

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 20

To be held at the ANTELOPE VALLEY TRANSIT AUTHORITY  
42210 6<sup>th</sup> 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
PALMDALE	BISHOP (Chairperson)	LOA
PALMDALE	BETTENCOURT	LOA
LOS ANGELES COUNTY	HORVATH	BARGER

1. Public Comment
2. Approve Minutes of Regular Meeting Held April 11, 2024
3. Approve February and March 2024 Expenses in Amount of \$3,030,997

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](http://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	\$2,452,282
Capital	109,916
Legal	69
Allocated Expenses:	
Joint Administration	212,091
Technical Support	249,666
Legal	6,973
Total Expenses	<u>\$3,030,997</u>

4. Adopt Joint Resolution Approving and Accepting Negotiated Exchange of Property Tax Revenues Resulting from Annexation 40-157 (34-46) Local Agency Formation Commission Designation 2023-01 to Los Angeles County Waterworks District No. 40, Antelope Valley (Waterworks District) Affecting County of Los Angeles, Antelope Valley Cemetery District, Antelope Valley Mosquito and Vector Control District, Antelope Valley Resource Conservation District, City of Palmdale, Antelope Valley-East Kern Water Agency, and County Sanitation District No. 20

Summary: The Waterworks District is proposing to annex territory located within the District’s service area. The Revenue and Taxation Code requires that the District and other agencies that are already providing service to the territory, and are receiving property tax revenue, adopt a joint resolution approving the amount of property tax revenue to be apportioned to the agency providing the new service. The apportionment is determined by the Los Angeles County Auditor-Controller. A map provided by the Los Angeles County Department of Public Works showing the proposed annexation is attached. Staff has determined that adoption of the joint resolution does 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.

5. Authorize Issuance of Purchase Orders as Follows:
  - (a) To Mackone Development, Inc., in Amount of Approximately \$165,814 for Installation of 100kW Electric Vehicle (EV) Charging Station at Palmdale Water Reclamation Plant (WRP)

Summary: In support of the Districts’ goal to reduce greenhouse emissions, fleet vehicles are being replaced with zero-emission plug-in EVs. EV chargers are required to support the EV operation. Currently, Palmdale WRP does not have any EV fast charging stations. Staff recommends to install a new charging station at the facility. The charger is a dual port charger allowing two vehicles to charge simultaneously at up to 50kW each. The EV chargers will be used to support EVs assigned to onsite personnel and any Districts’ staff visiting the Palmdale WRP. The EV charger chosen is also capable of charging the larger batteries on the light-, and medium-duty EV trucks that will likely become more

## 5. Contd.

prevalent at the WRP facilities in coming years. Pursuant to authority previously granted by the Board, the Project will be completed utilizing the Job Order Contracting program which relies on pre-established, competitively-bid construction tasks that will accelerate project delivery and reduce administration and design costs. This item is consistent with the Districts' Guiding Principle of commitment to continual improvement.

- (b) To Xylem Water Solutions USA, Inc., in Amount of Approximately \$180,500 for Two Replacement Pumps for Influent Pump Station (IPS) at Palmdale Water Reclamation Plant (WRP)

Summary: The IPS is a critical system that lifts raw sewage up from the sewers and into process tanks for treatment. Two of the five existing pumps in the IPS are obsolete, have exceeded their service life, and have frequent problems with clogging and ragging. Staff recommends the purchase of these proposed replacement pumps, which are uniquely designed to be non-clogging and non-ragging and have proven to be reliable at other WRPs and Districts' sewage pumping plants. 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).

- (c) To ADS Corp. (ADS) in Amount of Approximately \$415,052 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 overwhelming the Palmdale Water Reclamation Plant. 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 20 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 21 locations throughout its 49-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).

6. 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.

7. 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

## 7. Contd.

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.

## 8. Re: Wastewater Revenue Program

- (a) Hold Public Hearing on Service Charge Report
- (b) Adopt Service Charge Report

Summary: Holding a public hearing and then adopting the Service Charge Report is required each year to collect the wastewater service charge on the property tax roll. The current service charge rate per single-family home is \$51.88 per month (\$622.52 per year) and no increase is planned for fiscal year 2024-25, as directed by the Board at the March 21, 2024, Board meeting. A letter discussing this matter, together with the Service Charge Report, the final budget and a budget explanation and glossary, 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.

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

- (a) Establish by Resolution Appropriations Limit of \$67,742,571 as Required by California Government Code Section 7910
- (b) Adopt Operating Budget
- (c) Adopt Resolution Requesting Tax Levy of \$2,206,000
- (d) Authorize Appropriations per Budget

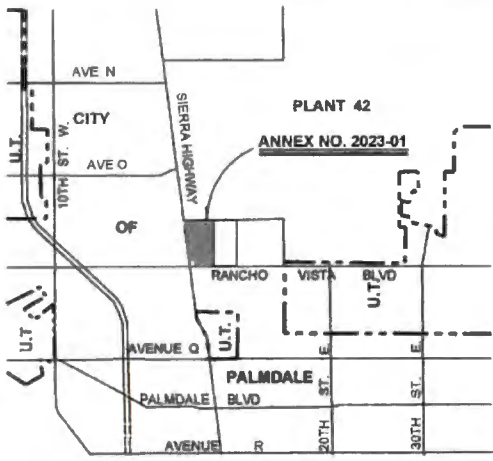
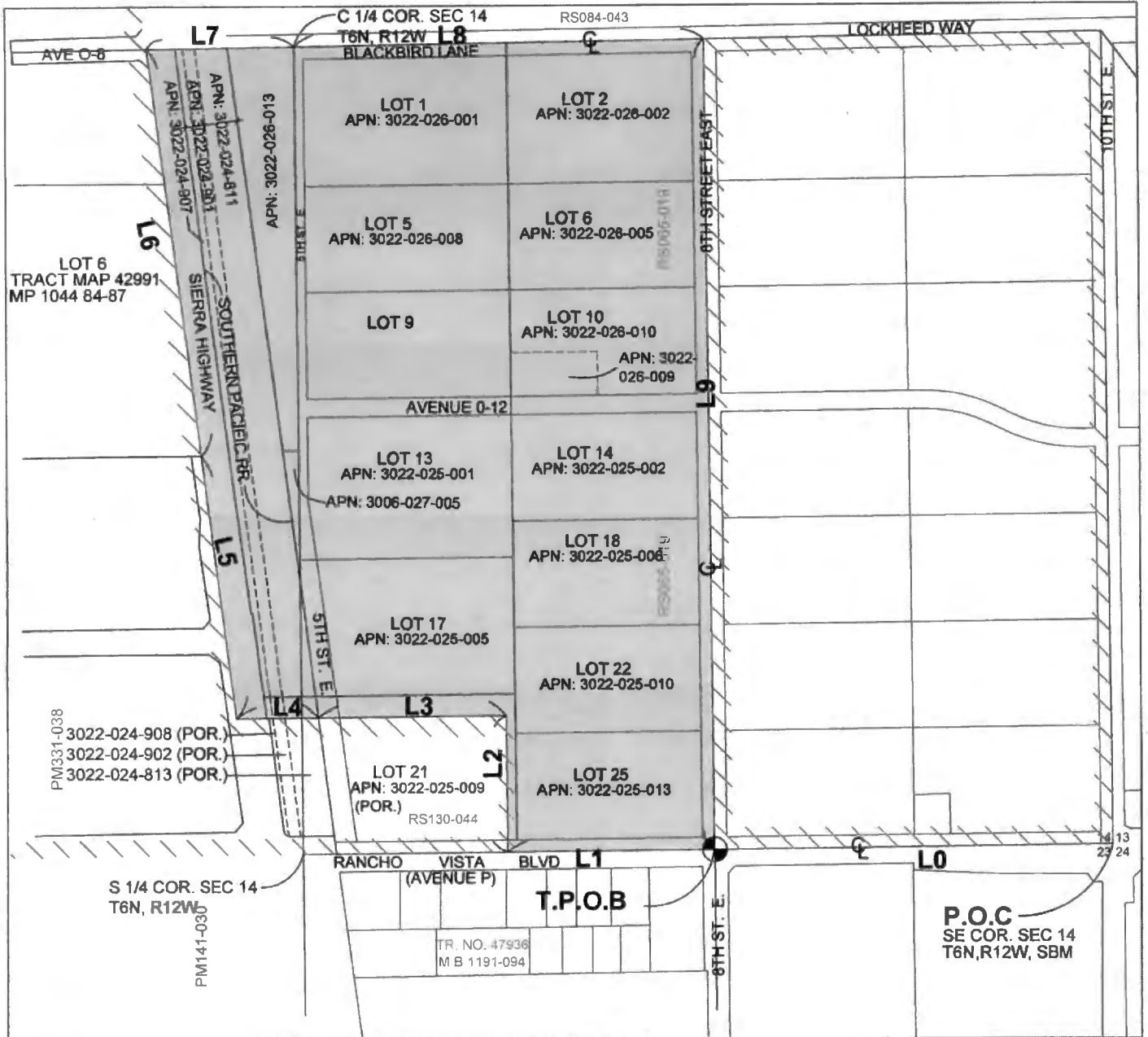
Summary: A letter discussing fiscal year 2024-25 budget matters accompanies the agenda. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to plan for both short-term and long-term needs to minimize the need for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

