

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 28

To be held at the OFFICE OF THE DISTRICT
1955 Workman Mill Road, Whittier, California

In response to concerns about the Novel Coronavirus (COVID-19), and in accordance with the Governor’s Executive Order N-29-20, Directors will attend these meetings via teleconference. To join the meeting, 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: www.lacsd.org/aboutus/governance/agenda_and_minutes/default.asp

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

WEDNESDAY		February 24, 2021		At 1:30 P.M.
CURTIS	EICH	DAVITT (Chairperson)	GUNTER	WALKER

1. [Public Comment](#)
2. Approve Minutes of Regular Meeting Held January 27, 2021
3. Approve December 2020 Expenses in Amount of \$69,800.73

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 either the Joint Administration Agreement or the Joint Outfall Agreement. These Agreements provide for the joint administration, technical support and management of the operations, maintenance, and capital costs associated with all of the shared facilities 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’ websites at lacsd.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 (O & M)	\$ 13,099.17
Allocated Expenses:	
Joint Administration	7,732.97
Technical Support	7,329.70
Joint Outfall	<u>41,638.89</u>
Total Expenses	<u>\$69,800.73</u>

4. Approve and Order Executed [Joint Agreement for the Payment of the County Sanitation Districts of Los Angeles County Unfunded Accrued Liability for the California Public Employees’ Retirement System](#) (Agreement)

Summary: The proposed Agreement will effectuate the payment of the Districts’ UAL obligation with CalPERS using funds set aside for Districts’ Solid Waste System landfill post-closure maintenance costs. In return, all Districts will contribute to a “Fee-In-Lieu Fund” that will be available for landfill post-closure maintenance costs. The proposal will result in a cumulative \$250 million in savings for all Districts and provide a more certain funding source for post-closure maintenance costs. The Personnel Committee endorsed staff’s recommendation that the Agreement be presented to each of the boards for approval. The Agreement will only be implemented if approval of a revised Pledge of Revenue Agreement is obtained from CalRecycle. A letter describing the proposed exchange, the Agreement, and presentation slides are attached. 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.

5. Receive and Order Filed [Comprehensive Annual Financial Report](#) (CAFR) for Fiscal Year Ending June 30, 2020

Summary: Copies of the Districts’ CAFR for the fiscal year ending June 30, 2020, which includes the annual audit required by state and federal laws, have been previously distributed to the Directors. This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship, and to protect financial and facility assets through prudent investment and maintenance programs.

6. Re: Wastewater Service Charge

- (a) Order Wastewater Service Charge Report, Containing Description of Each Parcel and Amount of Proposed Wastewater Service Charge for Fiscal Year 2021-22 for Each Parcel (\$144.00 Per Single-Family Home), Filed Establish with Clerk of Board of Directors of District
- (b) Establish Date, Time, and Place for Public Hearing on Report; Order Publication of Required Public Notices

Summary: Filing of the Service Charge Report is required each year in order to collect the wastewater service charge on the property tax roll. No rate increases are recommended for fiscal year 2021-22. A letter discussing the service charge rate, the fiscal year 2021-22 preliminary budget, and related 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.



February 19, 2021

Boards of Directors
County Sanitation Districts
of Los Angeles County

Directors:

Agreement for Payment of the Districts' Unfunded Accrued Liability (UAL)

The agendas for the upcoming meetings of the Boards of Directors contain an item recommending approval of a proposed *Joint Agreement for the Payment of the County Sanitation Districts of Los Angeles County Unfunded Accrued Liability for the California Public Employees' Retirement System* (Agreement), which is an agreement among the 24 Districts that effectuates the payment of the Districts' UAL obligation with CalPERS using funds set aside for Solid Waste landfill post-closure maintenance costs. In return, all Districts will contribute to a "Fee-In-Lieu Fund" that will be available for post-closure maintenance costs. The proposal will result in a cumulative \$250 million in savings from avoided interest for all Districts and provide a more certain funding source for post-closure maintenance costs. The Personnel Committee had four meetings on the proposed exchange and endorsed presenting the Agreement to each of the Boards for approval.

UAL

The UAL is the outstanding pension liability owed by the Districts for past service by District employees, and results from CalPERS investments underperforming or demographic assumptions that have shifted resulting in higher retirement liabilities than expected. The UAL is determined annually by CalPERS. The Districts are required to make annual payments to pay down the UAL and these payments are calculated using a 7% interest rate. As of April 1, 2021, the Districts' UAL is approximately \$468 million and the annual payments over the next 22 years result in \$390 million in interest cost.

CalPERS allows and encourages additional payments above the minimum payment amount, including full payoff of the UAL at any time. A common practice for agencies is to pay the UAL off by issuing Pension Obligation Bonds (POBs), which would carry a lower interest rate than the 7% used for UAL payments. An even better alternative is to use available reserves to pay off the UAL.

