

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
NEWHALL RANCH SANITATION DISTRICT
HELD IN THE HEARING ROOM OF THE BOARD OF
SUPERVISORS, KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA

November 19, 2019
9:30 o'clock, A.M.

Pursuant to the call of the Chairperson and upon written notice of the secretary setting the time and place of a special meeting and mailed to each Director at least 24 hours before the meeting, a special meeting of the Board of Directors of Newhall of Los Angeles County was held in the Hearing Room of the Board of Supervisors, Kenneth Hahn Hall of Administration, Los Angeles, California, on November 19, 2019, at 9:30 a.m., for the purpose of:

1. Recommendation: Re: Newhall Ranch Specific Plan and Wastewater Revenue Program
 - (a) Introduce the following ordinances and waive reading of said ordinances in their entirety
 - (1) *An Ordinance Prescribing Fees, Tolls, Rates, Rentals, or Other Charges for Services and Facilities Furnished by or through Newhall Ranch Sanitation District of Los Angeles County, and Providing for the Collection of Such Charges (Master Service Charge Ordinance)*
 - (2) *An Ordinance Prescribing Fees for the Privilege of Connecting Any Parcel or Industrial Operation within the Boundaries of Newhall Ranch Sanitation District of Los Angeles County Directly or Indirectly to the Sewerage System, or for Increasing the Strength and/or Quantity of Wastewater Attributable to a Connected Parcel or Industrial Operation within the District, and Providing for the Collection of those Charges (Master Connection Fee Ordinance)*
 - (3) *An Ordinance Prescribing the Service Charge Rate and Mean Loadings per Unit of Usage for Newhall Ranch Sanitation District of Los Angeles County, and Providing for the Collection of Such Charges on the Tax Roll (Service Charge Rate Ordinance)*
 - (4) *An Ordinance Prescribing Industrial Wastewater Surcharge Rates for Newhall Ranch Sanitation District of Los Angeles County (Surcharge Rate Ordinance)*
 - (5) *An Ordinance Prescribing the Connection Fee Rate and Mean Loadings per Unit of Usage for Newhall Ranch Sanitation District of Los Angeles County (Connection Fee Rate Ordinance)*
 - (6) *An Ordinance Prescribing Fees for the Annexation of Territory to Newhall Ranch Sanitation District of Los Angeles County (Master Annexation Fee Ordinance)*
 - (7) *An Ordinance Prescribing the Annexation Fee Rates for Newhall Ranch Sanitation District of Los Angeles County (Annexation Fee Rate Ordinance)*
 - (b) Order wastewater service charge report, containing description of each parcel and amount of proposed wastewater service charge for fiscal year 2020-21 for each parcel, filed with clerk of board of directors of district
 - (c) Establish date, time, and place for public hearing on report; and order publication of required public notices

There were

present:

Kathryn Barger, Director from Los Angeles County
Sheila Kuehl, Director from Los Angeles County
Mark Ridley-Thomas, Director from Los Angeles County
Hilda Solis, Director from Los Angeles County
Janice Hahn, Chairperson, Director from Los Angeles County

Absent: None

Also present: Kimberly S. Compton, Secretary to the Board

RE: MASTER SERVICE CHARGE
ORDINANCE - INTRODUCE

An Ordinance Prescribing Fees, Tolls, Rates, Rentals, or Other Charges for Services and Facilities Furnished by or through Newhall Ranch Sanitation District of Los

Angeles County, and Providing for the Collection of Such Charges (Master Service Charge Ordinance) was presented to the Board for consideration and introduction. The Master Service Charge Ordinance provides the District with the legal authority to impose charges for services and facilities furnished by, or available from, the District in connection with its sewerage system. The service charge will be based on use and will equal the product of the service charge rate and the estimated number of billable sewage units for the parcel. A sewage unit (SU) represents the wastewater discharge from a single-family home. A copy of the Master Service Charge Ordinance accompanied the agenda. A recommendation was made to waive the reading of the Master Service Charge Ordinance in its entirety.