## 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.



**VICINITY MAP**  
 NO SCALE

Annexation No. 2023-01 shown thus

Boundary of County Waterworks District No 40 prior to Annexation 2023-01 shown thus

City Boundary

Area of Annexation Containing 93.85 AC.



**COURSE DATA**

L0	S89°22'45"W	1320.38'
L1	S89°22'45"W	685.00'
L2	N00°32'00"W	448.99'
L3	S89°22'45"W	620.92'
L4	S89°22'45"W	269.92'
L5	N07°28'05"W	874.20'
L6	N07°28'05"W	1353.34'
L7	N89°08'48"E	486.94'
L8	N89°08'48"E	1357.81'
L9	S00°32'00"E	2668.10'

Approved by LAFCO

Taylor Morris **EXHIBIT "B"**

**ANNEXATION NO. 2023-01**  
 TO  
 LOS ANGELES COUNTY  
 WATERWORKS DISTRICT NO. 40  
 ANTELOPE VALLEY

**JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, ACTING ON BEHALF OF THE COUNTY AND OTHER COUNTY ENTITIES, THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY CEMETERY DISTRICT, THE BOARD OF TRUSTEES OF THE ANTELOPE VALLEY MOSQUITO AND VECTOR CONTROL DISTRICT, THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY, THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY RESOURCE CONSERVATION DISTRICT, THE CITY COUNCIL OF THE CITY OF PALMDALE, AND THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY-EAST KERN WATER AGENCY APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF PROPERTY DESIGNATED AS ANNEXATION 40-157 (34-46), LOCAL AGENCY FORMATION COMMISSION DESIGNATION 2023-01, TO THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY**

WHEREAS, pursuant to Section 99.01 of the Revenue and Taxation Code, in the case of any jurisdictional change that will result in a special district providing one or more services to an area where those services have not previously been provided by any local agency, the special district and each local agency that receives an apportionment of property tax revenue from the area may negotiate an exchange of property tax revenue generated in the area subject to the jurisdictional change and attributable to those local agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, acting as the governing body of the County of Los Angeles; the Los Angeles County Waterworks District No. 40, Antelope Valley; and the Consolidated Fire Protection District of Los Angeles County; together with the Board of Directors of the Antelope Valley Cemetery District, the Board of Trustees of the Antelope Valley Mosquito and Vector Control District, the Board of Directors of County Sanitation District No. 20 of Los Angeles County, the Board of Directors of the Antelope Valley Resource Conservation District, the City Council of the City of Palmdale, and the Board of Directors of the Antelope Valley-East Kern Water Agency have determined the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as Annexation 40-157 (34-46) to the Los Angeles County Waterworks District No. 40, Antelope Valley, is as set forth:

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NOW, THEREFORE, BE IT RESOLVED as follows:

1. The County of Los Angeles; the Los Angeles County Waterworks District No. 40, Antelope Valley; the Consolidated Fire Protection District of Los Angeles County; the Antelope Valley Cemetery District; the Antelope Valley Mosquito and Vector Control District; the County Sanitation District No. 20 of Los Angeles County; the Antelope Valley Resource Conservation District; the City of Palmdale; and the Antelope Valley-East Kern Water Agency have determined the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as Annexation 40-157 (34-46) is approved and accepted.
2. For fiscal years commencing on or after July 1, 2024, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within Annexation 40-157 (34-46) shall be allocated to the affected agencies as indicated in the enclosed worksheets (Exhibits C to F).
3. No transfer of property tax revenues other than those specified in paragraph 2 shall be made as a result of Annexation 40-157 (34-46).
4. If at any time after the effective date of this Joint 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.

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PASSED, APPROVED, AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Chairperson, Board of Directors  
County Sanitation District No. 20  
of Los Angeles County

ATTEST:

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Secretary

Approved by LAFCO

TM

Taylor Morris

**EXHIBIT "A"**  
**ANNEXATION NO. 2023-01**

**TO LOS ANGELES COUNTY WATERWORKS  
DISTRICT NO. 40, ANTELOPE VALLEY**

BEING DESCRIBED AS FOLLOWS:

THAT CERTAIN PARCEL OF LAND BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 6 NORTH, RANGE 12 WEST, S.B.M., AS SHOWN ON RECORD OF SURVEY MAP FILED IN BOOK 65, PAGE 19, OF RECORD OF SURVEY IN THE OFFICE OF THE RECORDER FOR SAID COUNTY, IN THE CITY OF PALMDALE, LOS ANGELES COUNTY, STATE OF CALIFORNIA, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE EXISTING WATERWORKS DISTRICT 40 BOUNDARY BEING THE CENTERLINE INTERSECTION OF 10TH STREET EAST AND RANCHO VISTA BOULEVARD (AVENUE P), AS SHOWN ON SAID RECORD OF SURVEY, BEING THE SOUTHEAST CORNER OF SAID SECTION 14 ;

THENCE, (L0) SOUTH 89°22'45" WEST ALONG THE WATERWORKS DISTRICT 40 BOUNDARY BEING THE SOUTHERLY LINE OF SAID SECTION, A DISTANCE OF 1320.38 FEET TO A POINT BEING ON THE SAID WATERWORKS DISTRICT BOUNDARY AND BEING THE CENTERLINE INTERSECTION OF 8TH STREET EAST AND RANCHO VISTA BOULEVARD BEING THE TRUE POINT OF BEGINNING;

THENCE, (L1) SOUTH 89°22'45" WEST ALONG THE SOUTHERLY LINE OF SAID SECTION, A DISTANCE OF 685 FEET MORE OR LESS TO A POINT ON THE EXISTING LOS ANGELES COUNTY WATERWORKS DISTRICT 40 BOUNDARY.

