

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 9

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 provisions of California Government Code Section 54953(e), 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: <http://www.lacsd.org/agendas>

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

WEDNESDAY February 23, 2022 At 1:30 P.M.

Governing Body	Director	Alternate
LOS ANGELES CITY	MARTINEZ	BUSCAINO
LOS ANGELES COUNTY	HAHN (Chairperson)	SOLIS
LOS ANGELES COUNTY	MITCHELL	SOLIS

- Public Comment
- Receive and Order Action Appointing Ms. Hilda Solis as Alternate Director of the Board of Supervisors of the County of Los Angeles
- Approve Minutes of Special Meeting Held December 13, 2021
- Approve October, November, and December 2021 Expenses in Amount of \$108,730.84

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 the Joint Administration Agreement. This Agreement provides for the joint administration and technical support 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’ website 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)	\$ 82,872.36
Capital	24,516.00
Allocated Expenses:	
Joint Administration	1,342.48
Total Expenses	<u>\$108,730.84</u>

- Approve *Resolution of the Board of Directors of County Sanitation District No. 9 of Los Angeles County Proclaiming a Local Emergency, Ratifying the Proclamation of a State of Emergency on March 4, 2020 by California Governor and Authorizing Remote Teleconference Meetings of the Legislative Body*

Summary: Remote teleconferenced meetings, during the continued existence of the Governor’s proclaimed state of COVID-19 emergency, will be conducted under the provisions of AB 361 which added California Government Code Section 54953(e), to the Brown Act. Under the provisions of AB 361 and Government Code Section 54953(e), each District must adopt, by majority vote, a resolution making certain findings about the continuing COVID state of emergency and health and safety risks of conducting their meeting in person. By statute, this Resolution and its referenced findings, are only legally valid for 30 days. The Resolution is attached to the agenda.

- Receive and Order Filed [Annual Comprehensive Financial Report](#) (ACFR) for Fiscal Year Ending June 30, 2021

Summary: Copies of the Districts’ ACFR for the fiscal year ending June 30, 2021, 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.

7. 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 2022-23 for Each Parcel (\$78 Per Single-Family Home), Filed 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 to collect the wastewater service charge on the property tax roll. The current service charge rate per single-family home is \$6.50 per month (\$78 per year) and no increase is recommended for fiscal year 2022-23. A letter discussing the service charge rate, the fiscal year 2022-23 preliminary budget, and related matters accompanies the agenda. Staff recommends that the Public Hearing be held at the Board Meeting scheduled for June 22, 2022. 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 4, 2022

Boards of Directors
Los Angeles County Sanitation Districts Nos. 4 & 9
of Los Angeles County

Directors:

Wastewater Revenue Program for Fiscal Year 2022-23

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 2022-23. 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 2022-23

Enclosed for your review is the preliminary budget for fiscal year 2022-23; 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. 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

RESOLUTION OF THE BOARD OF DIRECTORS OF THE COUNTY SANITATION
DISTRICT NO. 9 OF LOS ANGELES COUNTY PROCLAIMING A LOCAL EMERGENCY,
RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY
ON MARCH 4, 2020 BY CALIFORNIA GOVERNOR AND AUTHORIZING
REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODY

WHEREAS, the County Sanitation District No. 9 of Los Angeles County (“District”) is committed to preserving and nurturing public access and participation in meetings of the District’s Board of Directors and committees; and

WHEREAS, all meetings of the District’s Board of Directors are open and public, pursuant to the requirements of the Ralph M. Brown Act (California Government Code Sections 54950-54963) (the “Brown Act”), so that any member of the public may attend, participate, observe and watch the District’s Board of Directors conduct business; and

WHEREAS, the Brown Act, Section 54953(e), allows for conducting and participating in meetings by members of a legislative body, without compliance with the requirements of the Brown Act Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition under the Brown Act Section 54953(e) is the declaration of a state of emergency by the Governor pursuant to California Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within California caused by the conditions outlined and described in California Government Code Section 8558; and

WHEREAS, a proclamation of a state of emergency is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological, or human-induced disasters; and

WHEREAS, it is further required that the state or local officials have imposed or recommended measures to promote social distancing, or the Board of Directors of the District have held a meeting where it considered and determined that meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, such conditions now exist in the District as Governor Newsom declared a State of Emergency on March 4, 2020 as a result of the threat of COVID-19; and

