, if Sufficient, Order Secretary to Execute Contract Evidencing Approval of Bonds and Insurance

Summary: The Project will consist of rehabilitation of approximately 13,798 feet of 18- to 24-inch-diameter corroded concrete pipe and appurtenant structures that were constructed in the 1950s. The work is located in the City of Lancaster as shown on the attached map. The bid summary/recommendation to award is attached. Staff has determined that the Project is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080(b)(4) and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15301. This item is consistent with the Districts’ Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

8. Authorize Issuance of Purchase Order to ADS Corp. (ADS) in Amount of Approximately \$630,675 for Flow Monitoring Services in Support of Development of System-Wide Hydraulic Model of Sewer System

Summary: In August 2023, Hurricane Hillary generated significant stormwater inflow to the sanitary sewer. To identify the sources of the inflow and prevent future damage to the sewerage infrastructure, flow monitoring and hydraulic modeling of the sewer system are needed. Development of a model in District 14 is also consistent with the independent external audit conducted following the December 2021 sewer spill in the City of Carson, which recommended the development and use of a hydraulic model of the sewer systems for all Districts to assist in their operation and prevent sewer spills. Development of the sewer model for the District requires approximately 18 months of sewer flow monitoring data be collected at 32 locations throughout its 75-mile trunk sewer system. Proposals were solicited and received from three qualified flow monitoring firms. ADS submitted a cost-effective proposal that demonstrated their ability to meet the schedule and data quality requirements. To ensure timely completion, staff recommends issuance of a purchase order to ADS. This item is consistent with the Districts’ Guiding Principles of commitment to continual improvement; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

9. Approve and Order Executed [Amended and Restated Memorandum of Understanding](#) (MOU Amendment) with Other Members of Antelope Valley Regional Water Management Group (RWMG) to Administer Antelope Valley Integrated Regional Water Management Plan (IRWMP) Related Activities at Cost of Approximately \$7,615

Summary: Districts Nos. 14 and 20 are part of the RWMG formed by a 2007 Memorandum of Understanding (MOU) to apply for regional water management grant funding. Other parties to the MOU are Los Angeles County Waterworks District No. 40, City of Palmdale, City of Lancaster, Antelope Valley-East Kern Water Agency, Palmdale Water District, Quartz Hill Water District, Littlerock Creek Irrigation District, Rosamond Community Services District, and the Antelope Valley State Water Contractors Association. Proposition 1, approved by voters in 2014, authorizes \$510 million in IRWMP funding for projects that help meet the long-term water needs of the state, including drought relief, water quality improvements, and water supply reliability projects, including water reuse efforts. To be eligible for this funding, the RWMG periodically updates its IRWMP to comply with California State Department of Water Resources Integrated Regional Water Management Grant Program (Grant Program) guidelines. The MOU commits each party to pay a share of the cost to administer Antelope Valley IRWMP-related activities, including managing on-going stakeholder meetings, project updates, and grant support, as well as to cover one-quarter of the costs for groundwater monitoring required by the Grant Program. Districts Nos. 14 and 20 would each contribute \$7,615 under this MOU Amendment, which is approximately 6.9 percent of the overall cost. Staff has determined that the activities described herein do not constitute a “Project” under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15378. This item is consistent with the Districts’ Guiding Principles to collaborate with others in legislative and regulatory matters to promote science-based, efficient, and sustainable environmental regulations; and to plan for both short-term and long-term needs to minimize the need for significant rate increases.

10. Adopt Investment Policy (Policy)

Summary: As part of the continuing effort to ensure the Districts follow best practices as it relates to financial matters, revisions to the Policy are being recommended. The Policy establishes the practices under which the Districts invest reserves until such time as they are needed to meet expenses and identifies what types of investments are allowable. Proposed revisions would grant permission to invest in shared investment pools comprised of other California public agencies. A letter summarizing the proposed changes is attached. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

11. Re: Wastewater Budget Matters for Fiscal Year 2024-25

- (a) Establish by Resolution Appropriations Limit of \$82,286,974 as Required by California Government Code Section 7910
- (b) Adopt Operating Budget
- (c) Adopt Resolution Requesting Tax Levy of \$2,723,000
- (d) Authorize Appropriations per Budget

Summary: A letter discussing fiscal year 2024-25 budget matters accompanies the agenda. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to plan for both short-term and long-term needs to minimize the need for significant rate increases.

12. Re: Emergency Replacement of Center Pivot Irrigation Systems at Lancaster Water Reclamation Plant (WRP) Eastern Agricultural Site (EAS)

Summary: The District currently leases approximately 2,880 acres at the EAS to High Desert Dairy-Van Dam, LLC (Van Dam). The leased property contains 18 quarter-mile radius center pivot irrigation systems for the cultivation of fodder crops using recycled water from the Lancaster WRP to ensure beneficial reuse of all recycled water not used for municipal reuse purposes. The pivots were installed by the District between 2005 and 2010, and Van Dam has been maintaining and repairing them, as necessary, pursuant to the terms of the lease. In May 2024, several sections of two pivots collapsed due to corrosion and wear. It is no longer cost effective to repair these pivots. In order to expedite their replacement and ensure that critical recycled water management operations at these two pivots resume as quickly as possible, Van Dam was authorized to purchase and install two new pivots at a total cost of \$280,000, which staff has determined to be a competitive price. Van Dam has agreed to perform the replacement work in exchange for a \$280,000 credit against lease rent due in 2025. Additionally, staff is currently evaluating a phased program under which Van Dam would proactively replace aging pivots at the EAS over the next few years in exchange for lease rent credit. A proposed lease amendment that addresses these issues will be presented to the Board at a future meeting. This item is consistent with the Districts' Guiding Principle of commitment to continual improvement.

13. Discussion of Antelope Valley Fairgrounds (Fairgrounds) Wastewater Charges, Use of Fairgrounds Facilities by the District, and Possible Action

Summary: The Fairgrounds is in the process of developing a significant new expansion known as the Multi-Agency Regional Resilience Center (MARRC). Under the District's Master Service Charge Ordinance and Master Connection Fee Ordinance, the expansion will require payment of connection fees and additional annual service charge. The MARRC also has the potential to provide a location for the District to conduct public events. The Chief Engineer and General manager will provide an update on a possible agreement that would address both the wastewater fees and the possible beneficial use of the MARRC by the District. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

Adjourn

Status Report: Prior to or during the meeting session, the Chief Engineer and General Manager may update the Directors on various matters concerning the Districts that may be of current interest to the Directors.

Public Comment: Members of the public may address the Board of Directors on any item shown on the agenda or matter under the Board's authority. A "Request to Address Board of Directors" form is available. In compliance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Secretary to the Boards' Office (562) 908-4288, extension 1100. Notification of 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to this meeting. (28CFR 35.101 et seq. ADA Title II).

Document Requests: Links to supporting documents are available online at the time of posting. Agendas and supporting documents or other writings that will be distributed to Board members in connection with matters subject to discussion or consideration at this meeting that are not exempt from disclosure under the Public Records Act are available for inspection following the posting of this agenda at the office of the Secretary to the Boards of Directors located at the Districts' Joint Administration Building, 1955 Workman Mill Road, Whittier, California, 90601, or at the time of the meeting at the address posted on this agenda.

COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY

PROPOSED ANNEXATION NO. 450

AGENDA DATE: Resolution Making Application to LAFCO June 13, 2024

LOCATION: Located on the northwest corner of West Avenue L-8 and Division Street, all within the City of Lancaster, as shown on the attached map.

PROCESSING FEES:	District	\$ 2,000.00
	Local Agency Formation Commission	7,500.00
	State Board of Equalization	<u>800.00</u>
	Total:	\$ <u>10,300.00</u>

DESCRIPTION & REMARKS: The annexation consists of two proposed warehouses.

NOTICE OF FINDING/CERTIFICATE OF FILING

ANNEXATION NO. 450 TO COUNTY SANITATION DISTRICT NO. 14

The annexation consists of two proposed warehouses.

1. **BASED UPON REVIEW AND STUDY, I FIND AND CERTIFY THAT:**

The annexation **is exempt** from the provisions of the California Environmental Quality Act, pursuant to the State CEQA Guidelines,

Section:

Reason:

The **Mitigated Negative Declaration** is adequate for consideration of the annexation.

The **Environmental Impact Report** is acceptable for consideration of the annexation.

