



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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GRACE ROBINSON HYDE
Chief Engineer and General Manager

June 19, 2019

Board of Directors
County Sanitation District No. 28
of Los Angeles County

Dear Directors:

Wastewater Budget Matters for Fiscal Year 2019-20

The agenda for the Board meeting on June 26, 2019, contains an item relating to wastewater budget matters for fiscal year (FY) 2019-20. These matters include establishing an appropriations limit on the proceeds of taxes, adopting the sewerage system final budget, requesting the tax levy, and authorizing appropriations per the sewerage system budget.

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, an appropriations limit for each fiscal year. The appropriations limit for FY 2019-20 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. The appropriations limit has also been adjusted to include the increased operation and maintenance costs of secondary treatment needed to comply with 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 shown in Exhibit No. 1. 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 days prior to its establishment by the Board of Directors.

FINAL BUDGET FOR FISCAL YEAR 2019-20

Enclosed for your review is the proposed final budget for FY 2019-20, a list of proposed capital projects, and information on the monies set aside in various funds/reserves. These funds and reserves were established in accordance with the District's Wastewater Financial Reserve Policy adopted in October 2018.

The final budget provides a comparison with the current 2018-19 budget and a breakdown of the items included in the budget. It is divided into three sections: anticipated expenses, projected revenues, and transfers to or from reserves. In preparing the budget, it is projected that the general revenue sources