



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

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June 9, 2021

Board of Directors
Newhall Ranch Sanitation District
of Los Angeles County

Directors:

The enclosed agenda includes the following item for the public hearing meeting of the Board of Directors of Newhall Ranch Sanitation District meeting Tuesday, June 22, 2021.

1-4. Wastewater Budget Matters for Fiscal Year 2021-22 (5). Attached is a copy of the proposed budget for FY 2021-22 for Newhall Ranch Sanitation District with a breakdown of the items included in the budget. The main revenue source for Newhall Ranch Sanitation District has been payments from Newhall Land and Farming. For the coming fiscal year, it is anticipated that additional service charge revenues will also be collected as new homes and businesses connect to the District's sewerage system. The budget was prepared in accordance with the Joint Administration Agreement and other agreements and engineering reports prepared for estimating the initial startup costs of the sewerage system for this District.

Very truly yours,

A handwritten signature in black ink that reads "Robert C. Ferrante".

Robert C. Ferrante

RCF:drs
Enclosures

To be held in the HEARING ROOM
OF THE BOARD OF SUPERVISORS
Kenneth Hahn Hall of Administration, Los Angeles, California

*In Response to concerns about the Novel Coronavirus (COVID-19), and in accordance with the
Governor's Executive Order N-29-20, you may find further information at:
<http://bos.lacounty.gov/Board-Meeting/Board-Agendas>*

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA LISTED BELOW

TUESDAY		June 22, 2021		At 9:30 A.M.
BARGER	HAHN	SOLIS (Chairperson)	KUEHL	MITCHELL

1. Recommendation: Hold public hearing on the Service Charge Report and Budget Matters (5)
2. Recommendation: Adopt Service Charge Report (5)
3. Recommendation: Adopt Operating Fund Budget (5)
4. Recommendation: Authorize Appropriations per Budget (5)

NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY SERVICE CHARGE REPORT FOR FISCAL YEAR 2021-22

INTRODUCTION

Newhall Ranch Sanitation District of Los Angeles County encompasses the portion of unincorporated Los Angeles County known as Newhall Ranch.

The District provides wastewater management services for the area described above. The District will be responsible for the operation and maintenance of the Newhall Ranch Water Reclamation Plant and the large trunk sewers which convey wastewater to these facilities. These services are essential to protect the public health of the people served by the system.

The District must provide the revenue required to operate and maintain its facilities. The general revenue sources currently available to the District include service charges, industrial wastewater surcharges, interest income, and contract revenue.

PROPOSED SYSTEM DESCRIPTION

The required supplemental revenue required under the *Master Service Charge Ordinance of Newhall Ranch Sanitation District 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 Newhall Ranch Sanitation District of Los Angeles County 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:

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

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_{sft} = 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	=	0.2798
B	=	0.3239
C	=	0.3963

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 Newhall Ranch Sanitation District of Los Angeles County.

Based upon presently anticipated sources of funds, the service charge rate for fiscal year 2021-22 is \$676.30 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 Newhall Ranch Sanitation District 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 Newhall Ranch Sanitation District of Los Angeles County. 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	195	0.92	0.44
Multi-Unit Residential	Dwelling Unit	156	0.73	0.35
Mobile Home Parks	No. of Spaces	156	0.73	0.35
COMMERCIAL				
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 NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES
COUNTY

008998	014179	014180	014181	014182
014183	014184	014185	014186	015393

**Newhall Ranch Sanitation District
Operating Fund Final Wastewater Budget (\$000)
Fiscal Year 2021-22**

	2020-21	2021-22
<u>Beginning Balance</u>	\$ 827	\$ 247
<u>Sources of Funds</u>		
Service Charge	\$ 164	\$ 845
Newhall Land and Farming	-	1,188
Total Operating Revenues	164	2,033
Interest	16	11
Total Non-Operating Revenues	16	11
Total Sources of Funds	\$ 180	\$ 2,044
<u>Use of Funds</u>		
Joint Administration Operations	\$ 37	\$ 30
Newhall Ranch Sewer System Operations	51	94
Treatment Plant Operations	224	515
Other Operational Expenditures	13	37
Total Operations and Maintenance Expenditures	324	675
Joint Administration Capital	3	5
Newhall Ranch Sewer System Capital	-	15
Treatment Plant Capital	-	360
Total Capital Expenditures	3	379
Transfers to Designated Reserves	12	1,159
Total Use of Funds	\$ 339	\$ 2,214
<u>Ending Balance</u>	\$ 669	\$ 77

**Newhall Ranch Sanitation District
Local Capital Project Final Wastewater Budget (\$000)
July 1, 2021 through June 30, 2022**

Project	Description	2021-22 Budget	Expected Completion	Total Budget (1)
Newhall Ranch Sanitation District Facilities Planning	Facility planning, legal support, outreach, and property acquisitions	350	2027-28	1,450
Newhall Ranch Sanitation District Sewer Design Support	Design review and inspection of new sewer facilities	15	2027-28	360
Newhall Sanitation District Water Reclamation Plant Design Support	Design review and inspection of the new treatment plant	10	2023-24	55
Newhall Ranch District Sewer System		\$ 375		
Total Capital Projects		\$ 375		

(1) Includes past, current, and future amounts

**Newhall Ranch Sanitation District
Reserve Funds Final Budget (\$000)
Fiscal Year 2021-22**

	Unrestricted	Designated			Restricted	Total
	Operating Fund	Emergency Fund	O&M Financial Stability Fund	Capital Project Financial Stability Fund	JSSA Fund	
Beginning Balance	\$ 247	\$ 50	\$ 433	\$ 323	\$ 1,366	\$ 2,419
Total Operating Revenues	2,033	-	-	-	-	2,033
Total Non-operating Revenues	11	-	-	-	14	24
Total Capital Revenues(1)	-	-	-	-	2,211	2,211
Total O&M Expenditures	675	-	-	-	-	675
Total Capital Expenditures	379	-	-	-	2,591	2,970
Total Debt Service	-	-	-	-	-	-
Net Transfer to (from) Fund	(1,159)	-	1,157	2	-	(0)
Ending Balance	\$ 77	\$ 50	\$ 1,590	\$ 325	\$ 1,000	\$ 3,042

(1) Total Capital Revenues for the JSSA Reserve are payments from Newhall Land and Farming for costs due to the Santa Clarita Valley

**Newhall Ranch Sanitation District
 Final 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>	656.60	676.30
<u>Projected Sewage Units</u>		
Residential and Commercial	250	1,250
Total Served Sewage Units	250	1,250