LANDFILL POST-CLOSURE MAINTENANCE RESPONSIBILITIES

Fifteen of the 24 Districts are signatory to an agreement that formed the Solid Waste System (SW System). As parties to the agreement, these 15 Districts own the Districts' solid waste facilities including two closed landfills: Spadra and Puente Hills. The SW System is required to maintain environmental control systems at the landfills until they no longer pose a threat to the public health and safety and the environment. In order to provide funding for these post-closure maintenance responsibilities, approximately \$585 million has been set aside to provide interest revenue for post-closure maintenance costs, which are currently approximately \$14 million per year. Earnings on the reserves is currently 1% to 2% and the interest revenue is falling short of maintenance costs.

PROPOSAL TO PAY OFF THE UAL

The proposed agreement calls for the use of \$468 million of the post-closure reserves to pay off the full amount of the current UAL. In return for use of post-closure maintenance reserves, all Districts would pay into a new "Fee-In-Lieu Fund" (Fund) which would be available for use by the SW System to pay for landfill post-closure maintenance costs. The Fund's purpose, targeted amount, and funding sources are defined in the proposed revisions to the Solid Waste Financial Reserve Policy. Payments into the Fund would continue as needed until the total payments made are equal to the payments that would have been made on POBs. CalRecycle, which requires that the SW System demonstrate and pledge adequate revenue for post-closure maintenance costs, is currently reviewing revisions to the existing pledge of revenue agreement between District No. 2 and CalRecycle that will include the new Fee-In-Lieu fund payments as a source of revenue.

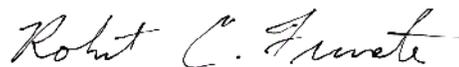
BENEFITS OF THE PROPOSAL

- The proposed agreement provides significant benefits to all of the Districts:
- Saves approximately \$250 million in interest that would accrue on the UAL under the CalPERS payment schedule.
- The savings translates into an immediate savings across the Districts of approximately \$20 million per year.
- The payments into the Fund in total will be no more than the payments that would have been made toward POBs, and the Districts will benefit from a longer payback period relative to bonds of approximately 40-60 years.
- The SW System achieves more certainty that funding of post-closure maintenance costs will be available, and in effect receives a higher interest rate than would be earned on its post-closure funds.

CONCLUSION / FUTURE ACTIONS

The Agreement will be presented to each of the Boards during their meetings in February and March. District No. 2 will also consider approval of the revised Solid Waste Financial Reserve Policy. A new pledge of revenue agreement between CalRecycle and District No. 2 will be executed, pending CalRecycle approval of the new revenue arrangement. After each of the documents has been approved and executed, post-closure maintenance funds will be used to pay off the UAL accrued through June 30, 2020. Any additional future UAL, will be addressed separately and is not part of this Agreement.

Very truly yours,



Robert C. Ferrante

RCF:MAE



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

CALPERS Unfunded Accrued Liability (UAL)/Post Closure Maintenance Funding Exchange

**For Consideration at
February and March 2021
Board Meetings**

February 2021



Introduction and Agenda

- Unfunded Accrued Liability (UAL)

Amount owed to CalPERS for accrued underfunded pension costs.

- Post-Closure Maintenance Funds

Money set aside to generate interest revenue to fund maintenance of the two closed District-owned landfills.

- The proposal

Use landfill post-closure maintenance funds to pay off Districts' Unfunded Accrued Liability (UAL), and in return Districts cover post-closure maintenance costs.