ISSUED BY:

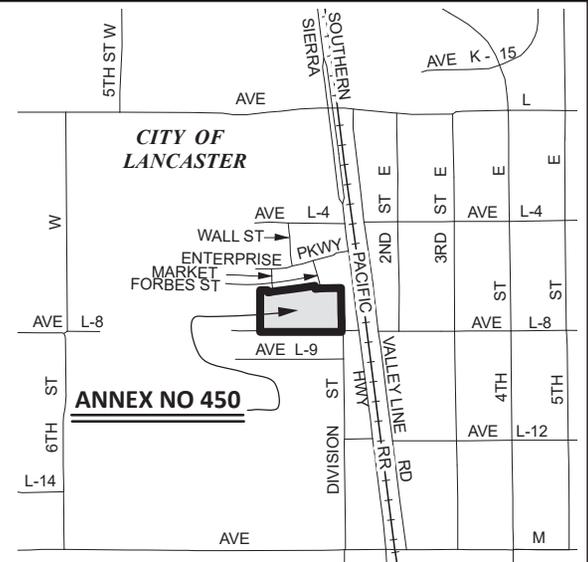
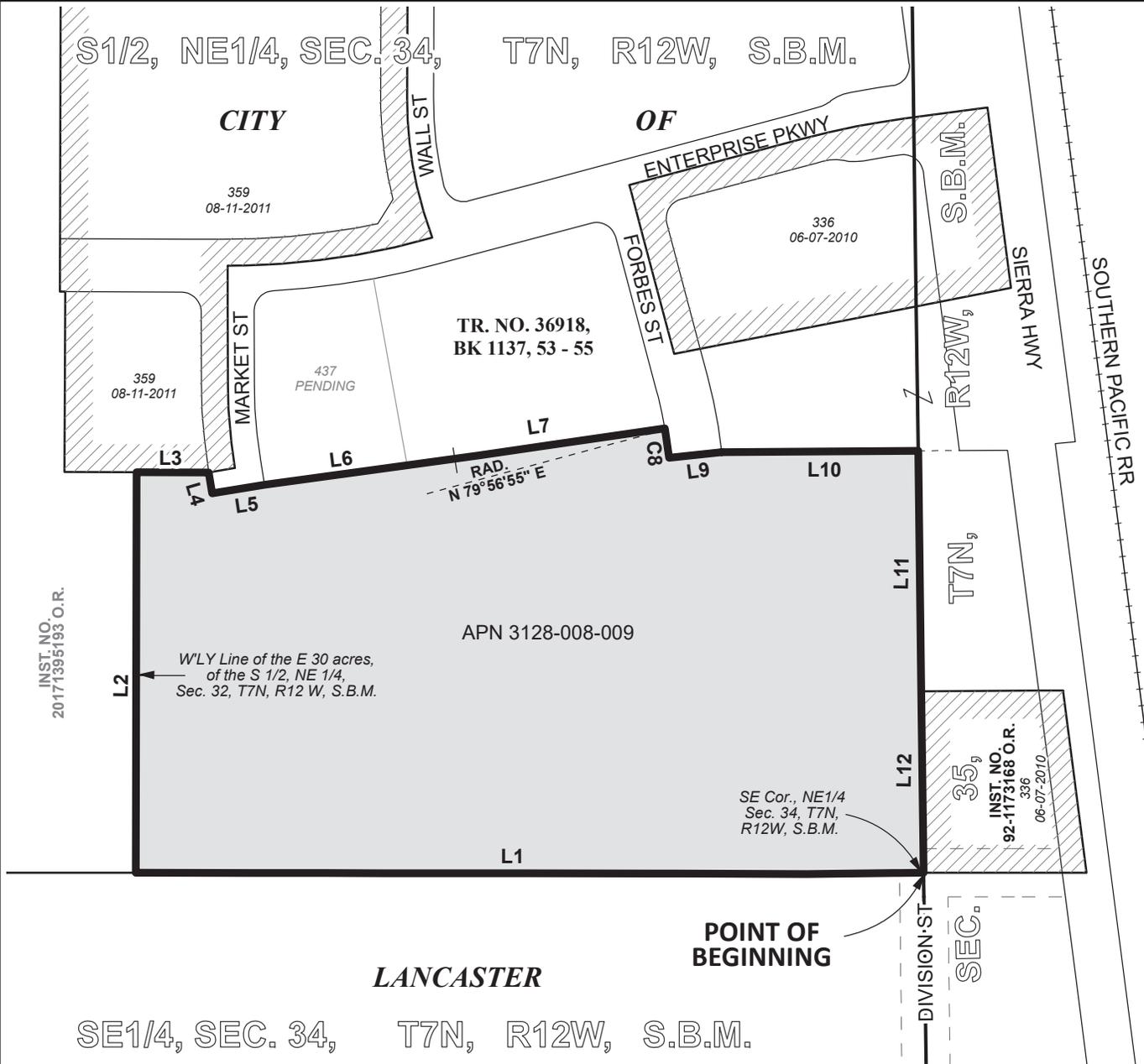
Los Angeles County Department of Regional Planning

City of Lancaster

2. The subject annexation has been set for consideration before the Board of Directors of County Sanitation District No. 14 at their meeting to be held on June 13, 2024, at the time and place as provided for the meeting of said date.
3. The subject annexation and all related documents are on file in the office of the Chief Engineer and General Manager, Los Angeles County Sanitation Districts, 1955 Workman Mill Road, (P.O. Box 4998) Whittier, California and may be examined by any interested person for further particulars. Telephone: (562) 908-4288, extension 2708.

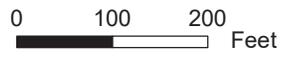


Stan Pegadiotes
Division Engineer
Facilities Planning Department



VICINITY MAP
NO SCALE
COURSE DATA

L1	S 89°51'50" W	994.43'	
L2	N 00°49'15" W	502.33'	
L3	N 89°56'54" E	107.92'	
L4	S 09°41'07" E	26.38'	
L5	N 80°18'53" E	66.00'	
L6	N 82°01'10" E	270.58'	
L7	N 81°35'55" E	233.96'	
C8	R= 567.00'	L= 37.01'	D=03°44'23"
L9	N 83°41'18" E	66.00'	
L10	N 89°25'50" E	245.40'	
L11	S 00°55'23" E	300.00'	
L12	S 00°55'23" E	230.00'	



"FOR TAX ASSESSMENT PURPOSES ONLY"

LA County Assessor Landbase,
CAMS Centerline, DPW City boundary
LA County Sanitation Districts:
AnnexationLayer and District Layer

Annexation No. 450 shown thus
 Boundary of Sanitation District No. 14 prior
 to Annexation No. 450 shown thus
 Prior Annexations shown thus
 Area of Annexation 11.843 Acres



COUNTY SANITATION DISTRICT NO. 14
 OF LOS ANGELES COUNTY, CA
 OFFICE OF CHIEF ENGINEER
 ROBERT C. FERRANTE
 CHIEF ENGINEER & GENERAL MANAGER
ANNEXATION NO. 450
 TO
 COUNTY SANITATION DISTRICT NO. 14
 Recorded:

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
ACTING IN BEHALF OF

- Los Angeles County General Fund
- Los Angeles County Library
- Los Angeles County Consolidated Fire Protection District
- Los Angeles County Waterworks #40 - Antelope Valley
- Los Angeles County Waterworks #40 Aco Fund

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES
COUNTY, AND THE GOVERNING BODIES OF

- Antelope Valley Cemetery District
- Antelope Valley Mosquito & Vector Control District
- Antelope Valley Resource Conservation District
- City of Lancaster
- Antelope Valley - East Kern Water Agency

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES
RESULTING FROM ANNEXATION TO COUNTY SANITATION DISTRICT NO. 14

"ANNEXATION NO. 450"

WHEREAS, pursuant to Section 99 and 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change which will result in a special district providing a new service, the governing bodies of all local agencies that receive an apportionment of the property tax from the area must determine the amount of property tax revenues from the annual tax increment to be exchanged between the affected agencies and approve and accept the negotiated exchange of property tax revenues by resolution; and

WHEREAS , the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to County Sanitation District No. 14 entitled *Annexation No. 450*;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to County Sanitation District No. 14 in the annexation entitled *Annexation No. 450* is approved and accepted.
2. For each fiscal year commencing on July 1, 2023, or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to County Sanitation District

No. 14 a total of 0.3341574 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 450* as shown on the attached Worksheet.

3. No additional transfer of property tax revenues shall be made from any other tax agencies to County Sanitation District No. 14 as a result of annexation entitled *Annexation No. 450*.

4. No transfer of property tax increments from properties within a community redevelopment project, which are legally committed to a Community Redevelopment Agency, shall be made during the period that such tax increment is legally committed for repayment of the redevelopment project costs.

5. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of County Sanitation District No. 14 of Los Angeles County, and the governing bodies of Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Lancaster, and Antelope Valley - East Kern Water Agency, signatory hereto.

COUNTY SANITATION DISTRICT NO. 14
OF LOS ANGELES COUNTY

Chairperson, Board of Directors

ATTEST:

Secretary

Date

(SIGNED IN COUNTERPART)

ANNEXATION TO: CO.SANITATION DIST.NO 14 DEBT S.
 ACCOUNT NUMBER: 066.45
 TRA: 05725
 EFFECTIVE DATE: 07/01/2024
 ANNEXATION NUMBER: 450 PROJECT NAME: A-14-450
 DISTRICT SHARE: 0.005975437