THENCE, (L2) NORTH 00°32'00" WEST ALONG SAID WATERWORKS DISTRICT 40 BOUNDARY BEING A LINE WEST OF AND PARALLEL TO THE EASTERLY LINE OF LOT 21 AS SHOWN ON SAID RECORD OF SURVEY A DISTANCE OF 448.99 FEET TO AN ANGLE POINT IN SAID WATERWORKS DISTRICT 40 BOUNDARY BEING A POINT ON A LINE PARALLEL AND 71 FEET MORE OR LESS SOUTH PERPENDICULAR TO THE NORTHERLY LINE OF LOT 21 OF SAID RECORD OF SURVEY ;

THENCE, (L3) SOUTH 89°22'45" WEST ALONG SAID WATERWORKS DISTRICT 40 BOUNDARY PARALLEL TO THE NORTHERLY LINE OF LOT 21 OF SAID RECORD OF SURVEY A DISTANCE OF 620.92 FEET MORE OR LESS TO A POINT ON THE WATERWORKS DISTRICT 40 BOUNDARY BEING THE WESTERLY RIGHT OF WAY OF 5TH STREET EAST AND THE EASTERLY RIGHT OF WAY OF THE SOUTHERN PACIFIC RAILROAD.

THENCE, (L4) CONTINUING SOUTH 89°22'45" WEST ALONG SAID WATERWORKS DISTRICT 40 BOUNDARY A DISTANCE OF 269.92 FEET MORE OR LESS TO AN ANGLE POINT IN SAID WATERWORKS DISTRICT 40 BOUNDARY BEING A POINT ON A LINE BEING THE PROLONGATION OF THE EASTERLY PROPERTY LINE OF LOT 6 TRACT MAP 42991 OF MAP BOOK 1044 PAGES 84-87 BEING 98.7 FEET MORE OR LESS WEST AND PARALLEL TO THE WESTERLY SOUTHERN PACIFIC RAILROAD RIGHT OF WAY.

THENCE, (L5) NORTH 07°28'05" WEST ALONG SAID WATERWORKS DISTRICT 40 BOUNDARY BEING THE EASTERLY PROPERTY LINE PROLONGATION OF SAID LOT 6 A DISTANCE OF 874.2 FEET TO A POINT ON WATERWORKS DISTRICT 40 BOUNDARY BEING THE SOUTH EASTERLY CORNER OF SAID LOT 6.

THENCE, (L6) NORTH 07°28'05" WEST ALONG SAID WATERWORKS DISTRICT 40 BOUNDARY BEING THE EASTERLY PROPERTY LINE OF SAID LOT 6 A DISTANCE OF 1353.34 FEET MORE OR LESS TO A POINT ON THE PROLONGATION OF SAID EASTERLY PROPERTY LINE BEING A POINT ON THE QUARTER SECTION LINE OF SECTION 14 BEING THE CENTERLINE OF AVENUE O-8

THENCE, (L7) NORTH 89°08'48" EAST ALONG THE PROLONGATION OF THE CENTER LINE OF AVENUE O-8 BEING THE QUARTER SECTION LINE OF SAID SECTION 14 A DISTANCE OF 486.94 FEET MORE OR LESS TO THE INTERSECTION OF 5TH STREET EAST AND BLACKBIRD LANE BEING THE CENTER QUARTER SECTION CORNER OF SAID SECTION 14.

THENCE, (L8) CONTINUING NORTH 89°08'48" EAST ALONG THE CENTERLINE OF BLACKBIRD LANE , BEING SAID CENTER SECTION LINE A DISTANCE OF 1357.81 FEET MORE OR LESS AS SHOWN ON SAID RECORD OF SURVEY TO A POINT THE WATERWORKS DISTRICT 40 BOUNDARY BEING THE CENTERLINE INTERSECTION OF BLACKBIRD LANE (LOCKHEED WAY) AND 8TH STREET EAST;

THENCE (L9) SOUTH 00°32'00" EAST ALONG SAID WATERWORKS DISTRICT 40 BOUNDARY BEING THE CENTERLINE OF 8TH STREET EAST, A DISTANCE OF 2668.10 FEET AS SHOWN ON SAID RECORD OF SURVEY TO A POINT ON THE WATERWORKS DISTRICT 40 BOUNDARY BEING THE TRUE POINT OF BEGINNING.

COMPRISING OF APPROXIMATELY 93.85 MORE OR LESS ACRES



PROPERTY TAX TRANSFER RESOLUTION WORKSHEET

Annexation To: **Waterworks District # 40 ANTELOPE VALLEY GENERAL FUND**  
 Account No. **047.04**  
 TRA: **07006**  
 Effective Date: **7/1/2024**  
 Annexation Number: **40-157**

**Waterworks District # 40 GENERAL FUND** **0.005013235**  
 Based on their 2023-24 Tax Sharing Ratios

Accnt No. Taxing Agency	(1) Current Tax Share	(2) = (1) / Total Percent	(3) Proposed Dist Share	(4) = (2) * (3) Alloc of Dist Share	(5) Allocation Adjustments	(6) = (1) + (5) New Net Share
1.05 LOS ANGELES COUNTY GENERAL	0.263327929	26.3328%	0.005013235	0.001320135	-0.001358875	0.261969054
<b>1.20 L.A. COUNTY ACCUM CAP OUTLAY</b>	<b>0.000118593</b>	<b>0.0119%</b>	<b>0.005013235</b>	<b>0.000000594</b>	<b>0.000000000</b>	<b>0.000118593</b>
7.30 CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.181152517	18.1153%	0.005013235	0.000908160	-0.000908160	0.180244357
<b>7.31 L A C FIRE-FFW</b>	<b>0.007609194</b>	<b>0.7609%</b>	<b>0.005013235</b>	<b>0.000038146</b>	<b>0.000000000</b>	<b>0.007609194</b>
53.30 ANTELOPE VY CEMETERY DISTRICT	0.000391743	0.0392%	0.005013235	0.000001963	-0.000001963	0.000389780
61.05 ANTELOPE VLY MOSQ & VECTOR CONTR	0.001789428	0.1789%	0.005013235	0.000008970	-0.000008970	0.001780458
66.75 CO SANIT DIST NO 20 OPERATING	0.020687440	2.0687%	0.005013235	0.000103710	-0.000103710	0.020583730
68.05 ANTELOPE VY RESOURCE CONSER DIST	0.000981904	0.0982%	0.005013235	0.000004922	-0.000004922	0.000976982
225.01 CITY-PALMDALE TD #1	0.066224006	6.6224%	0.005013235	0.000331996	-0.000331996	0.065892010
300.10 ANTELOPE VY.-EAST KERN WATER AGY	0.019906112	1.9906%	0.005013235	0.000099794	-0.000099794	0.019806318
400.00 EDUCATIONAL REV AUGMENTATION FD	0.062418023	6.2418%	0.005013235	0.000312916	Exempt	0.062418023
400.01 EDUCATIONAL AUG FD IMPOUND	0.128811163	12.8811%	0.005013235	0.000645760	Exempt	0.128811163
400.15 COUNTY SCHOOL SERVICES	0.001470870	0.1471%	0.005013235	0.000007373	Exempt	0.001470870
400.21 CHILDREN'S INSTIL TUITION FUND	0.002919149	0.2919%	0.005013235	0.000014634	Exempt	0.002919149
593.01 PALMDALE SCHOOL DISTRICT	0.052305694	5.2306%	0.005013235	0.000262220	Exempt	0.052305694
593.06 CO.SCH.SERV.FD.- PALMDALE	0.009284680	0.9285%	0.005013235	0.000046546	Exempt	0.009284680
593.07 DEV CTR HDCPD MINOR PALMDALE	0.000880635	0.0881%	0.005013235	0.000004414	Exempt	0.000880635
717.02 ANTELOPE VALLEY UNION HIGH SCH.	0.101517293	10.1517%	0.005013235	0.000508930	Exempt	0.101517293
717.06 CO.SCH.SERV.FD.- ANTELOPE VALLEY	0.000373030	0.0373%	0.005013235	0.000001870	Exempt	0.000373030
717.08 ANTELOPE VY.UN.HI.-K.P.S.-ELEM	0.049641960	4.9642%	0.005013235	0.000248866	Exempt	0.049641960
792.04 ANTELOPE VY.JT. COMMUNITY COLL.	0.028188637	2.8189%	0.005013235	0.000141316	Exempt	0.028188637
<b>047.04 Waterworks Dist # 40 ANTELOPE VALLEY</b>	<b>0.000000000</b>	<b>0.0000%</b>	<b>0.005013235</b>	<b>0.000000000</b>	<b>0.000000000</b>	<b>0.002818390</b>
<b>Total</b>	<b>1.000000000</b>	<b>100.0000%</b>		<b>0.005013235</b>	<b>-0.002818390</b>	<b>1.000000000</b>