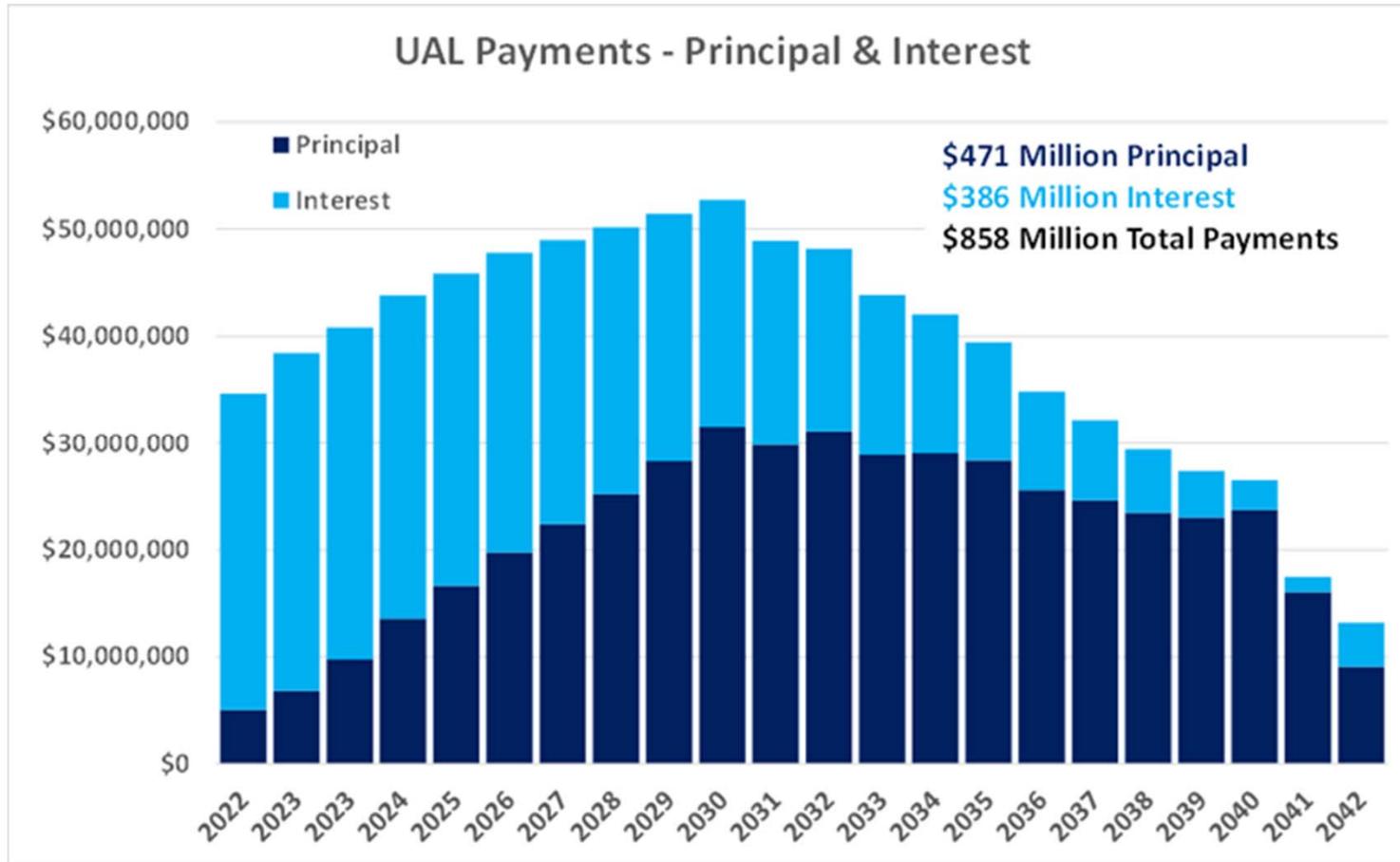


Pension Liability (Unfunded Accrued Liability or UAL)

- Approximately \$468 million as of April 2021
- Effectively a loan at 7% interest
- Minimum payments total \$858 million over 22 years (interest is \$390 million)
- Can be paid off at any time



UAL Payment Schedule



Includes estimated UAL through June 30, 2020.



Post-Closure Maintenance

- Two distinct requirements:
 - Maintain environmental control systems until they no longer pose a threat to the public health and safety and the environment.
 - Demonstrate to CalRecycle that an ongoing revenue source is available for post-closure maintenance costs *or* turn funds over to trust for CalRecycle to manage.
- Current Pledge of Revenue Agreement with CalRecycle is that interest revenue generated by post-closure reserve funds is used as revenue to pay for post-closure maintenance costs.
 - Funds invested in accordance with Districts' investment policy.



Post-Closure Maintenance - Current Issues

- Interest rates are now too low to cover post-closure maintenance costs.
- Unlikely to return to a sustainable level in the near future.
- If proposal is not approved and interest revenue does not improve, post-closure maintenance funds most likely will have to be placed in a trust controlled by CalRecycle.



Proposal

- Use \$468 million of landfill post-closure maintenance funds to pay off UAL accrued through June 30, 2020.
- In lieu of paying CalPERS UAL payments, Districts will pay a reduced annual fee into a “Fee-in-Lieu” fund.
- The “Fee-in-Lieu” fund would cover the landfill post-closure maintenance costs.