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.248744745	24.8756 %	0.005975437	0.001486371	-0.001523137	0.247221608
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000112414	0.0112 %	0.005975437	0.000000671	0.000000000	0.000112414
003.01	L A COUNTY LIBRARY	0.022944130	2.2944 %	0.005975437	0.000137101	-0.000137101	0.022807029
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.172827524	17.2827 %	0.005975437	0.001032719	-0.001032719	0.171794805
007.31	L A C FIRE-FFW	0.006040577	0.6040 %	0.005975437	0.000036095	0.000000000	0.006040577
047.04	LA CO WATERWORKS #40 ANTELOPE VY	0.012496103	1.2496 %	0.005975437	0.000074669	-0.000074669	0.012421434
051.75	L A CO WATER WKS NO 40 ACO FUND	0.009553239	0.9553 %	0.005975437	0.000057084	-0.000057084	0.009496155
053.30	ANTELOPE VY CEMETERY DISTRICT	0.001338947	0.1338 %	0.005975437	0.000008000	-0.000008000	0.001330947
061.05	ANTELOPE VLY MOSQ & VECTOR CONTR	0.001681770	0.1681 %	0.005975437	0.000010049	-0.000010049	0.001671721
068.05	ANTELOPE VY RESOURCE CONSER DIST	0.000931419	0.0931 %	0.005975437	0.000005565	-0.000005565	0.000925854
186.01	CITY LANCASTER AMARGOSA	0.063663627	6.3663 %	0.005975437	0.000380417	-0.000380417	0.063283210
300.10	ANTELOPE VY.-EAST KERN WATER AGY	0.018882906	1.8882 %	0.005975437	0.000112833	-0.000112833	0.018770073
400.00	EDUCATIONAL REV AUGMENTATION FD	0.067110093	6.7110 %	0.005975437	0.000401012	EXEMPT	0.067110093
400.01	EDUCATIONAL AUG FD IMPOUND	0.130825866	13.0825 %	0.005975437	0.000781741	EXEMPT	0.130825866
400.15	COUNTY SCHOOL SERVICES	0.001393987	0.1393 %	0.005975437	0.000008329	EXEMPT	0.001393987
400.21	CHILDREN'S INSTIL TUITION FUND	0.002766627	0.2766 %	0.005975437	0.000016531	EXEMPT	0.002766627
529.01	LANCASTER SCHOOL DISTRICT	0.058734234	5.8734 %	0.005975437	0.000350962	EXEMPT	0.058734234
529.06	CO.SCH.SERV.FD.- LANCASTER	0.008691007	0.8691 %	0.005975437	0.000051932	EXEMPT	0.008691007
529.07	DEV CTR HDCPD MINOR LANCASTER	0.000842676	0.0842 %	0.005975437	0.000005035	EXEMPT	0.000842676

ANNEXATION NUMBER: 450

PROJECT NAME: A-14-450

TRA: 05725

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
717.02	ANTELOPE VALLEY UNION HIGH SCH.	0.096212556	9.6212 %	0.005975437	0.000574912	EXEMPT	0.096212556
717.06	CO.SCH.SERV.FD.- ANTELOPE VALLEY	0.000353511	0.0353 %	0.005975437	0.000002112	EXEMPT	0.000353511
717.07	ANTELOPE VY.UN.HI.-ELEM SCH FD.	0.047136383	4.7136 %	0.005975437	0.000281660	EXEMPT	0.047136383
792.04	ANTELOPE VY.JT. COMMUNITY COLL.	0.026715659	2.6715 %	0.005975437	0.000159637	EXEMPT	0.026715659
***066.45	CO.SANITATION DIST.NO 14 DEBT S.	0.000000000	0.0000 %	0.005975437	0.000000000	0.000000000	0.003341574
TOTAL:		1.000000000	100.0000 %		0.005975437	-0.003341574	1.000000000

COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY

PROPOSED ANNEXATION NO. 452

AGENDA DATE: Resolution Making Application to LAFCO June 13, 2024

LOCATION: Located at 41625 50th Street West in Unincorporated Los Angeles County, as shown on the attached map.

PROCESSING FEES:	District	\$ 2,000.00
	Local Agency Formation Commission	5,600.00
	State Board of Equalization	<u>300.00</u>
	Total:	\$ <u>7,900.00</u>

DESCRIPTION & REMARKS: The annexation consists of one existing single-family home.

NOTICE OF FINDING/CERTIFICATE OF FILING

ANNEXATION NO. 452 TO COUNTY SANITATION DISTRICT NO. 14

The annexation consists of one existing single-family home.

1. **BASED UPON REVIEW AND STUDY, I FIND AND CERTIFY THAT:**

- The annexation **is exempt** from the provisions of the California Environmental Quality Act, pursuant to the State CEQA Guidelines,

Section: 15319(a)

Reason: The annexation consists of areas containing existing structures developed to the density allowed by the current zoning

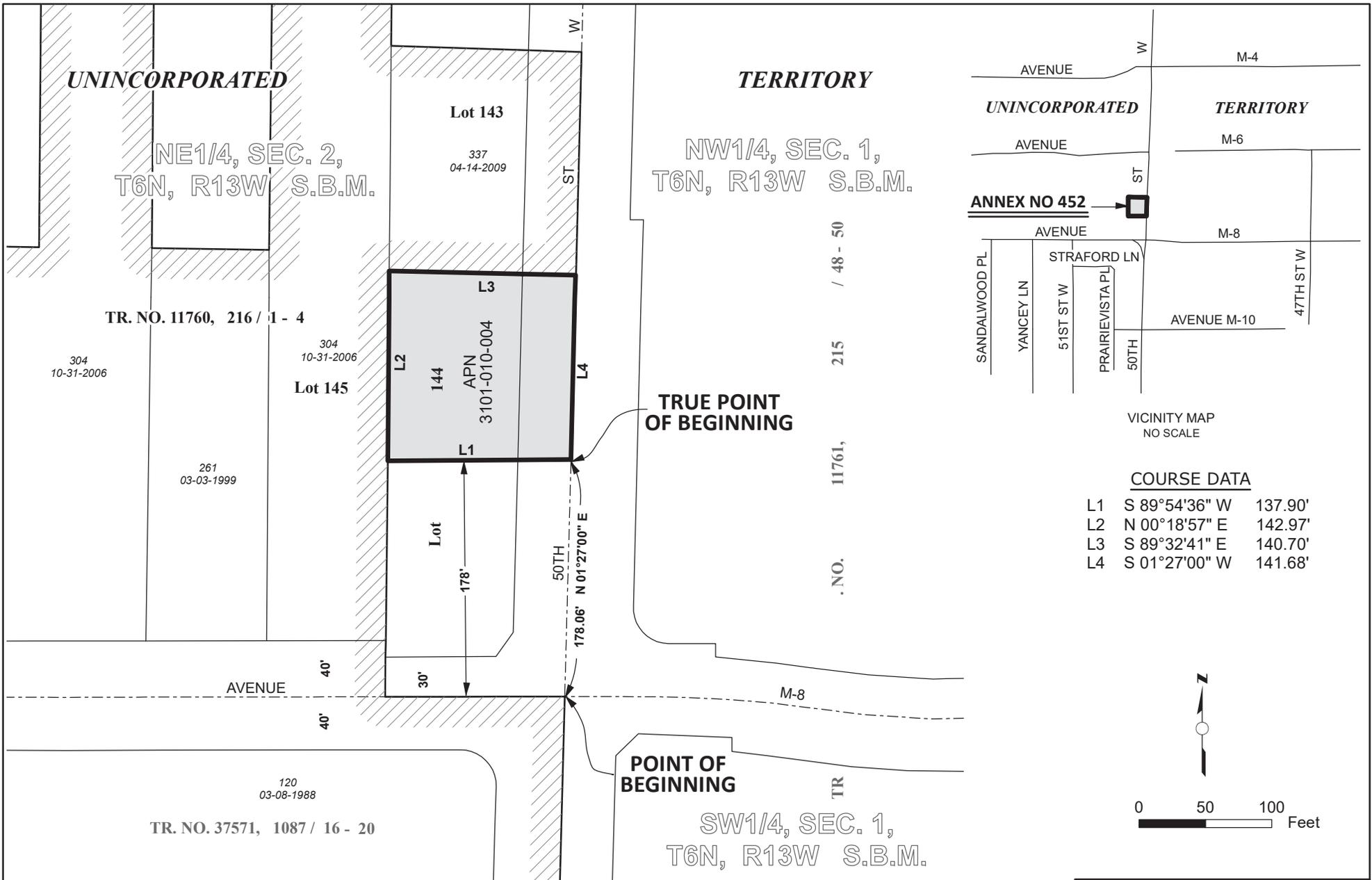
- The **Negative Declaration** is adequate for consideration of the annexation.

- The **Environmental Impact Report** is acceptable for consideration of the annexation.

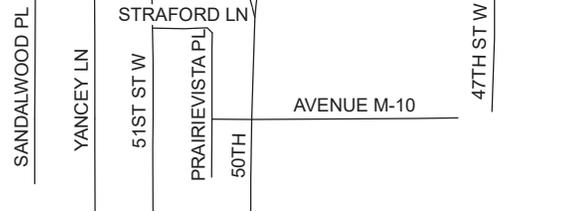
2. The subject annexation has been set for consideration before the Board of Directors of County Sanitation District No. 14 at their meeting to be held on June 13, 2024, at the time and place as provided for the meeting of said date.
3. The subject annexation and all related documents are on file in the office of the Chief Engineer and General Manager, Los Angeles County Sanitation Districts, 1955 Workman Mill Road, (P.O. Box 4998) Whittier, California and may be examined by any interested person for further particulars. Telephone: (562) 908-4288, extension 2708.