WHEREAS, the Centers for Disease Prevention and Control, in its publication “How to Protect Yourself & Others” updated August 13, 2021, have recommended social distancing practices, including staying 6 feet away from others and avoiding crowds and poorly ventilated spaces in order to protect individuals and others from COVID-19; and

WHEREAS, the County of Los Angeles Department of Public Health Order of the Health Officer issued September 17, 2021 (the “County Order”) includes a finding that the existing community transmission of COVID-19 in Los Angeles County remains high and continues to present a high risk of infection and harm to the health of those who are not and cannot be vaccinated against COVID-19 especially when there is an absence of capacity limits and physical distancing requirements for both indoor and outdoor settings. The County Order further finds that COVID-19 infection remains a significant health hazard to all residents; and

WHEREAS, the District’s Board of Directors does hereby find that the ongoing and significant risks associated with COVID-19 infection, especially in the absence of capacity limits and physical distancing requirements for indoor activities, on those who are not and cannot be vaccinated, and that COVID-19 infection remains a significant health hazard to all residents, has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of a state of emergency by the Governor of the State of California, and further, ratify the County Order findings related to the ongoing health hazards of COVID-19; and

WHEREAS, as a consequence of the declared state of emergency and the local emergency, the Board of Directors of the District does hereby find that the District shall continue to conduct its meetings in accordance with the provisions and requirements of the Brown Act Section 54953(e), and that the legislative

bodies of the District shall comply with the requirements to provide the public with access to, and an opportunity to comment at all meetings of the District's legislative bodies in accordance with the requirements of the Brown Act Section 54953(e)(2); and

WHEREAS, the District will continue its practice of live streaming its meetings via the Zoom software platform which allows members of the public to observe and participate in the meetings via video or call-in options, and will continue to offer members of the public an opportunity to make oral comments during the meetings and/or submit written comments before the meetings.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 9 OF LOS ANGELES COUNTY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true, correct, and are incorporated in this Resolution by reference.

Section 2. Proclamation of Local Emergency. The Board of Directors of the District does hereby proclaim that a local emergency now exists throughout the territory of the District and, as described in the County Order, there remains evidence of sustained and high community transmission rates of COVID-19 resulting in high risks of infection and harm to the health of those who are not and cannot be vaccinated against COVID-19, especially when there is an absence of capacity limits and physical distancing requirements for both indoor and outdoor settings, and COVID-19 infection remains a significant health hazard to all residents of the District.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The District's Board of Directors hereby ratifies the Governor of the State of California's Proclamation of a State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The Chief Engineer and General Manager, staff and legislative bodies are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, without limitation, conducting open and public meetings in accordance with the Brown Act Section 54953(e) and all other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) 30 days after the date of this resolution, or such time that the District's Board of Directors adopts a subsequent resolution in accordance with the Brown Act Section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without compliance with the requirements of the Brown Act Section 54953(b)(3).

PASSED AND ADOPTED by the Board of Directors of the County Sanitation District No. 9 of Los Angeles County this 23rd day of February 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson

COUNTY SANITATION DISTRICT NO. 9 SERVICE CHARGE REPORT FOR FISCAL YEAR 2022-23

INTRODUCTION

County Sanitation District No. 9 of Los Angeles County encompasses a portion of the city of Los Angeles and unincorporated Los Angeles County.

District No. 9, unlike other Sanitation Districts within the urbanized Los Angeles basin, does not own treatment and disposal facilities. District No. 9 contracts for treatment and disposal services with the City of Los Angeles. These services are essential to protect the public health of the people served by the system.

District No. 9 must provide the revenue required to operate and maintain, including capital costs, its proportionate share of the facilities owned by the City of Los Angeles. The general revenue sources currently available to the District include a pro rata share of the ad valorem (property) taxes, service charges, interest income 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. 9 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. 9 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_{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 2022-23 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	=	0.3049
B	=	0.3348
C	=	0.3603

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. 9.