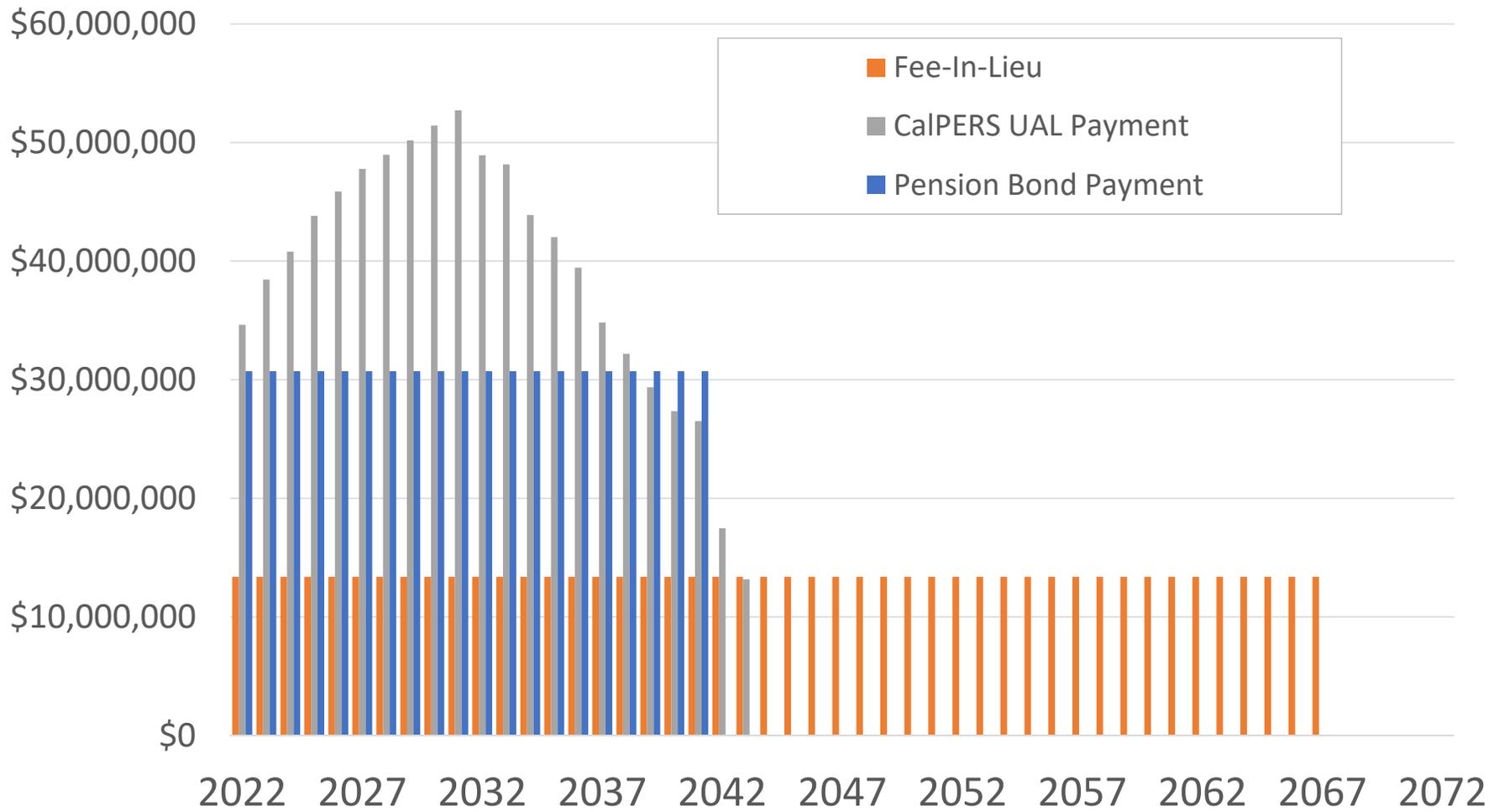
Advantages of Proposed Exchange

Julio Morales, Municipal Advisor, Urban Futures Inc.

- Using reserves is ideal for reducing or eliminating UAL.
- The proposed exchange is a solution that uses reserves that are currently committed to other purposes.
- Pension Obligation Bonds (POBs) are an alternative if no funds are available.
- Financial advantages of the proposed exchange over POBs:
 - Interest would be paid to others instead of supporting District activities.
 - Payments spread over 40 to 60 years, vs. 20 years for POBs.
- Equivalent exchange of obligations – UAL costs vs. post-closure maintenance costs.



Annual Cost Comparison



Short-Term Annual Savings by District

	Annual Savings
District 1	\$ 1,539,959
District 2	2,336,444
District 3	1,724,642
District 4	15,224
District 5	2,612,087
District 8	1,200,119
District 9	577
District 14	862,528
District 15	1,814,242
District 16	892,740
District 17	119,297
District 18	1,232,661

	Annual Savings
District 19	\$ 334,442
District 20	742,688
District 21	1,604,202
District 22	1,134,377
District 23	259,766
District 27	608
District 28	36,863
District 29	119,302
South Bay Cities	535,320
Santa Clarita Valley	2,096,851
District 34	(123)
Newhall Ranch	55,445
Districts' SW System	3,680,953

Approximate annual savings, average for FY 2022 through FY 2026.



Timeline

- District Boards to consider approval of the Agreement in February and March 2021.
- District No. 2 to consider revisions of the Solid Waste Financial Reserve Policy on February 24, 2021.
- New pledge of revenue agreement being reviewed by CalRecycle.
- Execution of new pledge of revenue agreement in March or April pending CalRecycle approval.
- Payment of UAL to occur through September 2021 as post-closure reserve fund investments are liquidated and final UAL totals are determined by CalPERS.



Recommendation

- Approval of the proposed agreement by each District.
- Approval of the revised Solid Waste Financial Reserve Policy by District No. 2.
- Actions in the agreement will not begin until CalRecycle approves the revised Pledge of Revenue Agreement.





February 5, 2021

Boards of Directors
Los Angeles County Sanitation Districts
of Los Angeles County

Directors:

Wastewater Revenue Program For Fiscal Year 2021-22

The agendas for the upcoming meetings of the Boards of Directors contain an item regarding the District's service charges for residential, commercial, and small industrial dischargers which are collected on the property tax roll.

The current service charge rates have previously been adopted by the Boards and no changes are being proposed to these rates. However, in order to continue to collect the service charge on the property tax roll the Boards must take certain actions. Specifically, pursuant to state law, the Boards must: (1) order a Service Charge Report be filed with the District Clerk, (2) establish the date, time, and place for a public hearing on the report; and (3) direct the publication of the required notices.