Stan Pegadiotes
Division Engineer
Facilities Planning Department



ANNEX NO 452



VICINITY MAP
NO SCALE

COURSE DATA

L1	S 89°54'36" W	137.90'
L2	N 00°18'57" E	142.97'
L3	S 89°32'41" E	140.70'
L4	S 01°27'00" W	141.68'



COUNTY SANITATION DISTRICT NO. 14
 OF LOS ANGELES COUNTY, CA
 OFFICE OF CHIEF ENGINEER
 ROBERT C. FERRANTE
 CHIEF ENGINEER & GENERAL MANAGER
ANNEXATION NO. 452
 TO
 COUNTY SANITATION DISTRICT NO. 14
 Recorded:

**"FOR TAX ASSESSMENT
 PURPOSES ONLY"**

LA County Assessor Landbase,
 CAMS Centerline, DPW City boundary
 LA County Sanitation Districts:
 AnnexationLayer and District Layer

Annexation No. 452 shown thus	
Boundary of Sanitation District No. 14 prior to Annexation No. 452 shown thus	
City Boundary	
Prior Annexations shown thus	
Area of Annexation	0.455 Acres

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
ACTING IN BEHALF OF

- Los Angeles County General Fund
- Los Angeles County Library
- Los Angeles County Road District #5
- Los Angeles County Consolidated Fire Protection District
- Los Angeles County Lighting Maintenance District No. 1687

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES
COUNTY, AND THE GOVERNING BODIES OF

- Antelope Valley Cemetery District
- Antelope Valley Mosquito & Vector Control District
- Antelope Valley Resource Conservation District
- Antelope Valley - East Kern Water Agency
- Palm Ranch Irrigation District

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES
RESULTING FROM ANNEXATION TO COUNTY SANITATION DISTRICT NO. 14

"ANNEXATION NO. 452"

WHEREAS, pursuant to Section 99 and 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change which will result in a special district providing a new service, the governing bodies of all local agencies that receive an apportionment of the property tax from the area must determine the amount of property tax revenues from the annual tax increment to be exchanged between the affected agencies and approve and accept the negotiated exchange of property tax revenues by resolution; and

WHEREAS , the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to County Sanitation District No. 14 entitled *Annexation No. 452*;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to County Sanitation District No. 14 in the annexation entitled *Annexation No. 452* is approved and accepted.
2. For each fiscal year commencing on July 1, 2023, or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to County Sanitation District

No. 14 a total of 0.3334363 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 452* as shown on the attached Worksheet.

3. No additional transfer of property tax revenues shall be made from any other tax agencies to County Sanitation District No. 14 as a result of annexation entitled *Annexation No. 452*.

4. No transfer of property tax increments from properties within a community redevelopment project, which are legally committed to a Community Redevelopment Agency, shall be made during the period that such tax increment is legally committed for repayment of the redevelopment project costs.

5. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of County Sanitation District No. 14 of Los Angeles County, and the governing bodies of Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, Antelope Valley - East Kern Water Agency, and Palm Ranch Irrigation District, signatory hereto.

COUNTY SANITATION DISTRICT NO. 14
OF LOS ANGELES COUNTY

Chairperson, Board of Directors

ATTEST:

Secretary

Date

(SIGNED IN COUNTERPART)

ANNEXATION TO: CO.SANITATION DIST.NO 14 DEBT S.
 ACCOUNT NUMBER: 066.45
 TRA: 16326
 EFFECTIVE DATE: 07/01/2024
 ANNEXATION NUMBER: 452 PROJECT NAME: A-14-452
 DISTRICT SHARE: 0.005975437

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.300161375	30.0172 %	0.005975437	0.001793606	-0.001835537	0.298325838
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000110302	0.0110 %	0.005975437	0.000000659	0.000000000	0.000110302
003.01	L A COUNTY LIBRARY	0.022366918	2.2366 %	0.005975437	0.000133652	-0.000133652	0.022233266
005.25	ROAD DIST # 5	0.006071380	0.6071 %	0.005975437	0.000036279	-0.000036279	0.006035101
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.169290378	16.9290 %	0.005975437	0.001011583	-0.001011583	0.168278795
007.31	L A C FIRE-FFW	0.006906999	0.6906 %	0.005975437	0.000041272	0.000000000	0.006906999
019.40	CO LIGHTING MAINT DIST NO 1687	0.017950354	1.7950 %	0.005975437	0.000107261	-0.000107261	0.017843093
053.30	ANTELOPE VY CEMETERY DISTRICT	0.001307172	0.1307 %	0.005975437	0.000007810	-0.000007810	0.001299362
061.05	ANTELOPE VLY MOSQ & VECTOR CONTR	0.001055925	0.1055 %	0.005975437	0.000006309	-0.000006309	0.001049616
068.05	ANTELOPE VY RESOURCE CONSER DIST	0.000912330	0.0912 %	0.005975437	0.000005451	-0.000005451	0.000906879
300.10	ANTELOPE VY.-EAST KERN WATER AGY	0.018496487	1.8496 %	0.005975437	0.000110524	-0.000110524	0.018385963
343.01	PALM RANCH IRRIGATION DIST	0.013380994	1.3380 %	0.005975437	0.000079957	-0.000079957	0.013301037
400.00	EDUCATIONAL REV AUGMENTATION FD	0.071480763	7.1480 %	0.005975437	0.000427128	EXEMPT	0.071480763
400.01	EDUCATIONAL AUG FD IMPOUND	0.128424483	12.8424 %	0.005975437	0.000767392	EXEMPT	0.128424483
400.15	COUNTY SCHOOL SERVICES	0.001368044	0.1368 %	0.005975437	0.000008174	EXEMPT	0.001368044
400.21	CHILDREN'S INSTIL TUITION FUND	0.002715092	0.2715 %	0.005975437	0.000016223	EXEMPT	0.002715092
689.01	WESTSIDE UNION SCHOOL DISTRICT	0.061922111	6.1922 %	0.005975437	0.000370011	EXEMPT	0.061922111
689.06	CO.SCH.SERV.FD.- WESTSIDE UNION	0.007999489	0.7999 %	0.005975437	0.000047800	EXEMPT	0.007999489
689.07	DEV CTR HDCPD MINOR WESTSIDE UN	0.000832620	0.0832 %	0.005975437	0.000004975	EXEMPT	0.000832620

ANNEXATION NUMBER: 452

PROJECT NAME: A-14-452

TRA: 16326

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
717.02	ANTELOPE VALLEY UNION HIGH SCH.	0.094422134	9.4422 %	0.005975437	0.000564213	EXEMPT	0.094422134
717.06	CO.SCH.SERV.FD.- ANTELOPE VALLEY	0.000346935	0.0346 %	0.005975437	0.000002073	EXEMPT	0.000346935
717.07	ANTELOPE VY.UN.HI.-ELEM SCH FD.	0.046259244	4.6259 %	0.005975437	0.000276419	EXEMPT	0.046259244
792.04	ANTELOPE VY.JT. COMMUNITY COLL.	0.026218471	2.6218 %	0.005975437	0.000156666	EXEMPT	0.026218471
***066.45	CO.SANITATION DIST.NO 14 DEBT S.	0.000000000	0.0000 %	0.005975437	0.000000000	0.000000000	0.003334363
TOTAL:		1.000000000	100.0000 %		0.005975437	-0.003334363	1.000000000

COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY

PROPOSED ANNEXATION NO. 453

AGENDA DATE: Resolution Making Application to LAFCO June 13, 2024

LOCATION: Located at the southwest corner of West Avenue G and State Route 14 - Antelope Valley Freeway, all within the City of Lancaster, as shown on the attached map.

PROCESSING FEES:	District	\$ 2,000.00
	Local Agency Formation Commission	11,500.00
	State Board of Equalization	<u>1,500.00</u>
	Total:	\$ <u>15,000.00</u>

DESCRIPTION & REMARKS: The annexation consists of one proposed warehouse.

NOTICE OF FINDING/CERTIFICATE OF FILING

ANNEXATION NO. 453 TO COUNTY SANITATION DISTRICT NO. 14

The annexation consists of one proposed warehouse.

1. **BASED UPON REVIEW AND STUDY, I FIND AND CERTIFY THAT:**

- The annexation **is exempt** from the provisions of the California Environmental Quality Act, pursuant to the State CEQA Guidelines,

Section:

Reason:

- The **Mitigated Negative Declaration** is adequate for consideration of the annexation.

- The **Environmental Impact Report** is acceptable for consideration of the annexation.

ISSUED BY:

- Los Angeles County Department of Regional Planning

- City of Lancaster

2. The subject annexation has been set for consideration before the Board of Directors of County Sanitation District No. 14 at their meeting to be held on June 13, 2024, at the time and place as provided for the meeting of said date.
3. The subject annexation and all related documents are on file in the office of the Chief Engineer and General Manager, Los Angeles County Sanitation Districts, 1955 Workman Mill Road, (P.O. Box 4998) Whittier, California and may be examined by any interested person for further particulars. Telephone: (562) 908-4288, extension 2708.



Stan Pegadiotes
Division Engineer
Facilities Planning Department

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
ACTING IN BEHALF OF

Los Angeles County General Fund

Los Angeles County Library

Los Angeles County Consolidated Fire Protection District

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES
COUNTY, AND THE GOVERNING BODIES OF

Antelope Valley Cemetery District

Antelope Valley Mosquito & Vector Control District

Antelope Valley Resource Conservation District

City of Lancaster

Antelope Valley - East Kern Water Agency

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES
RESULTING FROM ANNEXATION TO COUNTY SANITATION DISTRICT NO. 14

"ANNEXATION NO. 453"

WHEREAS, pursuant to Section 99 and 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change which will result in a special district providing a new service, the governing bodies of all local agencies that receive an apportionment of the property tax from the area must determine the amount of property tax revenues from the annual tax increment to be exchanged between the affected agencies and approve and accept the negotiated exchange of property tax revenues by resolution; and

WHEREAS, the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to County Sanitation District No. 14 entitled *Annexation No. 453*;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to County Sanitation District No. 14 in the annexation entitled *Annexation No. 453* is approved and accepted.
2. For each fiscal year commencing on July 1, 2023, or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to County Sanitation District No. 14 a total of 0.3008634 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 453* as shown on the attached Worksheet.
3. No additional transfer of property tax revenues shall be made from any other tax agencies to County Sanitation District No. 14 as a result of annexation entitled *Annexation No. 453*.

