



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
Telephone: (562) 699-7411, FAX: (562) 699-5422
www.lacsd.org

GRACE ROBINSON HYDE
Chief Engineer and General Manager

May 30, 2019

Board of Directors
County Sanitation District No. 27 and
Newhall Ranch Sanitation District
of Los Angeles County

Directors:

The enclosed consolidated agenda includes the following items for the regular meetings of the Boards of Directors of District No. 27 and Newhall Ranch Sanitation District meeting Tuesday, June 11, 2019.

1. Minutes. (3 and 5) Copies of the minutes have been provided to each of the Directors.

2. District Estimated Expenses. Local District expenses represent costs incurred for operations, maintenance, and capital projects that are the sole responsibility of the individual District. The District's share of allocated expenses represent their proportionate share of expenses made by District No. 2, the administrative District, on behalf of the individual districts that participate in either the Joint Administrative Agreement or the Joint Outfall Agreement. These Agreements provide for the management of the operations, maintenance, and capital costs associated with all of the shared facilities along with the methodology for determining the proportionate costs for each participating district.

District No. 27 -

Local District Expenses:	
Operations & Maintenance (O & M)	\$ 13,675.29
Capital	8,406.00
Allocated Expenses:	
Joint Administration	<u>1,121.10</u>
Total Expenses:	<u>\$ 23,202.39</u>

Newhall Ranch Sanitation District –

Local District Expenses:	
Operations & Maintenance (O & M)	\$ 50,082.86
Capital	65,313.52
Allocated Expenses:	
Joint Administration	<u>1,121.10</u>
Total Expenses:	<u>\$116,517.48</u>

3. Appropriations Limits. (3) The Constitution of the State of California, which was amended in November 1979, places a constitutional limit on the authorization to expend the proceeds of taxes levied by state and local government in California. In January 1981, the Government Code was amended to require the governing body for each local jurisdiction to establish, by resolution, an appropriations limit for each fiscal year (FY). The appropriations limit for FY 2019-20 for District No. 27 has been determined by adjusting the previous limit for FY 2018-19, based upon population change factors for Los Angeles County and the change in the California Personal Per Capita Income. This is in accordance with the procedures outlined in Article XIII B and Section 7910 of the California Government Code. The calculations are shown in Exhibit No. 1.

4. Wastewater Budget Matters for Fiscal Year 2019-20. (3) Attached is a copy of the proposed budget for FY 2019-20 for District No. 27 with a breakdown of the items included in the sewerage system budget. It is divided into three sections: anticipated expenses, projected revenues, and transfers to reserves. The general revenue sources available to the District are a pro rata share of the ad valorem (property) taxes and interest income. The sewerage system budget was prepared in accordance with the Joint Administration Agreement. In the case of Districts which contract with the City of Los Angeles for sewerage service (District No. 27), the Joint Administration Agreement states that these Districts shall pay one one-hundredth of one percent of all joint expenses. District No. 27 currently owns and operates trunk sewers within the District. However, the District does not own or operate any treatment and disposal facilities. The District contracts for these services with the City of Los Angeles. The District's staff has no direct control over the City of Los Angeles' costs. Thus, the portion of the proposed budget attributable to contract disposal Operations and Maintenance (O&M) and capital is a direct reflection of the City of Los Angeles' O&M and capital costs. Possible under-billings by the City of Los Angeles for past years have been identified. An estimate of these charges is included in the budget as a one-time expense. The local O&M and local capital costs only reflect the cost of operating and maintaining the District's local sewer system.

5. Wastewater Budget Matters for Fiscal Year 2019-20. (5) Attached is a copy of the proposed budget for FY 2019-20 for Newhall Ranch Sanitation District with a breakdown of the items included in the budget. It is divided into two sections: anticipated expenses and projected revenues. The only budget resource for Newhall Ranch Sanitation District at this time is payments from Newhall Land and Farming that are placed in an escrow account to be used as reimbursement for staff costs. The sewerage system budget was prepared in accordance with the Joint Administration Agreement. In the case of Districts that do not have an active sewerage system (Newhall Ranch Sanitation District), the Joint Administration agreement states that these Districts shall pay one one-hundredth of one percent of all joint expenses.

Very truly yours,



Grace Robinson Hyde

GRH:drs
Enclosures