SERVICE CHARGE AND SURCHARGE RATES

The service charge rates for the current fiscal year are attached. No change to the adopted rates is proposed for fiscal year 2021-22. Multi-family residential units will pay 60% of the adopted single-family home rate and condominiums will pay 75% of the adopted single-family home rate. Likewise, commercial and industrial dischargers will pay in proportion to their use of the wastewater management system compared to a single-family home. Dischargers with verified low water usage (particularly seniors and retirees) may also qualify for a reduced charge.

BUDGET FOR FISCAL YEAR 2021-22

Enclosed for your review is the preliminary budget for fiscal year 2021-22; a list of proposed capital projects (if any); 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 funds and reserves were established and funded in accordance with the District's Wastewater Financial Reserve Policy. If applicable, a preliminary budget for the Joint Outfall System (JOS) for fiscal year 2021-22, a list of proposed JOS capital projects, and information on JOS reserves has also been included to provide more detail on the District's share of Joint Outfall expenses but will only be adopted by District 2, the administrative District for the JOS.

A final budget will be presented to the Board for consideration in June as part of the overall budgetary process, adoption of which will authorize budget appropriations.

LOW WATER REBATE PROGRAM

Because the cost of metering wastewater discharges from individual parcels is impractical and cost prohibitive, discharges are estimated using standard loading factors based on the size and types of facilities located on the parcel. With the ongoing efforts by local communities to conserve water and install low-flow plumbing fixtures, many parcels may be discharging at lower rates than is currently estimated. The Districts' low water rebate program allows parcel owners to apply for a reduction in their service charge rate based on their actual water usage. Staff has conducted a concerted public outreach program, including information on the program in our Proposition 218 notices, newspaper advertisements, and the Districts' website, to ensure that parcel owners are aware of the program.

SUMMARY OF REQUIRED ACTIONS

As previously discussed, the Board must order the filing of a Service Charge Report (enclosed) with the District Clerk. The Board must also schedule a public hearing and instruct the District Clerk to publish newspaper notices to inform the public of the hearing. After the close of its public hearing, the Board will consider adoption of the Service Charge Report, as is required under the California Health and Safety Code in order for the District to continue to collect the previously approved wastewater service charge as a separate line item on the property tax roll. This is the most cost-effective and efficient means of collecting the service charges. It is recommended that the public hearing be set for the date, time and location listed on the agenda.

At the June Board meetings, final budgets will be presented to the Boards of Directors for consideration as part of the overall budgetary process, adoption of which will authorize budget appropriations. In addition, the Boards must take certain administrative actions that are required of all agencies that receive ad valorem taxes. These include establishing by resolution the amount of the tax levy Districts will request from the Los Angeles County Tax Collector and adopting a limit on authorized expenditures of tax proceeds.

Very truly yours,



Robert C. Ferrante

RCF:gc
Enclosures

COUNTY SANITATION DISTRICT NO. 28 SERVICE CHARGE REPORT FOR FISCAL YEAR 2021-22

INTRODUCTION

County Sanitation District No. 28 of Los Angeles County encompasses a portion of the city of La Cañada Flintridge.

District No. 28 is one of seventeen (17) contiguous sanitation districts within the urbanized Los Angeles Basin signatory to the Amended Joint Outfall Agreement. These Districts, known as the Joint Outfall Districts, have formed a regional wastewater management system known as the Joint Outfall System. This regional system provides for operation and maintenance of large sewers, pumping plants, inland water reclamation plants, and the Joint water Pollution Control Plant. These services are essential to protect the public health of the people served by the system.

District No. 28, as a member of the Joint Outfall System, must provide a proportionate share of the revenue required to operate and maintain the facilities. Additionally, District No. 28 is responsible for any costs associated with the local sewers that are owned by District No. 28 and are solely for its benefit. 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, grants, state low-interest loans, 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. 28 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. 28 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:

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

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 2021-22, 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	=	0.5596
B	=	0.1583
C	=	0.2821

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. 28.