Upon motion of Director Solis, duly seconded and unanimously carried, *An Ordinance Prescribing Fees, Tolls, Rates, Rentals, or Other Charges for Services and Facilities Furnished by or through Newhall Ranch Sanitation District of Los Angeles County, and Providing for the Collection of Such Charges*, was introduced, and after reading of the title thereof, further reading of the Master Service Charge Ordinance was waived.

RE: MASTER CONNECTION FEE
ORDINANCE - INTRODUCE

An Ordinance Prescribing Fees for the Privilege of Connecting Any Parcel or Industrial Operation within the Boundaries of Newhall Ranch Sanitation District of

Los Angeles County Directly or Indirectly to the Sewerage System, or for Increasing the Strength and/or Quantity of Wastewater Attributable to a Connected Parcel or Industrial Operation within the District, and Providing for the Collection of those Charges (Master Connection Fee Ordinance) was presented to the Board for consideration and introduction. The Master Connection Fee Ordinance provides the District with the legal authority to impose fees for the privilege of connecting facilities to the sewerage system or for increasing the strength or quantity of wastewater discharged from connected facilities. The connection fee will be equal to the product of the rate and the added burden placed on the sewerage system. Revenue derived under this ordinance will be used for expansion of the District's capital facilities and to fund loans as provided for in this ordinance. A copy of the Master Connection Fee Ordinance accompanied the agenda. A recommendation was made to waive the reading of the Master Connection Fee Ordinance in its entirety.

Upon motion of Director Solis, duly seconded and unanimously carried, *An Ordinance Prescribing Fees for the Privilege of Connecting Any Parcel or Industrial Operation within the Boundaries of Newhall Ranch Sanitation District of Los Angeles County Directly or Indirectly to the Sewerage System, or for Increasing the Strength and/or Quantity of Wastewater Attributable to a Connected Parcel or Industrial Operation within the District, and Providing for the Collection of those Charges* was introduced, and after reading of the title thereof, further reading of the Master Connection Fee Ordinance was waived.

RE: SERVICE CHARGE RATE
ORDINANCE - INTRODUCE

An Ordinance Prescribing the Service Charge Rate and Mean Loadings per Unit of Usage for Newhall Ranch Sanitation District of Los Angeles County, and

Providing for the Collection of Such Charges on the Tax Roll (Service Charge Rate Ordinance) was presented to the Board for consideration and introduction. A copy of the Service Charge Rate Ordinance accompanied the agenda. A recommendation was made to waive the reading of the Service Charge Rate Ordinance in its entirety.

Upon motion of Director Solis, duly seconded and unanimously carried, *An Ordinance Prescribing the Service Charge Rate and Mean Loadings per Unit of Usage for Newhall Ranch Sanitation District of Los Angeles County, and Providing for the Collection of Such Charges on the Tax Roll* was introduced, and after reading of the title thereof, further reading of the Service Charge Rate Ordinance was waived.

RE: WASTEWATER DISPOSAL
INTRODUCE ORDINANCE PRESCRIBING
UNIT CHARGE RATES FOR SURCHARGE

An Ordinance Prescribing Industrial Wastewater Surcharge Rates for Newhall Ranch Sanitation District of Los Angeles County (Surcharge Rate Ordinance) was presented, and it was recommended that the Surcharge

Rate Ordinance be introduced. The industrial wastewater surcharge rates are consistent with the proposed service charge rates. The proposed rates, as set forth in the Surcharge Rate Ordinance, are as follows:

<u>PARAMETER</u>	<u>January 1, 2020</u>	<u>July 1, 2020</u>	<u>July 1, 2021</u>	<u>July 1, 2022</u>
Flow (a)	\$2,441.50/MG	\$2,514.70/MG	\$2,590.10/MG	\$2,667.80/MG
COD (b)	\$ 556.50/10 ³ lbs	\$ 573.20/10 ³ lbs	\$ 590.40/10 ³ lbs	\$ 608.10/10 ³ lbs
SS (c)	\$1,367.40/10 ³ lbs	\$1,408.40/10 ³ lbs	\$1,450.70/10 ³ lbs	\$1,494.20/10 ³ lbs
Peak (d)	\$ 345.30/gpm	\$ 355.70/gpm	\$ 366.40/gpm	\$ 377.40/gpm
Short Form Rate	\$8,266.80/MG	\$8,514.80/MG	\$8,770.20/MG	\$9,033.30/MG