Based upon presently anticipated sources of funds, the service charge rate for fiscal year 2022-23 is \$78 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 County Sanitation District No. 9 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 2022-23 Tax Rate Areas as shown in Table 2 are receiving or benefiting from the services and facilities of District No. 9. Additionally, the parcels listed in Table 3, which do not fall within the Tax Rate Areas shown in Table 2, are receiving or benefiting from the services and facilities of District No. 9. 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
COMMERCIAL				
Mortuary, Funeral Home	1000 ft ²	100	1.33	0.67

<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>
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. 9

00184	00413	01504	01604	01687
01701	01706	01709	01715	01721
01733	06406	11896	12886	13650
15494	15495	16468	16586	16986
16987				

**TABLE 3
PARCEL NUMBERS SERVED BY SANITATION DISTRICT NO. 9
OUTSIDE OF TAX RATE AREAS**

7452034042

**County Sanitation District No. 9 of Los Angeles County
Preliminary Operating Fund Budget (\$000)
Fiscal Year 2022-23**

	Adopted 2021-22	Proposed 2022-23
<u>Starting Balance</u>	\$ 160	\$ 161
<u>Sources of Funds</u>		
Service Charge	\$ 111	\$ 107
Total Operating Revenue	111	107
Ad Valorem Tax Revenue	113	115
Interest	44	1
Total Non-Operating Revenue	158	116
Transfers from Restricted Funds	59	93
Total Transfers In	59	93
Total Sources of Funds	\$ 329	\$ 317
<u>Use of Funds</u>		
Joint Administration Operations	\$ 6	\$ 7
Contract Disposal Operations	210	225
Other Operational Expenditures	3	3
Operations and Maintenance Expense	219	235
Joint Administration Capital	1	1
Contract Disposal Capital	58	92
Capital Expense	59	93
Transfers to Designated Reserves	51	2
Transfers Out	51	2
Total Use of Funds	\$ 330	\$ 331
<u>Ending Balance</u>	\$ 159	\$ 147

**County Sanitation District No. 9 of Los Angeles County
Reserve Funds Proposed Budget (\$000)
Fiscal Year 2022-23**

	Unrestricted	Designated			Restricted	Total
	Operating Fund	Emergency	O&M Financial Stability	Capital Projects Financial Stability	Capital Improvement	
Starting Reserve Balance	\$ 161	52	125	4,165	473	4,975
Operating Revenue	107	-	-	-	-	107
Non-Operating Revenue	116	0	1	21	2	140
Capital Revenue	-	-	-	-	1	1
Transfers In	93	-	4,090	-	-	4,184
Operations and Maintenance Expense	235	-	-	-	-	235
Capital Expense	93	-	-	-	-	93
Transfers Out	2	2	-	4,085	93	4,184
Ending Balance	<u>147</u>	<u>50</u>	<u>4,216</u>	<u>100</u>	<u>383</u>	<u>4,895</u>

**County Sanitation District No. 9 of Los Angeles County
Wastewater Budget Rate and Other Information Summary
Fiscal Year 2022-23**

	<u>Adopted 2021-22</u>	<u>Proposed 2022-23</u>
<u>Service Charge Rate</u>	78.00	78.00
<u>Projected Sewage Units</u>		
Residential/Commercial	1,429	1,371
Contract Out	<u>-1,429</u>	<u>-1,371</u>
Total Served Sewage Units	-	-

**Joint Outfall System
Preliminary Operating Fund Budget (\$000)
Fiscal Year 2022-23**

	Adopted 2021-22	Proposed 2022-23 ⁽¹⁾
<u>Starting Balance</u>	\$ 34,590	\$ 16,693
<u>Sources of Funds</u>		
Industrial Waste Charges	\$ 13,609	\$ 73,486
Operating Payments by Districts	194,695	260,060
Contract Revenue	4,746	3,651
Agricultural and Recycled Water Sales	7,970	9,767
Total Operating Revenue	221,020	346,965
Interest ⁽²⁾	-	828
Total Non-Operating Revenue	-	828
Grants	1,337	-
Loan Proceeds	58,593	64,000
Capital Payments by Districts	-	114,712
Loan Payments by Districts	27,027	-
Total Capital Revenue	86,957	178,712
Transfers from Designated Funds	-	109,295
Transfers from Restricted Funds	187,945	234,303
Transfers From Districts	-	148,933
Total Transfers In	187,945	492,531
Total Sources of Funds	\$ 495,922	\$ 1,019,036
<u>Use of Funds</u>		
Joint Administration Operations	-	\$ 102,781
Sewer System Operations ⁽¹⁾	33,640	48,373
Treatment Plant Operations	170,583	174,694
Composting Facility Operations	8,800	7,118
Contract Disposal Operations	-	1,514
Other Operational Expenditures	7,997	11,914
Operations and Maintenance Expense	221,020	346,396
Joint Administration Capital	-	7,155
Pumping Plant Capital	-	12,090
Sewer System Capital	13,729	78,503
Treatment Plant Capital	227,253	198,843
Composting Facility Capital	1,310	1,310
Field Office Capital	5,582	750
Contract Disposal Capital	-	642
Capital Expense ⁽¹⁾	247,874	299,293
Loan Repayment	27,027	-
Bond Repayment	-	9,781
Debt Service	27,027	9,781
Total Use of Funds	\$ 495,922	\$ 655,470
<u>Ending Balance</u>	\$ 34,590	\$ 380,259