Based upon presently anticipated sources of funds, the service charge rate for fiscal year 2021-22 is \$144 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 Sanitation District No. 28 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 2021-22 Tax Rate Areas as shown in Table 2 are receiving or benefiting from the services and facilities of District No. 28. 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>
RESIDENTIAL				
Single Family Home	Dwelling Unit	260	1.22	0.59
Condominiums	Dwelling Unit	208	0.98	0.47
Multi-Unit Residential	Dwelling Unit	156	0.73	0.35
Mobile Home Parks	No. of Spaces	156	0.73	0.35
COMMERCIAL				
Golf Course – Club House	Water (MGY)	2,740	26.07	0.21
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1000 ft ²	100	0.43	0.23
Supermarket	1000 ft ²	150	2.00	1.00
Shopping Center	1000 ft ²	325	3.00	1.17
Regional Mall	1000 ft ²	150	2.10	0.77
Office Building	1000 ft ²	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1000 ft ²	300	1.29	0.68
Restaurant	1000 ft ²	1,000	16.68	5.00
Indoor Theatre	1000 ft ²	125	0.54	0.28
Car Wash				
Tunnel - No Recycling	1000 ft ²	3,700	15.86	8.33
Tunnel - Recycling	1000 ft ²	2,700	11.74	6.16
Wand	1000 ft ²	700	3.00	1.58
Bank, Credit Union	1000 ft ²	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1000 ft ²	100	0.43	0.23
Animal Kennels	1000 ft ²	100	0.43	0.23
Gas Station	1000 ft ²	100	0.43	0.23
Auto Sales	1000 ft ²	100	0.43	0.23
Wholesale Outlet	1000 ft ²	100	0.43	0.23
Nursery/Greenhouse	1000 ft ²	25	0.11	0.06
Manufacturing	1000 ft ²	200	1.86	0.70
Light Manufacturing	1000 ft ²	25	0.23	0.09
Lumber Yard	1000 ft ²	25	0.23	0.09
Warehousing	1000 ft ²	25	0.23	0.09
Open Storage	1000 ft ²	25	0.23	0.09
Drive-in Theatre	1000 ft ²	20	0.09	0.05
Night Club	1000 ft ²	350	1.50	0.79
Bowling/Skating	1000 ft ²	150	1.76	0.55
Club & Lodge Halls	1000 ft ²	125	0.54	0.27
Auditorium, Amusement	1000 ft ²	350	1.50	0.79
Golf Course and Park (Structures and Improvements)	1000 ft ²	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 ²	3,825	16.40	8.61

<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>
COMMERCIAL				
Mortuary, Funeral Home	1000 ft ²	100	1.33	0.67
Health Spa, Gymnasium				
With Showers	1000 ft ²	600	2.58	1.35
Without Showers	1000 ft ²	300	1.29	0.68
Convention Center, Fairground, Racetrack, Sports Stadium/Arena	Average Daily Attendance	10	0.04	0.02
INSTITUTIONAL				
College/University	Student	20	0.09	0.05
Private School	1000 ft ²	200	0.86	0.45
Library, Museum	1000 ft ²	100	0.43	0.23
Post Office (Local)	1000 ft ²	100	0.43	0.23
Post Office (Regional)	1000 ft ²	25	0.23	0.09
Church	1000 ft ²	50	0.21	0.11

TABLE 2
TAX RATE AREAS IN SANITATION DISTRICT NO. 28

004008	004011	004012	004013	004016
004017	004029	004069	004070	004717
004722	004725	004734	004737	005380
005451	005485	005562	005565	005566
005567	005568	005574	005575	005776
012608	013227	014649	014766	014838
014839	014840	014842	014843	014846
014849	015278	015280	015282	015284
015287	016133			

**Joint Outfall System
Operating Fund Preliminary Wastewater Budget (\$000)
Fiscal Year 2021-22**

	2020-21	2021-22
<u>Beginning Balance</u>	\$ 40,498	\$ 34,590
<u>Sources of Funds</u>		
Industrial Waste	16,341	\$ 13,609
Contract Revenue	15,437	12,716
Operating Payments by Districts	173,144	189,908
Total Operating Revenues	204,922	216,233
Grants	1,151	1,337
Loan Proceeds	54,156	58,593
Loan Payments by Districts	25,756	27,027
Total Capital Revenues	81,063	86,957
Transfers from Capital Improvement Funds	122,068	218,209
Total Sources of Funds	\$ 408,053	\$ 521,399
<u>Use of Funds</u>		
Joint Outfall Sewer System Operations	32,526	33,640
Treatment Plant Operations	161,445	170,583
Composting Facilities Operations	9,008	8,800
Other Operational Expenditures	1,943	3,210
Total Operations and Maintenance Expenditures	204,922	216,233
Joint Outfall Sewer System Capital	16,265	37,174
Treatment Plant Capital	159,949	214,005
Composting Facility Capital	860	1,310
Field Office Capital	300	25,650
Total Capital Expenditures	177,375	278,139
Loan Repayment	25,756	27,027
Total Use of Funds	\$ 408,053	\$ 521,399
<u>Ending Balance</u>	\$ 40,498	\$ 34,590