- (1) Current share as reflected in the Auditor's ATI distribution in AF 49. Must total 1.000000000.
- (2) Must total 100%.
- (3) Weighted average waterworks district share as verified by Auditor.
- (4) Must total share reflected in Column (3). 3/3/16 - truncated by 9 places after the decimal per LACO Auditor-Controller.
- (5) Reflects exemption for school entities and County general fund obligation for debt service and FFW.
- (6) Final share distributions to be reflected in tax transfer resolution.

PROPERTY TAX TRANSFER RESOLUTION WORKSHEET

Annexation To: **Waterworks District # 40 ACO FUND**  
 Account No. **051.75**  
 TRA: **07006**  
 Effective Date: **7/1/2024**  
 Annexation Number: **40-157**

**Waterworks District # 40, ACO FUND** **0.004665271**  
 Based on their 2023-24 Tax Sharing Ratios

Accnt No. Taxing Agency	(1) Current Tax Share	(2) = (1) / Total Percent	(3) Proposed Dist Share	(4) = (2) * (3) Alloc of Dist Share	(5) Allocation Adjustments	(6) = (1) + (5) New Net Share
1.05 LOS ANGELES COUNTY GENERAL	0.263327929	26.3328%	0.004665271	0.001228474	-0.001264536	0.262063393
<b>1.20 L.A. COUNTY ACCUM CAP OUTLAY</b>	<b>0.000118593</b>	<b>0.0119%</b>	<b>0.004665271</b>	<b>0.000000553</b>	<b>0.000000000</b>	<b>0.000118593</b>
7.30 CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.181152517	18.1153%	0.004665271	0.000845136	-0.000845136	0.180307381
<b>7.31 L A C FIRE-FFW</b>	<b>0.007609194</b>	<b>0.7609%</b>	<b>0.004665271</b>	<b>0.000035509</b>	<b>-0.000035509</b>	<b>0.007573685</b>
53.30 ANTELOPE VY CEMETERY DISTRICT	0.000391743	<b>0.0392%</b>	<b>0.004665271</b>	<b>0.000001838</b>	<b>0.000000000</b>	<b>0.000391743</b>
61.05 ANTELOPE VLY MOSQ & VECTOR CONTR	0.001789428	0.1789%	0.004665271	0.000008348	-0.000008348	0.001781080
66.75 CO SANIT DIST NO 20 OPERATING	0.020687440	2.0687%	0.004665271	0.000096512	-0.000096512	0.020590928
68.05 ANTELOPE VY RESOURCE CONSER DIST	0.000981904	0.0982%	0.004665271	0.000004580	-0.000004580	0.000977324
225.01 CITY-PALMDALE TD #1	0.066224006	6.6224%	0.004665271	0.000308952	-0.000308952	0.065915054
300.10 ANTELOPE VY.-EAST KERN WATER AGY	0.019906112	1.9906%	0.004665271	0.000092867	-0.000092867	0.019813245
400.00 EDUCATIONAL REV AUGMENTATION FD	0.062418023	6.2418%	0.004665271	0.000291196	Exempt	0.062418023
400.01 EDUCATIONAL AUG FD IMPOUND	0.128811163	12.8811%	0.004665271	0.000600938	Exempt	0.128811163
400.15 COUNTY SCHOOL SERVICES	0.001470870	0.1471%	0.004665271	0.000006862	Exempt	0.001470870
400.21 CHILDREN'S INSTIL TUITION FUND	0.002919149	0.2919%	0.004665271	0.000013618	Exempt	0.002919149
593.01 PALMDALE SCHOOL DISTRICT	0.052305694	5.2306%	0.004665271	0.000244020	Exempt	0.052305694
593.06 CO.SCH.SERV.FD.- PALMDALE	0.009284680	0.9285%	0.004665271	0.000043315	Exempt	0.009284680
593.07 DEV CTR HDCPD MINOR PALMDALE	0.000880635	0.0881%	0.004665271	0.000004108	Exempt	0.000880635
717.02 ANTELOPE VALLEY UNION HIGH SCH.	0.101517293	10.1517%	0.004665271	0.000473605	Exempt	0.101517293
717.06 CO.SCH.SERV.FD.- ANTELOPE VALLEY	0.000373030	0.0373%	0.004665271	0.000001740	Exempt	0.000373030
717.08 ANTELOPE VY.UN.HI.-K.P.S.-ELEM	0.049641960	4.9642%	0.004665271	0.000231593	Exempt	0.049641960
792.04 ANTELOPE VY.JT. COMMUNITY COLL.	0.028188637	2.8189%	0.004665271	0.000131507	Exempt	0.028188637
<b>051.75 Waterworks Dist # 40 ACO FUND</b>	<b>0.000000000</b>	<b>0.0000%</b>	<b>0.004665271</b>	<b>0.000000000</b>	<b>0.000000000</b>	<b>0.002656440</b>
<b>Total</b>	<b>1.000000000</b>	<b>100.0000%</b>		<b>0.004665271</b>	<b>-0.002656440</b>	<b>1.000000000</b>

- (1) Current share as reflected in the Auditor's ATI distribution in AF 49. Must total 1.000000000.
- (2) Must total 100%.
- (3) Weighted average waterworks district share as verified by Auditor.
- (4) Must total share reflected in Column (3). 3/3/16 - truncated by 9 places after the decimal per LACO Auditor-Controller.
- (5) Reflects exemption for school entities and County general fund obligation for debt service and FFW.
- (6) Final share distributions to be reflected in tax transfer resolution.