4. No transfer of property tax increments from properties within a community redevelopment project, which are legally committed to a Community Redevelopment Agency, shall be made during the period that such tax increment is legally committed for repayment of the redevelopment project costs.

5. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of County Sanitation District No. 14 of Los Angeles County, and the governing bodies of Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Lancaster, and Antelope Valley - East Kern Water Agency, signatory hereto.

COUNTY SANITATION DISTRICT NO. 14
OF LOS ANGELES COUNTY

Chairperson, Board of Directors

ATTEST:

Secretary

Date

(SIGNED IN COUNTERPART)

ANNEXATION TO: CO.SANITATION DIST.NO 14 DEBT S.
 ACCOUNT NUMBER: 066.45
 TRA: 05813
 EFFECTIVE DATE: 07/01/2024
 ANNEXATION NUMBER: 453 PROJECT NAME: A-14-453
 DISTRICT SHARE: 0.005975437

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.203509191	20.3518 %	0.005975437	0.001216067	-0.001247539	0.202261652
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000140208	0.0140 %	0.005975437	0.000000837	0.000000000	0.000140208
003.01	L A COUNTY LIBRARY	0.030062405	3.0062 %	0.005975437	0.000179636	-0.000179636	0.029882769
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.172373296	17.2373 %	0.005975437	0.001030005	-0.001030005	0.171343291
007.31	L A C FIRE-FFW	0.005126851	0.5126 %	0.005975437	0.000030635	0.000000000	0.005126851
053.30	ANTELOPE VY CEMETERY DISTRICT	0.001728826	0.1728 %	0.005975437	0.000010330	-0.000010330	0.001718496
061.05	ANTELOPE VLY MOSQ & VECTOR CONTR	0.002172516	0.2172 %	0.005975437	0.000012981	-0.000012981	0.002159535
068.05	ANTELOPE VY RESOURCE CONSER DIST	0.001162106	0.1162 %	0.005975437	0.000006944	-0.000006944	0.001155162
186.01	CITY-LANCASTER FOXFIELD RP	0.063663627	6.3663 %	0.005975437	0.000380417	-0.000380417	0.063283210
300.10	ANTELOPE VY.-EAST KERN WATER AGY	0.023560221	2.3560 %	0.005975437	0.000140782	-0.000140782	0.023419439
400.00	EDUCATIONAL REV AUGMENTATION FD	0.062675060	6.2675 %	0.005975437	0.000374510	EXEMPT	0.062675060
400.01	EDUCATIONAL AUG FD IMPOUND	0.130825866	13.0825 %	0.005975437	0.000781741	EXEMPT	0.130825866
400.15	COUNTY SCHOOL SERVICES	0.001739312	0.1739 %	0.005975437	0.000010393	EXEMPT	0.001739312
400.21	CHILDREN'S INSTIL TUITION FUND	0.003451924	0.3451 %	0.005975437	0.000020626	EXEMPT	0.003451924
529.01	LANCASTER SCHOOL DISTRICT	0.073282725	7.3282 %	0.005975437	0.000437896	EXEMPT	0.073282725
529.06	CO.SCH.SERV.FD.- LANCASTER	0.010843803	1.0843 %	0.005975437	0.000064796	EXEMPT	0.010843803
529.07	DEV CTR HDCPD MINOR LANCASTER	0.001051426	0.1051 %	0.005975437	0.000006282	EXEMPT	0.001051426
717.02	ANTELOPE VALLEY UNION HIGH SCH.	0.120044361	12.0044 %	0.005975437	0.000717317	EXEMPT	0.120044361
717.06	CO.SCH.SERV.FD.- ANTELOPE VALLEY	0.000441076	0.0441 %	0.005975437	0.000002635	EXEMPT	0.000441076

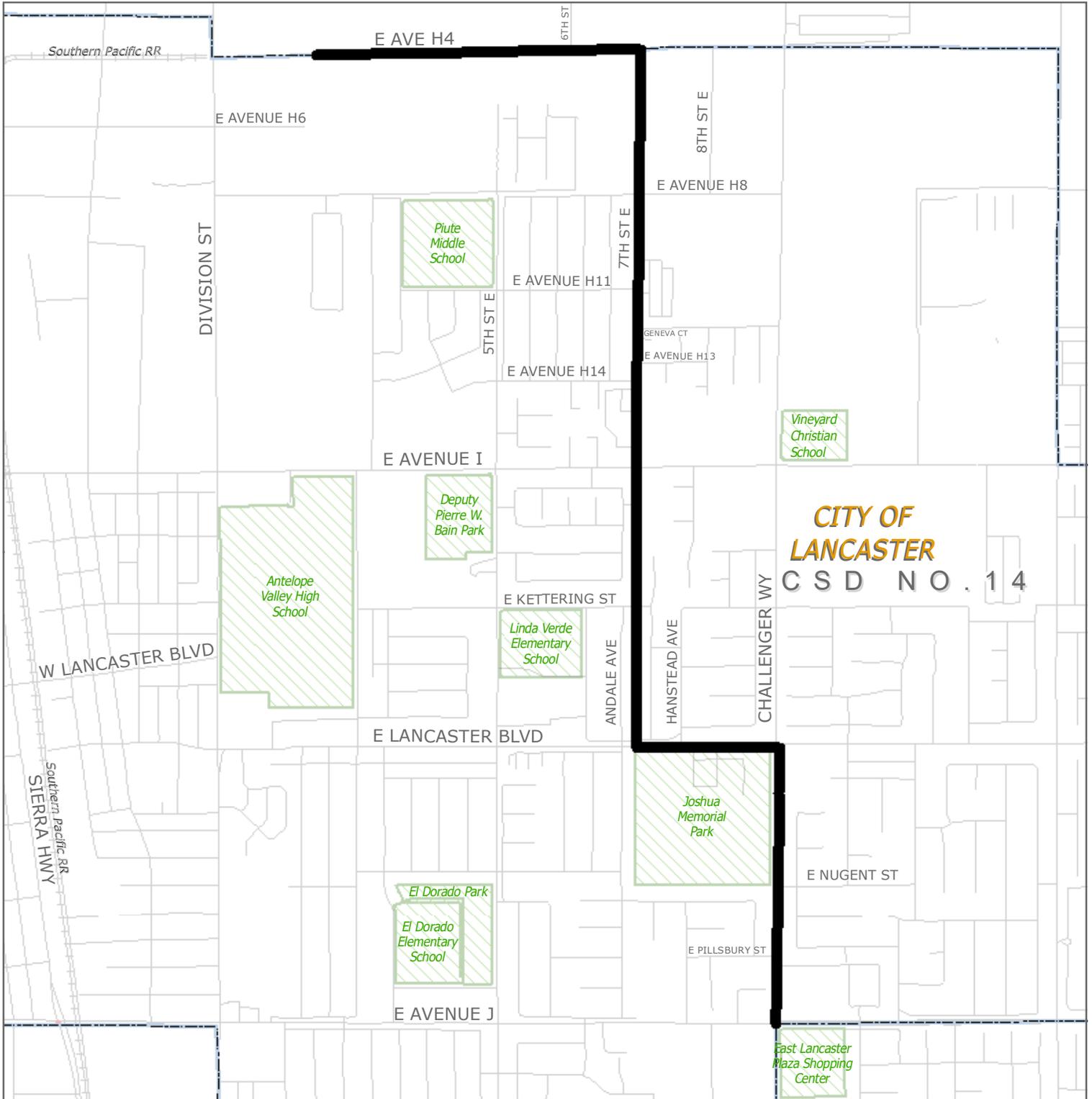
ANNEXATION NUMBER: 453

PROJECT NAME: A-14-453

TRA: 05813

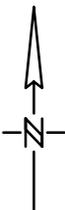
ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
717.07	ANTELOPE VY.UN.HI.-ELEM SCH FD.	0.058812067	5.8812 %	0.005975437	0.000351427	EXEMPT	0.058812067
792.04	ANTELOPE VY.JT. COMMUNITY COLL.	0.033333133	3.3333 %	0.005975437	0.000199180	EXEMPT	0.033333133
***066.45	CO.SANITATION DIST.NO 14 DEBT S.	0.000000000	0.0000 %	0.005975437	0.000000000	0.000000000	0.003008634
TOTAL:		1.000000000	100.0000 %		0.005975437	-0.003008634	1.000000000

DISTRICT 14 TRUNK A TRUNK SEWER REHABILITATION



**CITY OF
LANCASTER**
CSD NO. 14

 PROJECT ROUTE



TO: BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 14 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. 7(a)

FOR BOARD MEETING June 13, 2024

BIDS were received at the District Office on May 7, 2024

FOR DISTRICT 14 TRUNK A SEWER REHABILITATION

No. of Bids Received: 3

<u>BIDDER</u>	<u>TOTAL BID</u>
Insituform Technologies, LLC	<u>\$5,532,278.00</u>
SAK Construction, LLC	<u>\$5,890,380.00</u>
Spiniello Infrastructure West, Inc.	<u>\$6,885,200.00</u>

RECOMMENDATION:

Award contract to Insituform Technologies, LLC, low bidder, in the amount of approximately \$5,532,278.00.

