

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

December 10, 2019
9:30 o'clock, A.M.

The Board of Directors of Newhall Ranch Sanitation District of Los Angeles County met in regular session.

There were present: Janice Hahn, 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
Kathryn Barger, Chairperson, Director from Los Angeles County

Absent: None

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

RE: CHAIRPERSON AND CHAIRPERSON PRO TEM A certificate copy of an action taken by the Board of Supervisors of the County of Los Angeles, on December 3, 2019 was presented, stating that pursuant to Section 7 of the Rules of the Board of Supervisors, Kathryn Barger assumed the Office of Chairman of the Board of Supervisors on Tuesday, December 3, 2019, to serve in such capacity until the election or succession of her successor, and that Supervisor Sheila Kuhl was elected Chair pro tem to serve in such capacity until her automatic succession to the position of Chairperson, which places Supervisor Barger as Chairperson and Supervisor Kuhl as Chair pro tem of this Board of Directors.

Upon motion of Director Solis, duly seconded and unanimously carried, the certificate was accepted and ordered filed.

RE: MINUTES Upon motion of Director Solis, duly seconded and unanimously carried, the minutes of the regular meeting held September 10, 2019, and the special meeting held November 19, 2019, were approved.

RE: DISTRICT EXPENSES The following expenses for the months of July, August, and September 2019 were presented and upon motion of Director Solis, duly seconded and unanimously carried, were approved:

| | |
|----------------------------------|---------------------|
| Local District Expenses: | |
| Operations & Maintenance (O & M) | \$ 55,250.67 |
| Capital | 52,062.13 |
| Allocated Expenses: | |
| Joint Administration | <u>1,156.65</u> |
| Total Expenses | <u>\$108,469.45</u> |

RE: WASTEWATER REVENUE PROGRAM - HOLD AN announcement was made that today the Board COMBINED PUBLIC HEARING ON SERVICE would hold a combined public hearing, and the CHARGE REPORT, PROPOSED MASTER SERVICE proposed rates associated with the service charge, CONNECTION FEE, MASTER CONNECTION FEE, AND connection fee, annexation fee, industrial wastewater MASTER ANNEXATION FEE ORDINANCES; AND surcharge rates, and the collection of the service PROPOSED SERVICE CHARGE, SURCHARGE, charge on the property tax roll were presented. CONNECTION FEE AND ANNEXATION FEE RATE ORDINANCES AND COLLECTION ON TAX ROLL

A letter describing the required Board actions together with a copy of the Service Charge Report, the proposed master service charge, master connection fee, master annexation fee ordinances; and proposed service charge, surcharge, connection fee, and annexation fee rate ordinances, and a letter explaining the basis for the proposed rates, accompanied the agenda. The proposed rates for a single-family home (SFH) effective January 1,

2020, and on July 1 of the years 2020, 2021, and 2022 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.. Owners of multiple dwelling residential units and commercial properties are charged 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 discharge 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. This item is consistent with the Districts' Guiding Principle 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.

Upon motion of the Chairperson, duly seconded and unanimously carried, the Chairperson opened a combined public hearing scheduled at this time and place on the Service Charge Report and collection of service charge on property tax roll; proposed master service charge, master connection fee, and master annexation fee ordinances; and proposed service charge, surcharge, connection fee and annexation fee rate ordinances for Newhall Ranch Sanitation District of Los Angeles County. Notices were mailed to owners of 78 parcels. The District was not contacted by any property owners and received no Proposition 218 protest forms.

In accordance with Section 5473 of the Health and Safety Code of the State of California, the *Newhall Ranch Sanitation District Service Charge Report for Fiscal Year 2020-21* was filed on November 19, 2019, and publication of two newspaper notices for today's public hearing were published in *The Signal (Santa Clarita)*, a daily newspaper. The Service Charge Report addresses the continued collection of the service charge for the District on the tax roll. These charges are needed to supplement the District's existing revenue sources for the forthcoming fiscal year, as discussed in the letter to the Boards, dated November 5, 2019.

The Chairperson announced this was the time for any questions or comments by members of the public. The following individuals addressed the Board: Mr. Wayne Spindler, Mr. Arnold Sachs, and Mr. Eric Preven. Directors' comments and Districts' staff presentation were recorded. The transcript of the proceedings of the public speakers is available at the Districts' office.

There being no further comments, the Chairperson closed the public hearing.

RE: SERVICE CHARGE PROGRAM
ADOPT SERVICE CHARGE REPORT

Following the public hearing, upon motion of the Chairperson, duly seconded and unanimously carried, the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County approved and adopted the *Newhall Ranch Sanitation District Service Charge Report for Fiscal Year 2020-21*, which was filed with the Clerk of the Board on November 19, 2019.

RE: WASTEWATER REVENUE PROGRAMS
MASTER SERVICE CHARGE, MASTER
CONNECTION FEE, SERVICE CHARGE RATE,
SURCHARGE RATE, CONNECTION FEE RATE,
MASTER ANNEXATION FEE, ANNEXATION
FEE RATE ORDINANCES - ADOPT - FIND
EXEMPT FROM CEQA

Proposed Master Service Charge, Master Connection Fee, Service Charge Rate, Surcharge Rate, Connection Fee Rate, Master Annexation Fee, and Annexation Fee Rate Ordinances (Ordinances) were presented for adoption. In connection with the adoption of the Ordinances, the Board may adopt written findings in support of the exemption from the California Environmental Quality Act (CEQA) in the record of

proceedings.