(1) As a result of the Joint Outfall Consolidation effective July 1, 2022, some budget items previously shown on individual District budgets will now be included on the Joint Outfall budget (i.e., industrial waste revenue and sewer system O&M and capital expenses)

(2) Interest revenue was not included in the FY21-22 budget.

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

Project	Description	2022-23 Budget	Expected Completion	Total Budget (1)
Sewer Repair and Rehabilitation Projects	Rehabilitation of corroded sewer	\$ 78,503	Various	N/A
Pumping Plant Projects	Pumping plant improvements at various locations	12,090	Various	N/A
Joint Outfall Conveyance System		\$ 90,593		
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	\$ 100,200	2026-27	804,000
Secondary Treatment Projects	Capital expenses related to repairs and general improvements to the Secondary Treatment Systems at various facilities	12,800	2024-25	55,150
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	19,620	2024-25	43,380
Contingency for Treatment Plant Projects	Contingency funding for unplanned capital projects at the various treatment plants	3,806	Various	N/A
Treatment Plant Concrete Protection Projects	Replacement of protective liners at the various treatment plants that have been subjected to significant corrosion	13,740	2024-25	72,500
Solids Handling Projects	Capital expenses related to repairs and general improvements to the Solids Handling Systems at various facilities	7,000	2024-25	40,500
Primary Treatment Projects	Capital expenses related to repairs and general improvements to the Primary Treatment Systems at various facilities	8,385	2025-26	49,200
MWD Advanced Water Treatment Projects	Remediation of contaminated soil on undeveloped land slated for future AWTF project being pursued with MWD and project planning	8,515	2025-26	87,400
Treatment Plant Security Improvements	Improvements to security at various treatment plants	3,295	2023-24	6,020
Process Air Compressor Replacement	Replacement of outdated PACs to improve efficiency and reduce energy costs at various facilities	13,445	2025-26	47,900
Laboratory Improvements	Improvements to various Laboratory facilities	4,053	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	950	2022-23	2,600
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	1,680	2022-23	8,300
Filtration Projects	Capital expenses related to repairs and general improvements to the Filter Systems at various facilities	1,355	2022-23	1,400
Treatment Plants		\$ 198,843		
Tulare Lake Compost 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	750	2025-26	70,000
Field Offices		\$ 750		
Contract Disposal Capital	Capital expenses for disposal contracts	642	Various	N/A
Contract Disposal		\$ 642		
Total Capital Projects		\$ 292,138		

**Joint Outfall System
Reserve Funds Proposed Budget (\$000)
Fiscal Year 2022-23**

	Unrestricted	Designated			Restricted		Total
	Operating Fund	Emergency	O&M Financial Stability	Capital Projects Financial Stability	Capital Improvement	Closure / Postclosure Reserves	
Starting Reserve Balance	\$ 16,693	-	-	-	214,248	411	231,353
Operating Revenue	346,965	-	-	-	-	-	346,965
Non-Operating Revenue	828	50	989	648	1,561	2	4,079
Capital Revenue	178,712	-	-	-	5,972	-	184,684
Transfers In	492,531	12,434	197,857	129,584	97,903	-	930,308
Operations and Maintenance Expense	346,396	-	-	-	-	-	346,396
Capital Expense	299,293	-	-	-	-	-	299,293
Debt Service	9,781	-	-	-	-	-	9,781
Transfers Out	-	-	8,548	103,103	234,303	-	345,954
Ending Balance	<u>380,259</u>	<u>12,484</u>	<u>190,298</u>	<u>27,129</u>	<u>85,381</u>	<u>413</u>	<u>695,964</u>

Sanitation Districts of Los Angeles County
Wastewater Budget Explanation and Glossary of Terms
Fiscal Year 2022-23

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.
Total Served Sewage Units	Total number of Sewage Units (single family home equivalent dischargers) that are served by treatment plants owned by the Sanitation Districts.