

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 34

To be held in person and via teleconference per Brown Act, Section 54953(b)&(c), at the:

| | | |
|--|-----|--|
| <p>OFFICE OF THE DISTRICT 1955 Workman Mill Road Whittier, CA 90601</p> | and | <p>LA CANADA FLINTRIDGE CITY HALL* Council Chambers One Civic Center Drive, 1st Floor La Canada Flintridge, CA 91011</p> |
|--|-----|--|

For the public to join the meeting virtually, click <https://us02web.zoom.us/j/8091438308> or enter the Meeting ID 809 143 8308 into the Zoom app on your smartphone or computer. Alternatively, you may join by phone by calling (669) 900-9128 and entering the Meeting ID. You may find further information at: <http://www.lacsd.org/agendas>

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

| | | |
|-----------|-----------------------------------|--------------------|
| WEDNESDAY | June 26, 2024 | At 1:30 P.M. |
| BOWMAN* | EICH* DAVITT* (Chairperson) | FOSSAN* HOBSON* |

1. Public Comment
2. Receive and Order Filed Certificate of City Council of La Cañada Flintridge
3. Approve Minutes of Adjourned Regular Meeting Held February 28, 2024
4. Approve January, February, and March 2024 Expenses in Amount of \$1,955

Summary: Local District expenses represent costs incurred for operations, maintenance, and capital projects 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 lacsd.org/financial-documents. This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

| | |
|----------------------|----------------|
| Allocated Expenses: | |
| Joint Administration | <u>\$1,955</u> |
| Total Expenses | <u>\$1,955</u> |

5. Adopt Amended Conflict of Interest and Disclosure Code

Summary: At its meeting of February 27, 2024, the Districts’ code reviewing body, the Los Angeles County Board of Supervisors, adopted an amended Conflict of Interest Code and Disclosure Categories for the Sanitation Districts. The amendment consists of revisions of deletion of one position from the code as it no longer exists in the agency, changes to nine position titles, addition of eleven positions to the code, and adds one position under “Officials who manage Public Investments.” Pursuant to Government Code 87306, each District Board is required to adopt the amended code.
6. 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.

- 7. Re: Wastewater Budget Matters for Fiscal Year 2024-25
 - (a) Adopt Operating Budget
 - (b) Authorize Appropriations per Budget

Summary: A letter discussing fiscal year 2024-25 wastewater 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.



**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,

A handwritten signature in black ink that reads "Robert C. Ferrante". The signature is fluid and cursive.

Robert C. Ferrante

RCF:JLF



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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. 34 of Los Angeles County
Final Operating Fund Budget
Fiscal Year 2024-25**

| | Adopted 2023-24 ⁽¹⁾ | Proposed 2024-25 ⁽¹⁾ |
|------------------------------------|---|--|
| <u>Starting Balance</u> | \$ 506 | \$ 2,580 |
| <u>Sources of Funds</u> | | |
| La Canada Flintridge | \$ 10,269 | \$ 9,791 |
| Total Operating Revenue | 10,269 | 9,791 |
| Interest | 13 | 65 |
| Total Non-Operating Revenue | 13 | 65 |
| Total Sources of Funds | \$ 10,282 | \$ 9,855 |
| <u>Use of Funds</u> | | |
| Joint Administration Operations | \$ 8,515 | \$ 8,816 |
| Operations and Maintenance Expense | 8,515 | 8,816 |
| Joint Administration Capital | 1,766 | 1,039 |
| Capital Expense | 1,766 | 1,039 |
| Total Use of Funds | \$ 10,282 | \$ 9,855 |
| <u>Ending Balance</u> | \$ 506 | \$ 2,580 |

(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.

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.