PROPERTY TAX TRANSFER RESOLUTION WORKSHEET

Annexation To: **Waterworks District # 40 ANTELOPE VALLEY GENERAL FUND**  
 Account No. **047.04**  
 TRA: **15589**  
 Effective Date: **7/1/2024**  
 Annexation Number: **40-157**

**Waterworks District # 40 GENERAL FUND** **0.005013235**  
 Based on their 2023-24 Tax Sharing Ratios

Accnt No. Taxing Agency	(1) Current Tax Share	(2) = (1) / Total Percent	(3) Proposed Dist Share	(4) = (2) * (3) Alloc of Dist Share	(5) Allocation Adjustments	(6) = (1) + (5) New Net Share
1.05 LOS ANGELES COUNTY GENERAL	0.263327929	26.3328%	0.005013235	0.001320124	-0.001358875	0.261969054
<b>1.20 L.A. COUNTY ACCUM CAP OUTLAY</b>	<b>0.000118593</b>	<b>0.0119%</b>	<b>0.005013235</b>	<b>0.000000605</b>	<b>0.000000000</b>	<b>0.000118593</b>
7.30 CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.181152517	18.1153%	0.005013235	0.000908160	-0.000908160	0.180244357
<b>7.31 L A C FIRE-FFW</b>	<b>0.007609194</b>	<b>0.7609%</b>	<b>0.005013235</b>	<b>0.000038146</b>	<b>0.000000000</b>	<b>0.007609194</b>
53.30 ANTELOPE VY CEMETERY DISTRICT	0.000391743	0.0392%	0.005013235	0.000001963	-0.000001963	0.000389780
61.05 ANTELOPE VLY MOSQ & VECTOR CONTR	0.001789428	0.1789%	0.005013235	0.000008970	-0.000008970	0.001780458
66.75 CO SANIT DIST NO 20 OPERATING	0.020687440	2.0687%	0.005013235	0.000103710	-0.000103710	0.020583730
68.05 ANTELOPE VY RESOURCE CONSER DIST	0.000981904	0.0982%	0.005013235	0.000004922	-0.000004922	0.000976982
225.01 CITY-PALMDALE TD #1	0.066224006	6.6224%	0.005013235	0.000331996	-0.000331996	0.065892010
300.10 ANTELOPE VY.-EAST KERN WATER AGY	0.019906112	1.9906%	0.005013235	0.000099794	-0.000099794	0.019806318
400.00 EDUCATIONAL REV AUGMENTATION FD	0.062418023	6.2418%	0.005013235	0.000312916	Exempt	0.062418023
400.01 EDUCATIONAL AUG FD IMPOUND	0.128811163	12.8811%	0.005013235	0.000645760	Exempt	0.128811163
400.15 COUNTY SCHOOL SERVICES	0.001470870	0.1471%	0.005013235	0.000007373	Exempt	0.001470870
400.21 CHILDREN'S INSTIL TUITION FUND	0.002919149	0.2919%	0.005013235	0.000014634	Exempt	0.002919149
593.01 PALMDALE SCHOOL DISTRICT	0.052305694	5.2306%	0.005013235	0.000262220	Exempt	0.052305694
593.06 CO.SCH.SERV.FD.- PALMDALE	0.009284680	0.9285%	0.005013235	0.000046546	Exempt	0.009284680
593.07 DEV CTR HDCPD MINOR PALMDALE	0.000880635	0.0881%	0.005013235	0.000004414	Exempt	0.000880635
717.02 ANTELOPE VALLEY UNION HIGH SCH.	0.101517293	10.1517%	0.005013235	0.000508930	Exempt	0.101517293
717.06 CO.SCH.SERV.FD.- ANTELOPE VALLEY	0.000373030	0.0373%	0.005013235	0.000001870	Exempt	0.000373030
717.08 ANTELOPE VY.UN.HI.-K.P.S.-ELEM	0.049641960	4.9642%	0.005013235	0.000248866	Exempt	0.049641960
792.04 ANTELOPE VY.JT. COMMUNITY COLL.	0.028188637	2.8189%	0.005013235	0.000141316	Exempt	0.028188637
<b>047.04 Waterworks Dist # 40 ANTELOPE VALLEY</b>	<b>0.000000000</b>	<b>0.0000%</b>	<b>0.005013235</b>	<b>0.000000000</b>	<b>0.000000000</b>	<b>0.002818390</b>
<b>Total</b>	<b>1.000000000</b>	<b>100.0000%</b>		<b>0.005013235</b>	<b>-0.002818390</b>	<b>1.000000000</b>

- (1) Current share as reflected in the Auditor's ATI distribution in AF 49. Must total 1.000000000.
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- (3) Weighted average waterworks district share as verified by Auditor.
- (4) Must total share reflected in Column (3). 3/3/16 - truncated by 9 places after the decimal per LACO Auditor-Controller.
- (5) Reflects exemption for school entities and County general fund obligation for debt service and FFW.
- (6) Final share distributions to be reflected in tax transfer resolution.

PROPERTY TAX TRANSFER RESOLUTION WORKSHEET

Annexation To: **Waterworks District # 40 ACO FUND**  
 Account No. **051.75**  
 TRA: **15589**  
 Effective Date: **7/1/2024**  
 Annexation Number: **40-157**

**Waterworks District # 40, ACO FUND** **0.004665271**  
 Based on their 2023-24 Tax Sharing Ratios

Accnt No. Taxing Agency	(1) Current Tax Share	(2) = (1) / Total Percent	(3) Proposed Dist Share	(4) = (2) * (3) Alloc of Dist Share	(5) Allocation Adjustments	(6) = (1) + (5) New Net Share
1.05 LOS ANGELES COUNTY GENERAL	0.263327929	26.3328%	0.004665271	0.001228474	-0.001264536	0.262063393
<b>1.20 L.A. COUNTY ACCUM CAP OUTLAY</b>	<b>0.000118593</b>	<b>0.0119%</b>	<b>0.004665271</b>	<b>0.000000553</b>	<b>0.000000000</b>	<b>0.000118593</b>
7.30 CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.181152517	18.1153%	0.004665271	0.000845136	-0.000845136	0.180307381
<b>7.31 L A C FIRE-FFW</b>	<b>0.007609194</b>	<b>0.7609%</b>	<b>0.004665271</b>	<b>0.000035509</b>	<b>-0.000035509</b>	<b>0.007573685</b>
53.30 ANTELOPE VY CEMETERY DISTRICT	0.000391743	<b>0.0392%</b>	<b>0.004665271</b>	<b>0.000001838</b>	<b>0.000000000</b>	<b>0.000391743</b>
61.05 ANTELOPE VLY MOSQ & VECTOR CONTR	0.001789428	0.1789%	0.004665271	0.000008348	-0.000008348	0.001781080
66.75 CO SANIT DIST NO 20 OPERATING	0.020687440	2.0687%	0.004665271	0.000096512	-0.000096512	0.020590928
68.05 ANTELOPE VY RESOURCE CONSER DIST	0.000981904	0.0982%	0.004665271	0.000004580	-0.000004580	0.000977324
225.01 CITY-PALMDALE TD #1	0.066224006	6.6224%	0.004665271	0.000308952	-0.000308952	0.065915054
300.10 ANTELOPE VY.-EAST KERN WATER AGY	0.019906112	1.9906%	0.004665271	0.000092867	-0.000092867	0.019813245
400.00 EDUCATIONAL REV AUGMENTATION FD	0.062418023	6.2418%	0.004665271	0.000291196	Exempt	0.062418023
400.01 EDUCATIONAL AUG FD IMPOUND	0.128811163	12.8811%	0.004665271	0.000600938	Exempt	0.128811163
400.15 COUNTY SCHOOL SERVICES	0.001470870	0.1471%	0.004665271	0.000006862	Exempt	0.001470870
400.21 CHILDREN'S INSTIL TUITION FUND	0.002919149	0.2919%	0.004665271	0.000013618	Exempt	0.002919149
593.01 PALMDALE SCHOOL DISTRICT	0.052305694	5.2306%	0.004665271	0.000244020	Exempt	0.052305694
593.06 CO.SCH.SERV.FD.- PALMDALE	0.009284680	0.9285%	0.004665271	0.000043315	Exempt	0.009284680
593.07 DEV CTR HDCPD MINOR PALMDALE	0.000880635	0.0881%	0.004665271	0.000004108	Exempt	0.000880635
717.02 ANTELOPE VALLEY UNION HIGH SCH.	0.101517293	10.1517%	0.004665271	0.000473605	Exempt	0.101517293
717.06 CO.SCH.SERV.FD.- ANTELOPE VALLEY	0.000373030	0.0373%	0.004665271	0.000001740	Exempt	0.000373030
717.08 ANTELOPE VY.UN.HI.-K.P.S.-ELEM	0.049641960	4.9642%	0.004665271	0.000231593	Exempt	0.049641960
792.04 ANTELOPE VY.JT. COMMUNITY COLL.	0.028188637	2.8189%	0.004665271	0.000131507	Exempt	0.028188637
<b>051.75 Waterworks Dist # 40 ACO FUND</b>	<b>0.000000000</b>	<b>0.0000%</b>	<b>0.004665271</b>	<b>0.000000000</b>	<b>0.000000000</b>	<b>0.002656440</b>
<b>Total</b>	<b>1.000000000</b>	<b>100.0000%</b>		<b>0.004665271</b>	<b>-0.002656440</b>	<b>1.000000000</b>