Engineer's Estimate: \$6,000,000.00



Robert C. Ferrante
Chief Engineer and
General Manager



**LOS ANGELES COUNTY
SANITATION DISTRICTS**
Converting Waste Into Resources

Robert C. Ferrante
Chief Engineer and General Manager

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
(562) 699-7411 • www.lacsd.org

May 13, 2024

Boards of Directors
Los Angeles County Sanitation Districts

Directors:

Investment Policy

The agenda for upcoming meetings of the Boards of Directors contains an item regarding proposed revisions to the Districts' Investment Policy (Policy). The Policy establishes the practices under which the Districts invest reserves until such time as they are needed to meet expenses and identifies what types of investments are allowable. The current Policy already allows for investment with the County's Pooled Surplus Investment Fund; however, a narrow change is being proposed to allow investment in shared investment pools comprised of other California public agencies. This proposed change will allow investment in the broader class of all such investment pools and would allow the Districts to diversify their investments into investment pools such as the California Asset Management Program (CAMP) and California Cooperative Liquid Assets Securities System (CLASS). In May, these revisions were unanimously endorsed by the Personnel Committee, comprised of the Chairs of all of the active Districts.

The proposed Policy will be presented to each Board for adoption over the next several months. If approved, the new Policy will take effect after adoption by all of the Boards.

Very truly yours,

Robert C. Ferrante

RCF:JLF



**LOS ANGELES COUNTY
SANITATION DISTRICTS**
Converting Waste Into Resources

Robert C. Ferrante

Chief Engineer and General Manager

1955 Workman Mill Road, Whittier, CA 90601-1400

Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998

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INVESTMENT POLICY

Proposed 2024 Revisions

For Clarity, Only Substantive Changes Shown; Formatting and other Minor Edits Not Shown

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Investment Policy

SECTION 1. POLICY STATEMENT

This Investment Policy of the Los Angeles County Sanitation Districts (each, a “District” and, collectively, the “Districts”) provides for the prudent investment of the Districts’ funds and the effective management of investment activities. This Policy covers all investment activities directly controlled by each District.

SECTION 2. TREASURER; ADMINISTRATION

- 2.1 The District’s Chief Engineer and General Manager is hereby appointed Treasurer of each District and is trustee of the Districts’ funds.
- 2.2 The Treasurer, or his or her designee, is hereby authorized to implement this Policy, and to manage, deposit, and invest Districts’ funds in accordance with this Policy and all provisions of law.
- 2.3 The Treasurer shall report to the Boards of Directors in accordance with the requirements of law and this Investment Policy.

SECTION 3. TRUSTEE’S DUTIES AND OBJECTIVES

The District and the Treasurer are trustees of the public funds of the District and shall implement this Policy using the Prudent Investor Standard and the priority of investment objectives below.

3.1 Prudent Investor Standard

The prudent investor standard is set forth in California Government Code Section 53600.3, which provides:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

3.2 Investment Objectives

1. The Districts’ priority of investment objectives is set forth in Government Code Section 53600.5, which provides:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.”

2. The Treasurer shall pursue these objectives as follows:
 - a. *Safety of Principal:* In safeguarding the principal of District funds the District Treasurer shall evaluate or cause to have evaluated each potential investment, seeking both quality in issuer and in underlying security or collateral, and shall diversify the portfolio to reduce exposure to loss.
 - b. *Liquidity:* In order to meet the Districts' liquidity needs, investments must be made so that maturity dates are compatible with cash flow requirements and, when required, permit easy and rapid conversion into cash.
 - c. *Return on Investments:* Investments will be undertaken to produce a market rate of return after first considering safety of principal and liquidity.

SECTION 4. INVESTMENT INSTRUMENTS ALLOWED

The Districts' funds may be invested in the following investment instruments:

4.1 Los Angeles County Pooled Surplus Investment Fund (PSIF)

The PSIF is a pooled investment fund created under Government Code Section 27000 et seq. and is administered by the Los Angeles County Treasurer and Tax Collector. PSIF is a voluntary government investment pool that allows local agencies to participate in a major portfolio using the investment expertise of the Los Angeles County Treasurer's investment staff. Investments in PSIF typically consist of those funds required to cover the District's operating needs.

4.2 State of California Local Agency Investment Fund (LAIF)

LAIF is a pooled investment fund created under Government Code Section 16429.1 et seq. and is administered by the California State Treasurer. LAIF is a voluntary government investment pool that allows local agencies to participate in a major portfolio using the investment expertise of the State Treasurer's Office investment staff.

4.3 United States Treasury Bills, Notes, Bonds, Certificates of Indebtedness

Treasury bills, notes, bonds, and certificates of indebtedness are fixed-income investments issued by the U.S. Treasury Department for which the faith and credit of the United States are pledged for the payment of principal and interest.

4.4 United States Government-Sponsored Enterprises (GSE)

GSEs consist of privately held corporations with public purposes created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy. Members of these sectors include students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government.

4.5 State Obligations

Registered state warrants or treasury notes or bonds of any of the 50 U.S. states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by any state or by a department, board, agency, or authority of any state.

4.6 California Local Agency Obligations

Bonds, notes, warrants, or other evidences of indebtedness of a local agency within the state of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

4.7 California Local Agency Investment Pools

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations as described in Government Code Section 53601 subdivision (p).

4.74.8 Medium-Term Notes

Medium-term notes are all corporate and depository institution debt securities with a maximum original maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. To be eligible as a District investment, medium-term notes must be rated "A" or its equivalent or better by S&P Global Ratings, Moody's Investor Services, Inc., or Fitch Ratings, Inc.

4.84.9 Deposits held at Nationally- or State-chartered Banks, or State or Federal Savings and Loan Associations

Banking or savings and loan institutions holding demand deposits for the District must meet the definitions provided in California Financial Code section 5102 and must have a rating of "A" or better on its long-term debt by S&P Global Ratings, Moody's Investor Services, Inc., or Fitch Ratings, Inc. Demand deposits must be fully collateralized in accordance with California Government Code Section 53652.

4.94.10 Shares of beneficial interest in funds investing in U.S. dollar-denominated money market securities (Money Market Funds)

Money Market Funds in which the District invests must be registered with the Securities and Exchange Commission under the Investment Company Act of 1940, and have achieved the highest letter ranking by two of the following: S&P Global Ratings, Moody's Investor Services, Inc., or Fitch Ratings, Inc.

SECTION 5. INVESTMENT LIMITS AND ALLOCATION

5.1 The Treasurer shall continuously evaluate market conditions economic data, interest rate trends and forecasts, and the Districts' cash flow requirements. When appropriate, the Treasurer shall obtain quotations from brokers, dealers, banks, savings and loan institutions and the Los Angeles County Treasurer's Office. Investments in the PSIF and LAIF will be monitored continually. All of these factors must be considered, among other things, in determining where, in what denomination and for what maturity investments are made.

5.2 The following limits shall apply to each District's invested funds:

1. No more than 60% of any District's funds may be invested in any one GSE.
 2. The total of the medium-term notes may not exceed 30% of any District's funds, with no more than 10% in aggregate in medium-term notes rated A.
 3. No more than 10% of any District's funds may be invested in the securities of any single corporate entity or depository institution rated AA or greater and no more than 2% of any District's funds may be invested in the securities of any single corporate entity or depository institution rated A.
 4. No more than 20% of any District's funds may be invested in Money Market Funds, and no more than 10% of any District's funds may be invested in any single Money Market Fund.
- 5.3 The percentage limitations in Section 5.2 will apply at the time the investment is made. For purposes of calculating these percentages, District funds include all cash and investments of a District as reflected in each District's most recent books of account.
- 5.4 Any investments owned by any District that have been downgraded to a rating below A shall be considered to be rated A for the purposes of calculating percentage limits as prescribed in Section 5.2.

SECTION 6. MAXIMUM MATURITIES

The Treasurer shall match investments with anticipated cash flow requirements and will not invest in securities with a remaining maturity of more than five years unless approved by the Board of Directors, either specifically or as a part of an investment program, at least three months prior to purchase.

SECTION 7. PURCHASING ENTITIES

- 7.1 As required by Government Code Section 53601.5, investments not purchased directly from the issuer or not purchased using pooled funds in PSIF or LAIF must be purchased from or through:
1. An institution licensed by the State of California as broker/dealer, as defined in Section 25004 of the Corporations Code;
 2. A member of a federally regulated securities exchange;
 3. A national or state-chartered bank;
 4. A savings association or a federal association; or
 5. A brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

SECTION 8. INVESTMENT SAFEKEEPING

To ensure a high degree of internal safety, all certificates or other evidence of securities or other investments purchased by or for the Districts will be held for safekeeping as required by law. The Treasurer may require any securities to be held by an entity other than the selling party of the security. Any specific investments must be held for safekeeping by a third-party custodian designated by the Treasurer and must be segregated from and not commingled with the funds of other investors or the County.

SECTION 9. REPORTING REQUIREMENTS

In accordance with Government Code Section 53646, the Treasurer shall prepare and submit a quarterly report to the Boards of Directors. The quarterly report must comply with applicable law and include the security type, issuer, investment yield, date of maturity, par value, amount invested, current market value and source of this valuation. Any investments in PSIF or LAIF will be included with a summary of that pool's most recent investment statement.