Upon motion of Director Solis, duly seconded and unanimously carried, *An Ordinance Prescribing Industrial Wastewater Surcharge Rates for Newhall Ranch Sanitation District of Los Angeles County*, was introduced and, after a reading of the title thereof, further reading of the Surcharge Rate Ordinance was waived.

RE: CONNECTION FEE RATE
ORDINANCE - INTRODUCE

An Ordinance Prescribing the Connection Fee Rate and Mean Loadings per Unit of Usage for Newhall Ranch Sanitation District of Los Angeles County (Connection

Fee Rate Ordinance) was presented to the Board for consideration and introduction. The Connection Fee Rate Ordinance prescribes the connection fee rate and mean loadings per unit of usage for NRSD. Newhall Land and Farming Co., is responsible for constructing the treatment plant and conveyance infrastructure detailed in the Engineer's Report. When a connection to the sewer will be made, customers will submit plans to the District for review; however, the first recorded use on each NRSD parcel will not be charged an NRSD connection fee and will be granted a capacity unit baseline for that first use. Any increases in the flow or strength discharged to the system above the baseline capacity would require a connection fee for the increase at these proposed rates. The proposed connection fee is \$9,410, which is based on the NRSD Engineer's Report. A copy of the Connection Fee Ordinance accompanied the agenda. A recommendation was made to waive the reading of the Connection Fee Ordinance in its entirety.

Upon motion of Director Solis, duly seconded and unanimously carried, *An Ordinance Prescribing the Connection Fee Rate and Mean Loadings per Unit of Usage for Newhall Ranch Sanitation District of Los Angeles County* was introduced, and after reading of the title thereof, further reading of the Connection Fee Rate Ordinance was waived.

RE: MASTER ANNEXATION FEE
ORDINANCE - INTRODUCE

An Ordinance Prescribing Fees for the Annexation of Territory to Newhall Ranch Sanitation District of Los Angeles County (Master Annexation Fee Ordinance) was

presented to the Board for consideration and introduction. The Master Annexation Fee Ordinance provides the District with the legal authority to recover the District's cost of furnishing administrative services for the annexation of territory to the District. The owner of each parcel requesting or petitioning for annexation to the District shall pay an annexation fee established in the Annexation Fee Rate Ordinance. The District fee will be based on the combined gross acreage of all parcels included in a single application for annexation to the District, whether or not the parcels are contiguous. A copy of the Master Annexation Fee Ordinance accompanied the agenda. A recommendation was made to waive the reading of the Master Annexation Fee Ordinance in its entirety.

Upon motion of Director Solis, duly seconded and unanimously carried, *An Ordinance Prescribing Fees for the Annexation of Territory to Newhall Ranch Sanitation District of Los Angeles County* was introduced, and after reading of the title thereof, further reading of the Master Annexation Fee Ordinance was waived.

RE: ANNEXATION FEE RATES
ORDINANCE - INTRODUCE

An Ordinance Prescribing the Annexation Fee Rates for Newhall Ranch Sanitation District of Los Angeles County (Annexation Fee Rate Ordinance) was presented

to the Board for consideration and introduction. The Annexation Fee Rate Ordinance lists the charge rates for annexing territory in to the District. The annexation fee rate shall be the sum of the District fee and any Agency fees, which are established by the Local Agency Formation Commission of Los Angeles County (LAFCO) and the State Board of Equalization. A copy of the Annexation Fee Rate Ordinance accompanied the agenda. A recommendation was made to waive the reading of the Annexation Fee Rate Ordinance in its entirety.

Upon motion of Director Solis, duly seconded and unanimously carried, *An Ordinance Prescribing the Annexation Fee Rates for Newhall Ranch Sanitation District of Los Angeles County* was introduced, and after reading of the title thereof, further reading of the Annexation Fee Rate Ordinance was waived.