**Joint Outfall System
Capital Project Preliminary Wastewater Budget (\$000)**

Project	Description	2021-22 Budget	Expected Completion	Total Budget (1)
District 21 Interceptor Sewer Rehabilitation Phase 1	Rehabilitation of corroded sewer	\$ 2,850	2023-24	\$ 6,140
District 5 Interceptor Sewer Rehabilitation Phase 1	Rehabilitation of corroded sewer	3,490	2021-22	3,750
Joint Outfall B Unit 1A Trunk Sewer Rehabilitation Phase 2	Rehabilitation of corroded sewer	8,150	2022-23	21,000
Joint Outfall B Unit 6G Trunk Sewer Rehabilitation	Rehabilitation of corroded sewer	4,000	2022-23	6,200
Joint Outfall G Unit 8 Rehabilitation Phase 1	Rehabilitation of corroded sewer	5,000	2022-23	6,700
Other Sewer Repair and Rehabilitation Projects	Rehabilitation of corroded sewer	10,802	Various	N/A
Pumping Plant Projects	Pumping plant improvements at various locations	2,883	Various	N/A
Joint Outfall Conveyance System		\$ 37,174		
Tunnel and Ocean Outfall Projects	Construction of a third tunnel to convey the effluent from the Joint Water Pollution Control Plant (JWPCP) in Carson to the ocean	\$ 110,000	2025-26	\$ 800,000
Secondary Treatment Projects	Capital expenses related to repairs and general improvements to the Secondary Treatment Systems at various facilities	26,550	2024-25	70,100
Power Distribution System Improvements	Modernization of the power distribution systems at the various treatment plants to include redundant power feeds to improve the maintainability and reliability of those systems	12,065	2024-25	58,660
Contingency for Treatment Plant Projects	Contingency funding for unplanned capital projects at the various treatment plants	3,278	Various	N/A
Treatment Plant Concrete Protection Projects	Replacement of protective liners at the various treatment plants that have been subjected to significant corrosion	18,110	2024-25	61,600
Solids Handling Projects	Capital expenses related to repairs and general improvements to the Solids Handling Systems at various facilities	500	2022-23	20,000
Primary Treatment Projects	Capital expenses related to repairs and general improvements to the Primary Treatment Systems at various facilities	11,620	2024-25	30,650
MWD Advanced Water Treatment Projects	Remediation of contaminated soil on undeveloped land slated for future AWTF project being pursued with MWD and project planning	8,200	2024-25	17,400
Treatment Plant Security Improvements	Improvements to security at various treatment plants	2,165	2022-23	5,050
Process Air Compressor Replacement	Replacement of outdated PACs to improve efficiency and reduce energy costs at various facilities	14,750	2023-24	35,900
Laboratory Improvements	Improvements to various Laboratory facilities	1,317	Various	N/A
Treatment Plant Optimization Analysis	Technical analysis of WRPs to optimize operations in order to meet current and future permit requirements and optimize recycled water production	1,000	2023-24	1,900
JWPCP Flare Station Expansion	Replacement of outdated flares and installation of additional flares and necessary electrical upgrades to accommodate additional gas from the Food Waste Receiving Facility	3,680	2022-23	6,400
Filtration Projects	Capital expenses related to repairs and general improvements to the Filter Systems at various facilities	770	2022-23	1,700
Treatment Plants		\$ 214,005		
Tulare Lake Composting Projects	Improvements to the Tulare Lake Composting facility	\$ 1,310	Various	N/A
Composting Facilities		\$ 1,310		
Field Office Improvements	Renovations to Compton Field Office	\$ 25,650	2022-23	\$ 70,150
Field Offices		\$ 25,650		
Total Capital Projects		\$ 278,139		

(1) Includes past, current, and future amounts

**Joint Outfall System
Reserve Funds Preliminary Budget (\$000)
Fiscal Year 2021-22**

	Unrestricted	Restricted		Total
	Operating Fund	Capital Improvement Fund	TLC Corrective Action Fund	
Beginning Balance	\$ 34,590	\$ 302,971	\$ 410	\$ 337,971
Total Operating Revenues	216,233	-	4	216,237
Total Non-operating Revenues (1)	-	3,030	-	3,030
Total Capital Revenues (2)	86,957	5,198	-	92,155
Total O&M Expenditures	216,233	-	-	216,233
Total Capital Expenditures	278,139	-	-	278,139
Total Debt Service	27,027	-	-	27,027
Net Transfer to (from) Fund	218,209	(218,209)	-	-
Ending Balance	<u>\$ 34,590</u>	<u>\$ 92,989</u>	<u>\$ 414</u>	<u>\$ 127,993</u>

(1) Total Non-operating Revenues for Designated and Restricted Reserves represent interest revenue restricted to that fund

(2) Total Capital Revenues for the Capital Improvement Fund are Connection Fees Received.

**County Sanitation District No. 28 of Los Angeles County
Operating Fund Preliminary Wastewater Budget (\$000)
Fiscal Year 2021-22**

	2020-21	2021-22
<u>Beginning Balance</u>	\$ 1,043	\$ 653
<u>Sources of Funds</u>		
Service Charge	\$ 646	\$ 678
Total Operating Revenues	646	678
Ad Valorem Taxes	706	778
Interest	85	82
Total Non-Operating Revenues	791	860
Transfers from Capital Improvement Funds	13	7
Total Sources of Funds	\$ 1,450	\$ 1,545
<u>Use of Funds</u>		
Joint Administration Operations	\$ 202	\$ 228
Joint Outfall Operations	416	475
District No. 28 Sewer System Operations	20	21
Other Operational Expenditures	43	41
Total Operations and Maintenance Expenditures	680	765
Joint Administration Capital	13	17
Total Capital Expenditures	13	17
Share of Joint Outfall Debt Service	62	68
Transfers to Designated Reserves	1,084	594
Total Use of Funds	\$ 1,839	\$ 1,444
<u>Ending Balance</u>	\$ 654	\$ 754