- (1) Current share as reflected in the Auditor's ATI distribution in AF 49. Must total 1.000000000.
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**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



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# INVESTMENT POLICY

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## **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. 20 SERVICE CHARGE REPORT FOR FISCAL YEAR 2024-25

## INTRODUCTION

County Sanitation District No. 20 of Los Angeles County encompasses portions of the city of Palmdale and unincorporated Los Angeles County.

District No. 20 provides wastewater management services for the area described above. The District is responsible for the operation and maintenance of the Palmdale Water Reclamation Plant and the large trunk sewers which convey wastewater to this facility. These services are essential to protect the public health of the people served by the system.

District No. 20 must provide the revenue required to operate and maintain its facilities. The general revenue sources currently available to the District include a pro rata share of the ad valorem (property) taxes, service charges, industrial wastewater surcharges, interest income, contract revenue, and reserves. Any surplus will be transferred to designated reserves to meet targeted reserve requirements.

## PROPOSED SYSTEM DESCRIPTION

The supplemental revenue required under the *Master Service Charge Ordinance of County Sanitation District No. 20 of Los Angeles County* will be allocated among classes of developed parcels of real property on the basis of use of the sewerage system. The revenue derived from the service charge will be used for operation and maintenance and capital costs.

All industrial dischargers in District No. 20 discharging more than 1.0 million gallons per year are required to file a wastewater surcharge statement as prescribed in the Wastewater Ordinance to pay their appropriate share of the costs based on their use of the sewerage system. All other users of the sewerage system, except for contractual and local government users, will pay service charges.

The basic term used to define the service charge is a sewage unit. A sewage unit represents the average daily quantity of sewage flow and strength from a single-family home measured in terms of flow, chemical oxygen demand, and suspended solids. The number of sewage units (SU) per unit of measure shall be determined by the following formula:

$$\text{SU} = A \left( \frac{\text{FLOW}_{\text{avg}}}{\text{FLOW}_{\text{sfh}}} \right) + B \left( \frac{\text{COD}_{\text{avg}}}{\text{COD}_{\text{sfh}}} \right) + C \left( \frac{\text{SS}_{\text{avg}}}{\text{SS}_{\text{sfh}}} \right)$$

where:

- A = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year which is attributable to flow;
- B = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year which is attributable to COD;
- C = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year which is attributable to suspended solids;

- $FLOW_{sfh}$  = Average flow of wastewater from a single-family home in gallons per day;  
 $COD_{sfh}$  = Average loading of COD in the wastewater from a single-family home in pounds per day;  
 $SS_{sfh}$  = Average loading of suspended solids in the wastewater from a single-family home in pounds per day;  
 $FLOW_{avg}$  = Estimated flow of wastewater which will enter the sewerage system from a user in gallons per day;  
 $COD_{avg}$  = Estimated loading of COD which will enter the sewerage system from a user in pounds per day;  
 $SS_{avg}$  = Estimated loading of suspended solids which will enter the sewerage system from a user in pounds per day.

For fiscal year 2024-25, the proportions of the total operation and maintenance and capital costs attributable to flow, chemical oxygen demand, and suspended solids have been assigned the following values:

A	=	0.3199
B	=	0.3488
C	=	0.3313

The service charge for each sewage unit is determined by dividing the total required supplemental revenue by the total number of sewage units in the District. The service charge for each parcel is determined by multiplying the service charge for each sewage unit by the number of sewage units attributable to the parcel, which in turn, is determined by the class of real property and the sewage unit formula and the flow, COD and SS loadings from Table 1, which shows the corresponding value for each class of real property in District No. 20.

Based upon presently anticipated sources of funds, the service charge rate for fiscal year 2024-25 is \$622.52 per sewage unit. Parcels with significantly lower water usage may be eligible for a reduced rate pursuant to the terms of the *Master Service Charge Ordinance of County Sanitation District No. 20 of Los Angeles County*.

**DESCRIPTION OF PARCELS RECEIVING SERVICES AND IDENTIFICATION OF AMOUNT OF CHARGE FOR EACH PARCEL**

All parcels of real property within the 2024-25 Areas as shown in Table 2 are receiving or benefiting from the services and facilities of District No. 20. Additionally, the parcels listed in Table 3, which do not fall within the Tax Rate Areas shown in Table 2, are receiving or benefiting from the services and facilities of District No. 20. Said parcels are more particularly described in maps prepared in accordance with Section 327, Revenue and Taxation Code, which are on file in the office of the County Assessor, which maps are hereby incorporated herein by reference.

All commercial and institutional parcels assessed a service charge based on the Los Angeles County Assessor's current tax roll shall be charged on the basis of not less than one (1.0) sewage unit.

No charge shall be imposed on the owner or owners of any parcels as to which the fair market value of improvements is less than \$1,000 as determined on the basis of the Assessor's current tax roll. This assumption is predicated on the fact that this type of parcel would be a vacant piece of land; however, should subsequent evaluation reveal that the property is not vacant, then an appropriate service charge would be levied.



