

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 34

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		June 22, 2022		At 1:30 P.M.	
CURTIS	EICH	DAVITT (Chairperson)	GUNTER	WALKER	

1. Public Comment
2. Approve Minutes of Special Meeting Held April 27, 2022
3. Approve January, February, March, and April 2022 Expenses in Amount of \$1,963.57

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.

Allocated Expenses:	
Joint Administration	<u>\$1,963.57</u>
Total Expenses	<u>\$1,963.57</u>

4. Approve *Resolution of the Board of Directors of County Sanitation District No. 34 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.

5. Re: Wastewater Budget Matters for Fiscal Year 2022-23
 - (a) Adopt Operating Budget
 - (b) Authorize Appropriations per Budget

Summary: A letter discussing 2022-23 fiscal year budgetary matters accompanies the agenda. This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent

5. Contd.

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.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE COUNTY SANITATION
DISTRICT NO. 34 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. 34 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 County of Los Angeles Department of Public Health Order of the Health Officer issued March 3, 2022 (the “County Order”) includes recommendations that all persons within the jurisdiction of the County of Los Angeles public health agency always practice required and recommended infection control measures when among others, especially in an indoor setting; 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 individuals with underlying health conditions that make them susceptible to severe COVID-19 illness and individuals who are not and cannot be vaccinated, that COVID-19 infection remains a significant health hazard to all residents, 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. 34 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, recommendations from health officers include ongoing masking, and social distancing practices especially for indoor settings and particularly for individuals who, due to vaccine status or underlying health conditions, continue to be at risk for severe illness, 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 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. 34 of Los Angeles County this 22nd day of June 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chairperson



June 3, 2022

Boards of Directors
Los Angeles County Sanitation Districts

Dear Directors:

Wastewater Budget Matters for Fiscal Year 2022-23

The agendas for the upcoming meetings of the Boards of Directors for most Districts contain items relating to wastewater budget matters for fiscal year 2022-23. These items include establishing an appropriations limit on the proceeds of taxes; adopting the sewerage system final budget; requesting the tax levy; authorizing appropriations per the sewerage system budget; and, for certain Districts, actions related to the previously filed Service Charge Report.

APPROPRIATIONS LIMIT

The Constitution of the State of California places a limit on the authorization to expend the proceeds of taxes levied by state and local governments in California. In addition, the Government Code requires the governing body for each local jurisdiction to establish, by resolution, an appropriations limit for each fiscal year. The appropriations limit for fiscal year 2022-23 has been determined by adjusting the previous limit for fiscal year 2021-22 based upon population change factors for Los Angeles County and the change in the California Personal Per Capita Income. The appropriations limit has also been adjusted to include the increased operation and maintenance and capital costs of treatment processes and facilities needed to comply with state and federal requirements. All of this is in accordance with the procedures outlined in Article XIII B of the Constitution and Section 7910 of the Government Code. The proposed appropriations limit and anticipated tax revenue are enclosed. This information has been available to the public at the Districts' Joint Administration Office in conformance with the requirement that the documentation used in the determination of the appropriations limit be available fifteen days prior to its establishment by the Board of Directors.

FINAL BUDGET FOR FISCAL YEAR 2022-23

Enclosed for your review are the proposed final fiscal year 2022-23 budgets for the District and the Joint Outfall System (JOS), if applicable. Budgets include a list of proposed capital projects (if any) along with descriptions of the projects; 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 JOS budget will only be adopted by District 2, the administrative District for the JOS. Joint Administration and Joint Outfall costs are allocated to each District according to the ratio of the number of sewage units in a District to the total number of sewage units in all the Districts signatory to each agreement. A sewage unit represents the average daily sewage flow and strength (measured in terms of chemical oxygen demand and suspended solids) from a single-family home. This method of allocating costs considers flow as well as the strength of sewage from all types of users and is the most equitable way to distribute Joint costs.

SERVICE CHARGE REPORT

Districts Nos. 4 and 9 will also have an item regarding the Service Charge Report previously filed with the District Clerk. Adoption of the Report is needed for the continued collection of service charges on the property tax roll for residential, commercial and small industrial dischargers. This is the most cost-effective and efficient means of collecting the service charges.

Prior to considering adoption of the Report, the Board must hold a public hearing. The date, time, and location of the public hearing will be held as listed on the agenda. Notice of the public hearing was published twice in newspapers of general circulation within the District. Public testimony will be accepted at the hearing and all written comments must be received at or by this time. After all public input has been received by the Board, the public hearing will be closed, and the Board will consider adoption of the Report. A copy of the Service Charge report is attached for Districts considering this action.