SECTION 10. INTERNAL CONTROL

In addition to the certified public accountant's yearly independent audit of the Districts, the Treasurer will cause the Districts' Internal Auditor to conduct semi-annual audits of the investment portfolio to ensure compliance with this Investment Policy and related procedures.

SECTION 11. ETHICS AND CONFLICTS OF INTEREST

Officers and employees of the Districts involved in the investment process are prohibited from personal business activities that could conflict with proper execution of the Districts' investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials must disclose to the Treasurer any material financial interests in financial institutions, broker dealers and vendors that conduct business with the Districts and must disclose any larger financial/investment positions which could relate in a conflicting manner to the performance of the Districts' investment portfolio by filing Form 700 annually.

SECTION 12. INVESTMENT POLICY ADOPTION

This Policy will be reviewed on an annual basis and any modifications must be approved by all of the Districts' Boards of Directors. Prior to that review, the matter will be referred to the Personnel Committee (comprised of the Chairpersons of the Board of Directors of each active District) for its consideration. This Policy will become effective after approval by all of the Districts Boards and supersedes the Investment Policy for each individual District.

Adopted by all Boards _____ 2024



May 30, 2024

Boards of Directors
Los Angeles County Sanitation Districts

Dear Directors:

Wastewater Budget Matters for Fiscal Year 2024-25

The agendas for the upcoming meetings of the Boards of Directors contain items relating to wastewater budget matters for fiscal year 2024-25. These items include establishing the appropriations limit on the proceeds of taxes; adopting the sewerage system final budget; requesting the tax levy; authorizing appropriations per the sewerage system budget; and, for certain Districts, actions related to the previously filed Service Charge Report.

APPROPRIATIONS LIMIT

The Constitution of the State of California places a limit on the authorization to expend the proceeds of taxes levied by state and local governments in California. In addition, the Government Code requires the governing body for each local jurisdiction to establish, by resolution, the appropriations limit for each fiscal year. The appropriations limit for fiscal year 2024-25 has been determined by adjusting the previous limit for fiscal year 2023-24 based upon population change factors for Los Angeles County and the change in the California Personal Per Capita Income. The appropriations limit has also been adjusted to include the increased operation and maintenance and capital costs of treatment processes and facilities needed to comply with state and federal requirements. All of this is in accordance with the procedures outlined in *Article XIII B* of the Constitution and *Section 7910* of the Government Code. The proposed appropriations limit and anticipated tax revenue are enclosed. This information has been available to the public at the Districts' Joint Administration Office in conformance with the requirement that the documentation used in the determination of the appropriations limit be available fifteen (15) days prior to its establishment by the Board of Directors. This item does not apply to the Newhall Ranch Sanitation District since this District does not receive ad valorem taxes.

FINAL BUDGET FOR FISCAL YEAR 2024-25

Enclosed for your review are the proposed final fiscal year 2024-25 budgets for the District and the Joint Outfall System (JOS), if applicable. Budgets include a list of proposed capital projects (if any) along with descriptions of the projects; a list of user fees; information on the monies set aside in various funds/reserves; and an explanation of terms used in the budget. The JOS budget will only be adopted by District No. 2, the administrative District for the JOS. Joint Administration and Joint Outfall costs are allocated to each District according to the ratio of the number of sewage units in a District to the total number of sewage units in all the Districts signatory to each agreement. A sewage unit represents the average daily sewage flow and strength (measured in terms of chemical oxygen demand and suspended

solids) from a single-family home. This method of allocating costs considers flow as well as the strength of sewage from all types of users and is the most equitable way to distribute joint costs.

SERVICE CHARGE REPORT

District Nos. 4, 9, 17, 20, and 28 will also have an item regarding the Service Charge Report previously filed with the District Clerk. Adoption of the Service Charge Report is required each year to collect the wastewater service charge on the property tax roll for residential, commercial, and small industrial dischargers. This is the most cost-effective and efficient means of collecting the service charges.

Prior to considering adoption of the Service Charge Report, the Board must hold a public hearing. The date, time, and location of the public hearing is listed on the agenda. Notice of the public hearing is published twice in newspapers of general circulation within the District. Public testimony will be accepted at the public hearing and all written comments must be received at or by this time. After all public input has been received by the Board, the public hearing will be closed, and the Board will consider adoption of the Service Charge Report. A copy of the Service Charge Report is attached to the agenda for District Nos. 4, 9, 17, 20, and 28 only.

SUMMARY OF REQUIRED ACTIONS

At the June Board meetings, it will be recommended that the Boards of Directors adopt a resolution establishing the appropriations limit on the proceeds of taxes; adopt the final budget for fiscal year 2024-25; adopt a resolution requesting the tax levy; authorize appropriations in the sewerage system budget; and adopt the Service Charge Report (District Nos. 4, 9, 17, 20, and 28 only), all as shown on the agenda.

Very truly yours,



Robert C. Ferrante

RCF:gc

Enclosures

**County Sanitation District No. 14 of Los Angeles County
Final Operating Fund Budget (\$ in thousands)
Fiscal Year 2024-25**

	Adopted 2023-24 ⁽¹⁾	Proposed 2024-25 ⁽¹⁾
<u>Starting Balance</u>	\$ 34,942	\$ 23,975
 <u>Sources of Funds</u>		
Service Charge	\$ 34,142	\$ 33,788
Industrial Waste Charges	2,745	2,156
Contract Revenue	1,235	1,242
Agricultural and Recycled Water Sales	492	603
Total Operating Revenue	38,615	37,789
 Ad Valorem Tax Revenue	 2,285	 2,723
Interest	874	599
Total Non-Operating Revenue	3,159	3,323
 Transfers from Designated Funds	 1,138	 20,650
Transfers from Restricted Funds	919	1,674
Total Transfers In	2,056	22,324
 Total Sources of Funds	\$ 43,830	\$ 63,435
 <u>Use of Funds</u>		
Joint Administration Operations	\$ 4,348	\$ 4,467
Sewer System Operations	690	893
Treatment Plant Operations	14,888	17,138
Other Operational Expenditures	125	326
Operations and Maintenance Expense	20,052	22,825
 Joint Administration Capital	 628	 544
Sewer System Capital	4,400	10,640
Treatment Plant Capital	6,800	4,702
Capital Expense	11,828	15,886
 Bond Repayment	 16,282	 16,731
Debt Service	16,282	16,731
 Total Use of Funds	\$ 48,161	\$ 55,442
 <u>Ending Balance</u>	\$ 30,611	\$ 31,969

(1) The Adopted FY 23-24 Budget is presented as adopted by the Board in 2023. The ending balance reflects the estimate at that time, and therefore may not match the current estimated starting balance for the Proposed FY 24-25 Budget.

**County Sanitation District No. 14 of Los Angeles County
Capital Project Wastewater Budget (\$ in thousands)**

Project Name	Description	FY24-25 Budget	Estimated Completion	Total Budget ⁽¹⁾
Avenue H Trunk Sewer Rehabilitation	Rehabilitation of corroded sewer	4,310	06-30-2025	5,400
District 14 Trunk A Sewer Rehabilitation	Rehabilitation of corroded sewer	2,350	06-30-2026	4,800
Trunk C Relief	Construction of new relief sewer	2,100	12-31-2027	4,200
Trunk E Sewer Rehabilitation	Rehabilitation of corroded sewer	1,880	06-30-2025	2,100
	Sewer System Total	<u>10,640</u>		
Lancaster WRP Power Distribution System Modifications	Electrical and instrumentation infrastructure improvements	2,637	06-30-2025	8,600
Lancaster WRP Maintenance Building	Infrastructure improvements	1,150	12-31-2024	1,200
Lancaster WRP Dewatering Facilities Upgrades (Volute Press Equipment Phase II)	Improvements to solids processing facilities	365	12-31-2024	1,500
Lancaster WRP Laboratory	Laboratory upgrade	350	06-30-2026	350
Lancaster WRP Dechlorination Facility Relocation	Process infrastructure improvements	100	06-30-2026	600
Lancaster WRP Miscellaneous Maintenance and E&I Capital Projects	Infrastructure improvements	<u>100</u>	12-31-2032	2,640
	Treatment Plants Total	<u>4,702</u>		
	Total Capital Projects	<u><u>15,342</u></u>		

(1) Includes past, present, and future amounts.