**TABLE 1  
LOADINGS FOR EACH CLASS OF LAND USE**

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW (Gallons per Day)</u>	<u>COD (Pounds per Day)</u>	<u>SUSPENDED SOLIDS (Pounds per Day)</u>
<b>RESIDENTIAL</b>				
Single Family Home	Dwelling Unit	260	1.22	0.59
Condominiums	Dwelling Unit	195	0.92	0.44
Multi-Unit Residential	Dwelling Unit	156	0.73	0.35
Mobile Home Parks	No. of Spaces	156	0.73	0.35
<b>COMMERCIAL</b>				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1000 ft <sup>2</sup>	100	0.43	0.23
Supermarket	1000 ft <sup>2</sup>	150	2.00	1.00
Shopping Center	1000 ft <sup>2</sup>	325	3.00	1.17
Regional Mall	1000 ft <sup>2</sup>	150	2.10	0.77
Office Building	1000 ft <sup>2</sup>	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1000 ft <sup>2</sup>	300	1.29	0.68
Restaurant	1000 ft <sup>2</sup>	620	10.34	3.10
Indoor Theatre	1000 ft <sup>2</sup>	125	0.54	0.28
Car Wash:				
Tunnel – No Recycling	1000 ft <sup>2</sup>	3,700	15.86	8.33
Tunnel – Recycling	1000 ft <sup>2</sup>	2,700	11.74	6.16
Wand	1000 ft <sup>2</sup>	700	3.00	1.58
Bank, Credit Union	1000 ft <sup>2</sup>	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1000 ft <sup>2</sup>	100	0.43	0.23
Animal Kennels	1000 ft <sup>2</sup>	100	0.43	0.23
Gas Station	1000 ft <sup>2</sup>	100	0.43	0.23
Auto Sales	1000 ft <sup>2</sup>	100	0.43	0.23
Wholesale Outlet	1000 ft <sup>2</sup>	100	0.43	0.23
Nursery/Greenhouse	1000 ft <sup>2</sup>	25	0.11	0.06
Manufacturing	1000 ft <sup>2</sup>	200	1.86	0.70
Light Manufacturing ≤ 300,000 sq. ft.	1000 ft <sup>2</sup>	25	0.23	0.09
Light Manufacturing > 300,000 sq. ft.	1000 ft <sup>2</sup>	10	0.09	0.05
Lumber Yard ≤ 300,000 sq. ft.	1000 ft <sup>2</sup>	25	0.23	0.09
Lumber Yard > 300,000 sq. ft.	1000 ft <sup>2</sup>	10	0.09	0.05
Warehousing ≤ 300,000 sq. ft.	1000 ft <sup>2</sup>	25	0.23	0.09
Warehousing > 300,000 sq. ft.	1000 ft <sup>2</sup>	10	0.09	0.05
Open Storage ≤ 300,000 sq. ft.	1000 ft <sup>2</sup>	25	0.23	0.09
Open Storage > 300,000 sq. ft.	1000 ft <sup>2</sup>	10	0.09	0.05
Drive-in Theatre	1000 ft <sup>2</sup>	20	0.09	0.05
Night Club	1000 ft <sup>2</sup>	350	1.50	0.79

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW (Gallons per Day)</u>	<u>COD (Pounds per Day)</u>	<u>SUSPENDED SOLIDS (Pounds per Day)</u>
<b>COMMERCIAL</b>				
Bowling/Skating	1000 ft <sup>2</sup>	150	1.76	0.55
Club & Lodge Halls	1000 ft <sup>2</sup>	125	0.54	0.27
Auditorium, Amusement	1000 ft <sup>2</sup>	350	1.50	0.79
Golf Course and Park (Structures and Improvements)	1000 ft <sup>2</sup>	100	0.43	0.23
Campground, Marina, Recreational Vehicle Park	Sites, Slips, or Spaces	55	0.34	0.14
Convalescent Home	Bed	125	0.54	0.28
Horse Stables	Stalls	25	0.23	0.09
Laundromat	1000 ft <sup>2</sup>	3,825	16.40	8.61
Mortuary, Funeral Home	1000 ft <sup>2</sup>	100	1.33	0.67
Health Spa, Gymnasium: With Showers	1000 ft <sup>2</sup>	600	2.58	1.35
Without Showers	1000 ft <sup>2</sup>	300	1.29	0.68
Convention Center, Fairground, Racetrack, Sports Stadium/Arena	Average Daily Attendance	10	0.04	0.02
<b>INSTITUTIONAL</b>				
College/University	Student	20	0.09	0.05
Private School	1000 ft <sup>2</sup>	200	0.86	0.45
Library, Museum	1000 ft <sup>2</sup>	100	0.43	0.23
Post Office (Local)	1000 ft <sup>2</sup>	100	0.43	0.23
Post Office (Regional)	1000 ft <sup>2</sup>	25	0.23	0.09
Church	1000 ft <sup>2</sup>	50	0.21	0.11

**TABLE 2  
TAX RATE AREAS IN SANITATION DISTRICT NO. 20**

000058	000059	001422	001441	001443
001444	001445	001539	001670	001681
001747	001889	001981	001982	001995
001998	002241	002495	002531	003250
003295	003323	003340	003791	003811
004319	004821	005014	005193	005196
006560	006602	006647	006674	006688
006717	006734	006747	006750	006752
006756	006777	006779	006917	006919
006924	006925	006926	006927	006928
006930	006932	006934	006935	006936
006939	006944	006946	006947	006950
006951	006952	006953	006955	006957
006958	006959	006960	006961	006963
006965	006966	006969	006971	006973
006976	006977	006983	006996	006998
007004	007006	007007	007008	007009
007014	007017	007018	007024	007028
007033	007036	007039	007045	007055
007056	007058	007059	007061	007064
007067	007070	007073	007074	007080
007098	007137	007142	007143	007144
007171	007175	007178	007186	007200
007205	007221	007233	007236	007240
007248	007249	007251	007285	007287
007293	007296	007297	007302	007306
007307	007309	007323	007325	007329
007331	007332	007338	007363	007368
007369	007374	007380	007382	007383

007384	007385	007386	007389	007390
007393	007396	007397	007400	007401
007402	007404	007406	007409	007411
007414	007418	007419	007420	007422
007438	007439	007441	007446	007461
007478	007479	007493	007494	007510
007512	007513	007523	007524	007536
007549	007575	007577	007578	007595
007596	007597	007598	007599	007708
007709	007710	007830	007852	007853
007864	007867	007885	007886	007908
007909	007916	007917	007918	007921
007922	007926	008028	008164	008177
008180	008181	008680	008682	008684
008685	008686	008743	008753	008768
008770	009005	009011	009134	009137
009163	009178	010231	010237	010265
010340	010367	010368	010370	010411
010415	010416	010418	010466	010491
010509	010576	010600	010616	010644
010799	010834	010841	010843	011058
011084	011123	011128	011195	011197
011205	011388	011447	011507	011570
011571	011579	011580	011593	011645
011658	011666	011700	011721	011753
011754	012054	012272	012667	012669
012670	012671	012732	012736	012737
012767	012768	012773	012799	012800
012801	012802	012915	013068	013172
013303	013467	013504	013548	013549

013583	013590	013615	013622	013694
013695	013822	013823	013824	013914
013917	013919	013929	013930	013937
013938	013939	013941	013960	014072
014117	014125	014142	014143	014158
014270	014273	014274	014275	014276
014288	014300	014301	014302	014303
014305	014310	014368	014373	014374
014378	014379	014381	014382	014390
014397	014398	014399	014401	014407
014414	014415	014417	014435	014436
014444	014459	014495	014496	014507
014508	014521	014537	014538	014548
014551	014553	014572	014583	014585
014588	014609	014612	014613	014614
014615	014625	014652	014654	014655
014658	014675	014676	014678	014679
014694	014941	014946	014947	014948
015008	015009	015128	015131	015132
015205	015208	015231	015234	015236
015326	015327	015440	015504	015514
015515	015516	015517	015518	015574
015576	015577	015578	015579	015580
015581	015582	015583	015584	015585
015586	015589	015611	015612	015613
015729	015791	015797	016174	016236
016290	016300	016319	016320	016730
016890	016908	017046	017047	017048
017049	017050	017051	017052	017053
017054	017056	017057	017058	017059

017061	017062	017063	017065	017071
017073	017074	017075	017076	017077
017078	017079	017080	017081	017082
017083	017084	017085	017086	017087
017088	017089	017090	017091	017092
017093	017094	017095	017096	017097
017098	017099	017100	017101	017102
017103	017104	017105	017106	017108
017109	017111	017112	017113	017114
017115	017116	017117	017118	017120
017135	017136	017149	017150	017151
017152				