SUMMARY OF REQUIRED ACTIONS

At the June Board meetings, it will be recommended that the Boards of Directors adopt a resolution establishing the appropriations limit on the proceeds of taxes; adopt the budget for fiscal year 2022-23; adopt a resolution requesting the tax levy; authorize appropriations in the sewerage system budget; and adopt the Service Charge Report (Districts 4 and 9 only), all as shown on the agenda.

Very truly yours,



Robert C. Ferrante

RCF:gc

Enclosures

**County Sanitation District No. 34 of Los Angeles County
Final Operating Fund Budget
Fiscal Year 2022-23**

	Adopted 2021-22	Proposed 2022-23 ⁽¹⁾
<u>Starting Balance</u>	\$ 3,495	\$ 475
 <u>Sources of Funds</u>		
La Canada Flintridge	\$ 6,899	\$ 8,415
Total Operating Revenue	6,899	8,415
 Interest ⁽²⁾	35	2
Total Non-Operating Revenue	35	2
 Total Sources of Funds	\$ 6,934	\$ 8,417
 <u>Use of Funds</u>		
Joint Administration Operations	\$ 5,964	\$ 7,412
Operations and Maintenance Expense	5,964	7,412
 Joint Administration Capital	970	1,005
Capital Expense	970	1,005
 Total Use of Funds	\$ 6,934	\$ 8,417
 <u>Ending Balance</u>	\$ 3,495	\$ 475

(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 in the FY21-22 budget included revenues from designated funds. For FY22-23, interest revenue displayed is only generated by monies in the operating fund.

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.

SUMMARY OF 2022-23 APPROPRIATIONS LIMIT FOR EACH SANITATION DISTRICT

DISTRICT NUMBER	2021-22 APPRO. LMT. EXCLUDING MANDATED COSTS	POPULATION CHANGE FACTOR	APPRO. LMT.* CHANGE FACTOR	2022-23 APPRO. LMT. EXCLUDING MANDATED COSTS	2022-23 MANDATED COSTS	2022-23 APPRO. LMT. INCLUDING MANDATED COSTS	ESTIMATED AD VALOREM TAX REVENUES	DISTRICT NUMBER
1	\$ 20,131,580	0.9934	1.0684	\$ 21,508,177	\$ 2,246,239	\$ 23,754,416	\$ 4,902,000	1
2	34,659,907	0.9929	1.0679	37,012,065	3,374,558	40,386,623	8,736,000	2
3	24,358,378	1.0004	1.0759	26,207,171	2,768,802	28,975,973	6,747,000	3
4	3,200,565	0.9956	1.0708	3,427,067	-	3,427,067	837,000	4
5	50,956,938	0.9929	1.0679	54,415,077	4,021,912	58,436,989	14,911,000	5
8	9,553,242	0.9935	1.0686	10,208,198	930,733	11,138,931	2,433,000	8
9	1,225,323	0.9933	1.0683	1,309,005	-	1,309,005	115,000	9
14	57,133,053	0.9934	1.0684	61,039,763	13,393,080	74,432,843	2,376,000	14
15	20,219,455	0.9934	1.0684	21,602,258	2,922,191	24,524,449	9,495,000	15
16	14,228,614	0.9946	1.0696	15,219,485	1,767,873	16,987,358	6,891,000	16
17	1,963,865	0.9933	1.0683	2,097,999	226,184	2,324,183	715,000	17
18	15,185,496	0.9959	1.0711	16,264,689	1,877,066	18,141,755	5,345,000	18
19	5,961,377	0.9929	1.0679	6,365,940	590,158	6,956,098	1,807,000	19
20	45,958,888	0.9929	1.0679	49,077,840	13,344,653	62,422,493	1,749,000	20
21	57,809,621	0.9968	1.0721	61,977,849	2,339,832	64,317,681	5,771,000	21
22	13,505,684	0.9929	1.0679	14,422,233	1,926,462	16,348,695	5,381,000	22
23	6,788,019	0.9929	1.0679	7,248,681	51,996	7,300,677	645,000	23
27	1,022,627	0.9933	1.0683	1,092,466	-	1,092,466	425,000	27
28	1,153,639	0.9929	1.0679	1,231,929	72,795	1,304,724	801,000	28
29	957,666	0.9929	1.0679	1,022,657	85,794	1,108,451	186,000	29
SBC	26,729,927	0.9929	1.0679	28,543,925	795,543	29,339,468	6,682,000	SBC
SCV	24,347,964	1.0014	1.0770	26,223,857	-	26,223,857	8,435,000	SCV
34						N/A**		34
NR						N/A**		NR

* This column represents the net change resulting from the percent change in population and the percent change in Per Capita Income of 7.55%.

** This District is not subject to an appropriations limit as it does not receive any proceeds of taxes.