**County Sanitation District No. 14 of Los Angeles County
Reserve Funds Proposed Budget (\$ in thousands)
Fiscal Year 2024-25**

	Unrestricted	Designated				Restricted	Total
	Operating	Emergency	O&M Financial Stability	Capital Projects Financial Stability	Rate Stabilization	Capital Improvement	
Starting Balance	\$ 23,975	496	43,035	5,659	8,400	81	81,646
Operating Revenue	37,789	-	-	-	-	-	37,789
Non-Operating Revenue	3,323	12	1,076	141	210	2	4,765
Capital Revenue	-	-	-	-	-	1,591	1,591
Transfers In	22,324	1	-	-	-	-	22,325
Operations and Maintenance Expense	22,825	-	-	-	-	-	22,825
Capital Expense	15,886	-	-	-	-	-	15,886
Debt Service	16,731	-	-	-	-	-	16,731
Transfers Out	-	-	15,678	4,972	-	1,674	22,325
Ending Balance	31,969	509	28,432	828	8,610	-	70,349

**County Sanitation District No. 14 of Los Angeles County
Wastewater Budget Rate and Other Information Summary
Fiscal Year 2024-25**

	<u>Adopted 2023-24</u>	<u>Proposed 2024-25</u>
<u>Service Charge Rate (\$ per Sewage Unit)</u>	487.88	487.88
 <u>Industrial Waste (Surcharge) Rates</u>		
Flow (\$ per MGY)	3,232.00	3,232.00
COD (\$ per 1000 lbs)	363.80	363.80
SS (\$ per 1000 lbs)	878.20	878.20
Peak Flow (\$ per gpm)	621.60	621.60
Short Form Rate (\$ per million gallon per year)	7,190.00	7,190.00
Liquid Waste Disposal (\$ per 100 gallon)	13.70	13.70
 <u>Total Connection Fee Rate (\$ per Capacity Unit)</u>	 3,175.52	 3,175.52
 <u>Projected Sewage Units</u>		
Residential/Commercial	69,981	69,254
Industrial Waste	2,528	2,086
Industrial Waste Contract	69	69
Contract In	85	85
Total Served Sewage Units	<u>72,662</u>	<u>71,493</u>

Sanitation Districts of Los Angeles County

Wastewater Budget Explanation and Glossary of Terms

Fiscal Year 2024-25

INTRODUCTION

The budget package for each District consists of the following sections: Note that some sections may not apply for certain Districts.

- **Operating Fund Wastewater Budget:** Details of the sources and uses of funds for the Operating Fund, which is the only Unrestricted Reserve fund as described in the District’s wastewater reserve policy. The budget for the upcoming fiscal year is compared to the final adopted budget for the current fiscal year.
- **Proposed Capital Projects:** Shows major capital projects budgeted expenditures for the fiscal year. Note this section may be omitted from the preliminary budget package or if a District has no major capital projects.
- **Designated and Restricted Reserve Budget:** Provides beginning and ending balances of each category of reserves along with major inflows to and outflows from that reserve.
- **Rate and Other Information Summary:** Shows current and budgeted rates for the various user fees; summary of projected sewage units; and other metrics.

TERMS USED IN THE BUDGET

Below are explanations of budget line items and other terms used in the budgets. *Note that some terms may not apply for certain Districts.*

Ad Valorem Taxes Revenue	The District’s share of Ad Valorem (property) taxes paid by property owners in the District.
Agricultural and Recycled Water Sales Revenue	Sales of reclaimed water.
Bond Proceeds	Funds received from the issuance of bonds.
Bond Repayment	Interest and principal payments toward bond debt.
Capital Payments by Districts	Payments received by Joint Outfall System Districts to be used toward Joint Outfall system’s capital expenditures.
Composting Facility Capital Expenditures	Capital expenditures related to upgrade, repair, or expansion of composting facilities.
Composting Facility Operations and Maintenance Expenditures	Expenditures related to operating and maintaining composting facilities.
Contract Disposal Capital Expenditures	Capital expenditures related to conveyance and treatment of wastewater performed by another entity.

Contract Disposal Operations and Maintenance Expenditures	Expenditures related to the operation and maintenance for conveyance and treatment of wastewater performed by another entity.
Contract Revenue	Commodity and energy revenue; leases; and other similar sources of revenue.
District Sewer System Capital Expenditures	Capital expenditures related to rehabilitation or expansion of the District’s sewers and pumping plants.
District’s Sewer System Operations Expenditures	Expenditures related to operating and maintaining the District’s sewers and pumping plants.
Field Office Capital Expenditures	Capital expenditures related to upgrade, repair, or expansion of field offices.
Grant Revenue	Grant proceeds received toward capital projects, primarily state and/or federal grants.
Industrial Waste Revenue	Fees paid by large industrial users of the District’s wastewater system.
Interest Revenue	Interest generated by District’s Reserves.
Joint Administration Capital Expenditures	The District's share of Joint Capital Expenses minus Joint Capital Revenues.
Joint Administration Operations Expenditures	The District's share of Joint Administration Operating Expenditures less any operational or non-operational Joint Administration Revenues.
Joint Outfall Capital Expenditures	The District's share of the Joint Outfall system capital payment.
Joint Outfall Operations Expenditures	The District's share of Joint Outfall System Operating Expenditures less any operational or non-operational Joint Outfall System Revenues.
Loan Proceeds	Funds received from loans taken out to finance capital projects, primarily State Revolving Fund Clean Water Loans.
Loan Repayment	Interest and principal payments toward loans, primarily State Revolving Fund Clean Water Loans.
Operating Fund Ending Balance	Projected balance in the Operating Fund as of June 30 at the end of the fiscal year shown.
Operating Fund Starting Balance	Projected cash balance in the Operating Fund as of July 1 at the beginning of the fiscal year shown.

Operating Payments by Districts	Payments received by Joint Outfall System Districts to be used for Joint Outfall system’s net operating expenditures.
Other Capital Expenditures	Capital expenditures not related to District’s sewers, treatment plants, composing facilities, field offices, or contract disposal.
Other Operational Expenditures	The District’s operational expenditures that are not directly related to the District’s facilities, such as insurance, annexations, and certain regulatory work.
Service Charge Revenue	Fees paid by residential, commercial, and small industrial users of the District’s wastewater system. These fees are generally collected on the property tax bill as a separate line item.
Total Served Sewage Units	Total number of Sewage Units (single family home equivalent dischargers) that are served by treatment plants owned by the Districts.
Transfers from Designated Funds	Funds transferred from Designated Funds when projected operating reserve balance is below target; these funds are to be used toward operating expenditures.
Transfers from Districts	Payments received from Joint Outfall System Districts to fund the Joint Outfall reserves per June 1, 2022, Joint Outfall Agreement.
Transfers from Restricted Funds	Funds transferred from Restricted Funds to be used toward capital expenditures.
Transfers to Designated Reserves	Surplus funds at the end of the fiscal year not required for operating or cash-flow purposes that are transferred to designated reserves. Designated reserves are primarily used to help stabilize future rates and to set aside funds for future capital projects.
Transfers to Joint Outfall System	Individual District’s contribution to the Joint Outfall System reserves per June 1, 2022, Joint Outfall Agreement.
Treatment Plant Capital Expenditures	Capital expenditures related to upgrade, repair, or expansion of treatment plants.
Treatment Plant Operations Expenditures	Expenditures related to operating and maintaining treatment plants.

SUMMARY OF FISCAL YEAR 2024-25 APPROPRIATIONS LIMIT AND TAX LEVY

DISTRICT NUMBER	2023-24 APPROX. LMT. EXCLUDING MANDATED COSTS	POPULATION CHANGE FACTOR	¹ APPROX. LMT. CHANGE FACTOR	2024-25 APPROX. LMT. EXCLUDING MANDATED COSTS	2024-25 MANDATED COSTS	2024-25 APPROX. LMT. INCLUDING MANDATED COSTS	ESTIMATED AD VALOREM TAX REVENUES
1	\$ 22,294,667	1.0005	1.0367	\$ 23,113,285	\$ 3,256,752	\$ 26,370,037	\$ 5,454,000
2	38,365,485	1.0005	1.0367	39,774,193	4,780,313	44,554,506	10,256,000
3	27,232,398	1.0005	1.0367	28,232,320	4,020,404	32,252,724	8,034,000
4	3,564,885	1.0005	1.0367	3,695,781	-	3,695,781	1,024,000
5	56,404,873	1.0005	1.0367	58,475,953	5,817,233	64,293,186	17,572,000
8	10,588,922	1.0005	1.0367	10,977,727	1,317,674	12,295,401	3,192,000
9	1,356,871	1.0005	1.0367	1,406,693	-	1,406,693	142,000
14	63,380,443	1.0005	1.0367	65,707,652	16,579,322	82,286,974	2,723,000
15	22,407,081	1.0005	1.0367	23,229,826	4,196,343	27,426,169	11,342,000
16	15,810,387	1.0056	1.0420	16,475,099	2,493,100	18,968,199	8,064,000
17	2,174,717	1.0005	1.0367	2,254,568	333,162	2,587,730	901,000
18	16,859,440	1.0005	1.0367	17,478,487	2,676,526	20,155,013	6,372,000
19	6,598,723	1.0005	1.0367	6,841,016	853,494	7,694,510	2,145,000
20	50,914,574	1.0005	1.0367	52,784,060	14,958,511	67,742,571	2,206,000
21	64,367,402	1.0017	1.0380	66,811,457	3,402,744	70,214,201	6,998,000
22	15,063,593	1.0023	1.0385	15,644,149	2,830,005	18,474,154	6,462,000
23	7,513,744	1.0005	1.0367	7,789,634	74,868	7,864,502	651,000
27	1,132,414	1.0005	1.0367	1,173,994	-	1,173,994	505,000
28	1,278,264	1.0005	1.0367	1,325,199	108,558	1,433,757	948,000
29	1,060,052	1.0005	1.0367	1,098,975	127,275	1,226,250	210,000
SBC	29,587,691	1.0005	1.0367	30,674,095	1,145,478	31,819,573	7,925,000
SCV	27,499,173	1.0005	1.0367	28,508,890	5,170,272	33,679,162	9,752,000
34						² N/A	
NR						² N/A	

¹ This column represents the net change resulting from the percent change in population and the percent change in Per Capital Income of 3.62%.

² This District is not subject to an appropriations limit as it does not receive any proceeds of taxes.