**TABLE 3**  
**PARCEL NUMBERS SERVED BY SANITATION DISTRICT NO. 20**  
**OUTSIDE OF TAX RATE AREAS**

3005039013    3051021022

# 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.*

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



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

<b>Operating Payments by Districts</b>	Payments received by Joint Outfall System Districts to be used for Joint Outfall system’s net operating expenditures.
<b>Other Capital Expenditures</b>	Capital expenditures not related to District’s sewers, treatment plants, composing facilities, field offices, or contract disposal.
<b>Other Operational Expenditures</b>	The District’s operational expenditures that are not directly related to the District’s facilities, such as insurance, annexations, and certain regulatory work.
<b>Service Charge Revenue</b>	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.
<b>Total Served Sewage Units</b>	Total number of Sewage Units (single family home equivalent dischargers) that are served by treatment plants owned by the Districts.
<b>Transfers from Designated Funds</b>	Funds transferred from Designated Funds when projected operating reserve balance is below target; these funds are to be used toward operating expenditures.
<b>Transfers from Districts</b>	Payments received from Joint Outfall System Districts to fund the Joint Outfall reserves per June 1, 2022, Joint Outfall Agreement.
<b>Transfers from Restricted Funds</b>	Funds transferred from Restricted Funds to be used toward capital expenditures.
<b>Transfers to Designated Reserves</b>	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.
<b>Transfers to Joint Outfall System</b>	Individual District’s contribution to the Joint Outfall System reserves per June 1, 2022, Joint Outfall Agreement.
<b>Treatment Plant Capital Expenditures</b>	Capital expenditures related to upgrade, repair, or expansion of treatment plants.
<b>Treatment Plant Operations Expenditures</b>	Expenditures related to operating and maintaining treatment plants.

**County Sanitation District No. 20 of Los Angeles County  
Final Operating Fund Budget (\$ in thousands)  
Fiscal Year 2024-25**

	<b>Adopted 2023-24 <sup>(1)</sup></b>	<b>Proposed 2024-25 <sup>(1)</sup></b>
<b><u>Starting Balance</u></b>	<b>\$ 30,102</b>	<b>\$ 24,418</b>
 <b><u>Sources of Funds</u></b>		
Service Charge	\$ 26,954	\$ 27,113
Industrial Waste Charges	507	367
Contract Revenue	453	464
Agricultural and Recycled Water Sales	368	478
Total Operating Revenue	28,282	28,422
 Ad Valorem Tax Revenue	 1,752	 2,206
Interest	753	610
Total Non-Operating Revenue	2,504	2,816
 Transfers from Designated Funds	 1,821	 4,497
Transfers from Restricted Funds	2,275	473
Total Transfers In	4,097	4,970
 <b>Total Sources of Funds</b>	<b>\$ 34,883</b>	<b>\$ 36,208</b>
 <b><u>Use of Funds</u></b>		
Joint Administration Operations	\$ 2,701	\$ 2,813
Sewer System Operations	569	721
Treatment Plant Operations	13,203	15,097
Other Operational Expenditures	137	347
Operations and Maintenance Expense	16,611	18,978
 Joint Administration Capital	 382	 334
Sewer System Capital	4,471	4,960
Treatment Plant Capital	3,392	3,962
Capital Expense	8,245	9,256
 Bond Repayment	 10,917	 11,008
Debt Service	10,917	11,008
 <b>Total Use of Funds</b>	<b>\$ 35,773</b>	<b>\$ 39,242</b>
 <b><u>Ending Balance</u></b>	<b>\$ 29,212</b>	<b>\$ 21,383</b>

(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. 20 of Los Angeles County  
Capital Project Wastewater Budget (\$ in thousands)**

Project Name	Description	FY24-25 Budget	Estimated Completion	Total Budget <sup>(1)</sup>
District 20 Trunk Sewers Group 2 Rehabilitation	Rehabilitation of corroded sewer	3,129	06-30-2025	3,400
District 20 Trunk Sewers Group 1 Rehabilitation	Rehabilitation of corroded sewer	1,431	06-30-2025	1,700
District 20 Trunk Sewers Group 4 Rehabilitation	Rehabilitation of corroded sewer	200	06-30-2027	3,600
District 20 Trunk Sewers Group 3 Rehabilitation	Rehabilitation of corroded sewer	200	06-30-2026	3,000
	<b>Sewer System Total</b>	<u>4,960</u>		
Palmdale WRP Effluent Management System Modifications	Improvements to reservoir site facilities	2,422	06-30-2025	4,100
Palmdale WRP Monitoring Well Replacement	Improvements to agricultural site facilities	500	06-30-2030	3,550
Palmdale WRP Emergency Discharge Pump and Piping	Improvements to secondary treatment facilities	450	06-30-2026	600
Palmdale WRP Dewatering Facilities Upgrade (Volute Presses)	Improvements to solids processing facilities	200	12-31-2026	2,000
Palmdale WRP Miscellaneous Maintenance and E&I Capital Improvement Projects	Infrastructure improvements	100	06-30-2031	2,005
Palmdale WRP Installation of Reservoir No. 2 Liner Vents and Subgrade Repairs	Improvements to reservoir site facilities	100	12-31-2025	150
Palmdale WRP GW Nitrate Mgmt - Engineering and Consultants	Improvement to maintain compliance with regulatory order	90	06-30-2031	1,910
Palmdale WRP Storage Reservoir No. 3	Improvements to reservoir site facilities	50	06-30-2037	18,467
Palmdale WRP Emergency Discharge Line	Improvements to secondary treatment facilities	50	06-30-2026	300
	<b>Treatment Plants Total</b>	<u>3,962</u>		
	<b>Total Capital Projects</b>	<u><u>8,922</u></u>		

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

**County Sanitation District No. 20 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	\$ 24,418	299	18,284	2,146	1,270	29	<b>46,447</b>
Operating Revenue	28,422	-	-	-	-	-	<b>28,422</b>
Non-Operating Revenue	2,816	7	457	54	32	1	<b>3,367</b>
Capital Revenue	-	-	-	-	-	443	<b>443</b>
Transfers In	4,970	6	-	-	-	-	<b>4,976</b>
Operations and Maintenance Expense	18,978	-	-	-	-	-	<b>18,978</b>
Capital Expense	9,256	-	-	-	-	-	<b>9,256</b>
Debt Service	11,008	-	-	-	-	-	<b>11,008</b>
Transfers Out	-	-	2,403	2,100	-	473	<b>4,976</b>
Ending Balance	<b>21,383</b>	<b>312</b>	<b>16,338</b>	<b>100</b>	<b>1,302</b>	-	<b>39,435</b>

**County Sanitation District No. 20 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>
<b><u>Service Charge Rate (\$ per Sewage Unit)</u></b>	622.52	622.52
<b><u>Industrial Waste (Surcharge) Rates</u></b>		
Flow (\$ per MGY)	2,841.00	2,841.00
COD (\$ per 1000 lbs)	633.80	633.80
SS (\$ per 1000 lbs)	1,273.30	1,273.30
Peak Flow (\$ per gpm)	605.80	605.80
Short Form Rate (\$ per million gallon per year)	9,043.00	9,043.00
<b><u>Total Connection Fee Rate (\$ per Capacity Unit)</u></b>	2,097.52	2,097.52
<b><u>Projected Sewage Units</u></b>		
Residential/Commercial	43,299	43,553
Industrial Waste	378	297
Contract In	24	23
Total Served Sewage Units	<u>43,701</u>	<u>43,872</u>

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

DISTRICT NUMBER	2023-24 APPROX. LMT. EXCLUDING MANDATED COSTS	POPULATION CHANGE FACTOR	<sup>1</sup> 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						<sup>2</sup> N/A	
NR						<sup>2</sup> N/A	

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

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