A recommendation was made that the Ordinances be adopted, and that the Board make the finding that adoption of the Ordinances is exempt from CEQA under Section 15273 of the State Guidelines for implementation of CEQA.

Upon motion of the Chairperson, duly seconded and unanimously carried by the following vote:

- AYES: Directors Hahn, Kuehl, Ridley-Thomas, Solis, and Barger
- NOES: None
- ABSENT: None
- ABSTAIN: None

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); 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); 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); An Ordinance Prescribing Industrial Wastewater Surcharge Rates for Newhall Ranch Sanitation District of Los Angeles County (Surcharge Rate Ordinance); 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); An Ordinance Prescribing Fees for the Annexation of Territory to Newhall Ranch Sanitation District of Los Angeles County (Master Annexation Fee Ordinance); and An Ordinance Prescribing the Annexation Fee Rates for Newhall Ranch Sanitation District of Los Angeles County (Annexation Fee Rate Ordinance), were adopted. Furthermore, the Board found that the adoption of the Ordinances are exempt from the California Environmental Quality Act (CEQA) under Section 15273 of State Guidelines for Implementation of CEQA on the basis that CEQA does apply to the modification of rates or other charges which are for the purpose of meeting operating expenses, purchasing equipment, and funding capital projects necessary to maintain services within existing service areas; and that the proposed rate increases are for the purpose of (1) meeting operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment, or materials, (3) meeting financial reserve needs and requirements, or (4) obtaining funds for capital projects necessary to maintain service within existing service areas, as reported to the Board of Directors by the Chief Engineer and General Manager and as reflected in the official minutes of the District on file at the office of the District.

RE: FACILITIES PLANNING
 OPERATING COSTS AGREEMENT
 AFTER FIRST CONNECTION
 NEWHALL LAND AND FARMING
 COMPANY - CONTRACT NO. 5245
 APPROVE

The *Operating Costs Agreement After First Connection* (Agreement) provides for the Newhall Land and Farming Company's (NLFC) payment of an Operating Cost Subsidy until the District's operating funds are sufficient and stable, and one of the following "Terminating Conditions" conditions occur: (a) 6,000 Capacity Units are connected to the District's Sewer Facilities, or

(b) fifteen (15) years elapse after the Effective Date of this Agreement, or (c) the District is financially self-sustaining. This Agreement also provides for NLFC's payment to the District of Connection and Annexation Fees due to the Santa Clarita Valley Sanition District required under the *Joint Sewerage Services Agreement (JSSA)* dated December 12, 2017. This Agreement is the second of the two operating costs agreements contemplated by the JSSA pertaining to the initial management expenses of the District's sewerage system. A recommendation was made to approve and order executed an Agreement with Newhall Land and Farming Company for payment of an Operating Cost Subsidy and to the District of Connection and Annexation Fees.

Upon motion of the Chairperson, duly seconded and unanimously carried, the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County found and determined that it would be to the advantage of the District to enter into an *Operating Costs Agreement After First Connection* with Newhall Land and Farming Company providing for payment of an Operating Cost Subsidy, with conditions, and payment to the District of Connection and Annexation Fees due to the Santa Clarita Valley Sanition District required under the *Joint Sewerage Services Agreement*, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Operating Costs Agreement After First Connection*, Contract No. 5245, dated December 10, 2019, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District.

RE: FACILITIES PLANNING
 PROPERTY ACQUISITION AGREEMENT
 NEWHALL LAND AND FARMING
 COMPANY CONTRACT NO. 5246
 APPROVE

The *Property Acquisition Agreement for Newhall Ranch Water Reclamation Plant Site and Utility Corridor Easement* (Property Acquisition Agreement) requires Newhall Land and Farming Company to execute and acknowledge a grant deed conveying fee title to the Newhall Ranch Water Reclamation Plant (WRP) site at

no cost to the District. The Property Acquisition Agreement also provides the District with any necessary sewer easements at no cost to facilitate the construction and operation of a conveyance sewer from the Valencia WRP to the Newhall Ranch WRP. A recommendation was made to approve and order executed a Property Acquisition Agreement with Newhall Land and Farming Company for a grant deed and necessary sewer easements.

Upon motion of the Chairperson, duly seconded and unanimously carried, the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County found and determined that it would be to the

advantage of the District to enter into a *Property Acquisition Agreement for Newhall Ranch Water Reclamation Plant Site and Utility Corridor Easement* with Newhall Land and Farming Company providing for a grant deed conveying fee title to the Newhall Ranch Water Reclamation Plant (WRP) site at no cost to the District; and necessary sewer easements at no cost to facilitate the construction and operation of a conveyance sewer from the Valencia WRP to the Newhall Ranch WRP, as set forth in the Property Acquisition Agreement and under terms and conditions contained therein. All the terms and conditions of the *Property Acquisition Agreement for Newhall Ranch Water Reclamation Plant Site and Utility Corridor Easement*, Contract No. 5246, dated December 10, 2019, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Property Acquisition Agreement on behalf of the District.

The meeting was adjourned by the Chairperson.

KATHRYN BARGER
Chairperson

ATTEST:

KIMBERLY S. CHRISTENSEN
Secretary

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