**County Sanitation District No. 28 of Los Angeles County
Reserve Funds Preliminary Budget (\$000)
Fiscal Year 2021-22**

	Unrestricted	Designated			Restricted	Total
	Operating Fund	Emergency Fund	O&M Financial Stability Fund	Capital Project Financial Stability Fund	Capital Improvement Fund	
Beginning Balance	\$ 653	\$ 50	\$ 7,218	\$ 256	\$ 2	\$ 8,179
Total Operating Revenues	678	-	-	-	-	678
Total Non-operating Revenues (1)	860	-	-	-	0	860
Total Capital Revenues (2)	-	-	-	-	5	5
Total O&M Expenditures	765	-	-	-	-	765
Total Capital Expenditures	17	-	-	-	-	17
Total Debt Service	68	-	-	-	-	68
Net Transfer to (from) Fund	(587)	-	605	(10)	(7)	-
Ending Balance	\$ 754	\$ 50	\$ 7,823	\$ 245	\$ -	\$ 8,872

(1) Total Non-operating Revenues for Designated and Restricted Reserves represent interest revenue restricted to that fund.

(2) Total Capital Revenues for the Capital Improvement Fund are Connection Fees Received.

**County Sanitation District No. 28 of Los Angeles County
Preliminary Wastewater Budget Rate and Other Information Summary
Fiscal Year 2021-22**

	<u>2020-21</u>	<u>2021-22</u>
<u>Service Charge Rate (\$ per Sewage Unit)</u>	144.00	144.00
<u>Industrial Waste (Surcharge) Rates</u>		
Flow (\$ per million gallon per year)	923.00	923.00
COD (\$ per 1000 lb)	163.00	163.00
SS (\$ per 1000 lb)	461.10	461.10
Peak Flow (\$ per gpm)	122.10	122.10
Short Form Rate (\$ per million gallon per year)	3,913.00	3,913.00
Liquid Waste Disposal (\$ per 100 gallon)	6.60	6.60
<u>Connection Fee Rate (\$ per Capacity Unit)</u>	3,979	3,979
<u>Projected Sewage Units</u>		
Residential and Commercial	4,489	4,706
Total Served Sewage Units	<u>4,489</u>	<u>4,706</u>

Sanitation Districts of Los Angeles County
Wastewater Budget Explanation and Glossary of Terms
Fiscal Year 2021-22

Introduction

The budget package for each District consists of the following sections:

- **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 preliminary 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. If a District has no major capital projects budgeted, this section is omitted.
- **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.

Operating Fund Beginning Balance	Projected cash balance in the Operating Fund as of July 1 at the beginning of the fiscal year shown.
Ad Valorem Taxes Revenue	The District’s share of Ad Valorem (property) taxes paid by property owners in the District.
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.
Industrial Waste Revenue	Fees paid by large industrial users of the District’s wastewater system.
Contract Revenue	Sales of reclaimed water; commodity and energy revenue; leases; and other similar sources of revenue.
Interest Revenue	Interest generated by District’s Unrestricted and Designated Reserves.
Grant Revenue	Grant proceeds received, generally state and/or federal grants toward capital projects.

Loan Proceeds	Funds received from loans taken out to finance capital projects, primarily State Revolving Fund Clean Water Loans.
Transfers from Capital Improvement Funds	Funds transferred from Capital Improvement Funds to be used toward capital expenditures.
Joint Administration Operations Expenditures	The District's share of Joint Administration Operating Expenditures less any operational or non-operational Joint Administration Revenues
Joint Outfall Operations Expenditures	The District's share of Joint Outfall System Operating Expenditures less any operational or non-operational Joint Outfall System Revenues
District's Sewer System Operations Expenditures	Expenditures related to operating and maintaining the District's sewers and pumping plants.
Treatment Plant Operations Expenditures	Expenditures related to operating and maintaining treatment plants.
Composting Facility Operations and Maintenance Expenditures	Expenditures related to operating and maintaining composting facilities.
Contract Disposal Operations and Maintenance Expenditures	Expenditures related to the operation and maintenance for conveyance and treatment of wastewater performed by another entity.
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.
Joint Administration Capital Expenditures	The District's share of Joint Capital Expenses minus Joint Capital Revenues.
District Sewer System Capital Expenditures	Capital expenditures related to rehabilitation or expansion of the District's sewers and pumping plants.
Treatment Plant Capital Expenditures	Capital expenditures related to upgrade, repair or expansion of treatment plants.
Composting Facility Capital Expenditures	Capital expenditures related to upgrade, repair or expansion of composting facilities.
Field Office Capital Expenditures	Capital expenditures related to upgrade, repair or expansion of field offices.
Contract Disposal Capital Expenditures	Capital expenditures related to conveyance and treatment of wastewater performed by another entity.

Loan Repayment	Interest and principal payments toward loans, primarily State Revolving Fund Clean Water Loans.
Bond Repayment	Interest and principal payments toward bond debt.
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.
Operating Fund Ending Balance	Projected balance in the Operating Fund as of June 30 at the end of the fiscal year shown.