RE: SERVICE CHARGE REPORT RECEIVE
AND ORDER FILED FOR FISCAL YEAR 2020-21
SET PUBLIC HEARING FOR DECEMBER 10,
2019 AND GIVE REQUIRED NOTICE

A report titled *Newhall Ranch Sanitation District of Los Angeles County Service Charge Report for Fiscal Year 2020-21*, prepared in accordance with Section 5473 of the Health and Safety Code of the State of California and which establishes the formula for the calculation of a sewage unit

that represents the average daily quantity of sewage flow and strength from a single-family home (SFH), was presented. In March 2019, the Newhall Ranch Sanitation District (NRSD) Board adopted the NRSD Engineer's Report. This report included proposed annual sewer service charge rates such that revenue will equal the NRSD's ongoing expenses when 75 percent of the initial Newhall Ranch Water Reclamation Plant capacity has been utilized. Until service charges are sufficient to fund ongoing expenses, Newhall Land and Farming Co., has committed, in a previous agreement, to provide funding to supplement any shortfall in revenue from service charges.

In this District, the proposed service charge rates for fiscal years 2019-20, 2020-21, 2021-22, and 2022-23 are \$53.13 per month (\$637.50 per year), \$54.72 per month (\$656.60 per year), \$56.36 per month (\$676.30 per year), and \$58.05 per month (\$696.60 per year), respectively, an increase of 3 percent per year. Multi-family residential units will pay 60 percent of the SFH rate and condominiums will pay 75 percent of the SFH rate. Likewise, commercial and small industrial dischargers will pay in proportion to their use compared to an SFH. Dischargers with verified low water usage (particularly seniors and retirees) can also qualify for a reduced charge. Industrial dischargers will be charged based on their proposed use of the system as compared to an SFH. As data for the NRSD system is not yet available, industrial dischargers rates will be split between their measured flow and wastewater strength in the same proportions as is done in the Santa Clarita Valley Sanitation District.

A recommendation was made that in order to implement new rates, the District must comply with the requirements of Proposition 218 and the California Health & Safety Code. The first step is to mail individual notices to every property owner in the District. The notice must provide information about the proposed rates and the date, time, and place for a public hearing on those rates. These notices were sent to the property owners in the District on October 25, 2019. Next, the Service Charge Report must be ordered to be filed with the District Clerk. This report contains a description and the amount of the proposed service charge for each parcel. At least 45 days after the Proposition 218 notices are mailed, the Board must hold a public hearing on the proposed rates. It is recommended that the public hearing be set for December 10, 2019, at 9:30 a.m., in the Kenneth Hahn Hall of Administration. After the public hearing is closed, the Board will consider adoption of the Service Charge Report in order to ensure collection of the service charge through property tax billing, and adoption of the service charge and industrial wastewater surcharge rate ordinances to ensure the new rates become effective 30 days after the ordinance is adopted.

Upon motion of Director Solis, duly seconded and unanimously carried, the *Newhall Ranch Sanitation District of Los Angeles County Service Charge Report for Fiscal Year 2020-21* was ordered filed with the Clerk of the District.

BE IT RESOLVED, that the Board does hereby fix December 10, 2019, at 9:30 a.m., in the Kenneth Hahn Hall of Administration, Los Angeles, California, as the place for a public hearing on *Newhall Ranch Sanitation District Service Charge Report for Fiscal Year 2021-21*, the proposed service charge and industrial wastewater surcharge rates, and the collection of the service charge on the property tax roll.

The Clerk of this Board shall cause notice of the filing of the Report and the time and place of the public hearing to be published once a week for two successive weeks in *The Signal (Santa Clarita)*, a daily newspaper, there being no newspaper of general circulation printed and published within the District, and in such other publications as are deemed appropriate by the Chief Engineer and General Manager.

Upon motion of Director Solis, duly seconded and unanimously carried, the meeting adjourned.

ATTEST:

KIMBERLY S. COMPTON
Secretary

JANICE HAHN
Chairperson

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