

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

THURSDAY December 8, 2022 At 9:30 A.M.

Governing Body	Director	Alternate
LANCASTER	PARRIS (Chairperson)	CRIST (Chair pro tem)
PALMDALE	HOFBAUER	BISHOP
LOS ANGELES COUNTY	HAHN	BARGER

- Public Comment
- Receive and Order Filed Certificate of Ms. Janice Hahn, Presiding Officer of the Board of Supervisors of the County of Los Angeles
- Approve Minutes of Adjourned Regular Meeting Held September 8, 2022
- Approve July, August, and September 2022 Expenses in Amount of \$5,330,223.36

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)	\$3,296,859.24
Capital	1,096,502.02
Legal	7,519.05
Allocated Expenses:	
Joint Administration	412,987.43
Technical Support	511,654.61
Legal	<u>4,701.01</u>
Total Expenses	<u>\$5,330,223.36</u>

- Approve *Resolution of the Board of Directors of County Sanitation District No. 14 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.

- Re: Annexation No. 437 to District
 - Adopt Resolution for Making Application to Local Agency Formation Commission (LAFCO) for Annexation and Consent to Waiver of Protest Proceedings
 - Adopt Joint Resolution with County of Los Angeles, Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Lancaster, and Antelope Valley - East Kern Water Agency Approving and Accepting Negotiated Exchange of Property Tax Revenues Resulting from Annexation

6. Contd.

Summary: Annexation No. 437 consists of one proposed industrial building in the City of Lancaster. Each annexation to the District's service area requires adoption of two resolutions by the Board. The first resolution authorizes submittal of the annexation application to LAFCO and consents to a waiver of the LAFCO protest hearing. The second resolution is a joint resolution with agencies that already provide services to the proposed annexation territory agreeing to the amount of property tax revenue that will be apportioned to the District in accordance with the Revenue and Taxation Code. A data sheet, map, and Notice of Finding are attached.

7. Adopt Joint Resolution Approving and Accepting Negotiated Exchange of Property Tax Revenues Resulting from Annexation 40-65 (4-135) Local Agency Formation Commission Designation 2022-01 to Los Angeles County Waterworks District No. 40, Antelope Valley (Waterworks District) Affecting County of Los Angeles, Antelope Valley Cemetery District, Antelope Valley Mosquito and Vector Control District, Antelope Valley Resource Conservation District, City of Lancaster, Antelope Valley-East Kern Water Agency, and County Sanitation District No. 14

Summary: The Waterworks District is proposing to annex territory located within the District's service area. The Revenue and Taxation Code requires that the District and other agencies that are already providing service to the territory, and are receiving property tax revenue, adopt a joint resolution approving the amount of property tax revenue to be apportioned to the agency providing the new service. The apportionment is determined by the Los Angeles County Auditor-Controller. A map provided by the Los Angeles County Department of Public Works showing the proposed annexation is attached. Staff has determined that adoption of the joint resolution does not constitute a "Project" under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15378.

8. Adopt Resolution Establishing Time and Place for Regular and Special Meetings

Summary: The Ralph M. Brown Act requires that the Board provide, by ordinance, resolution or other rule, the time and place for regular meetings. It is recommended that regular meetings be held on the second Thursday of every month, except in August, where no meetings will be held, at 9:30 a.m., in the Board Room of the Lancaster City Hall, Lancaster, California, 93534. Special meetings may be called at any time by the Chairperson of the Board as the presiding officer, or by a majority of the members of the Board of Directors and notice must be delivered at least twenty-four (24) hours before the time of such meetings as specified in the notice. The Resolution is attached to the agenda. This item is consistent with the Districts' Guiding Principle to provide transparent communication to our Boards and the public.

9. Authorize Issuance of Purchase Order to Irrigation Training and Research Center (ITRC) in Amount of Approximately \$533,000 to Provide Agricultural Consulting Services and Vadose Zone Monitoring System Maintenance at Lancaster Water Reclamation Plant (WRP) Eastern Agricultural Site (EAS) for Approximately Four Years

Summary: The California Regional Water Quality Control Board, Lahontan Region (Regional Board) requires that soil moisture above the groundwater table (vadose zone) be monitored at the Lancaster WRP EAS. The Regional Board also requires the District to assure recycled water is applied to crops at the EAS at or below agronomic rates and to conduct monitoring and reporting by a qualified agricultural expert to demonstrate compliance with permit requirements. Proposals for these tasks were solicited from six firms, and three proposals were received. ITRC was ranked as the most qualified to provide the required services, and a cost-effective proposal was provided. The total cost of approximately \$533,000 is required to provide the time and materials necessary to maintain permit compliance at the Lancaster WRP EAS for approximately four years. Staff has determined that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15321. This item is consistent with the Districts' Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

10. Introduce *An Ordinance Prescribing Fees for the Annexation of Territory to County Sanitation District No. 14 of Los Angeles County* and Waive Reading of Said Ordinance in its Entirety

Summary: Properties outside the jurisdictional boundary of the District must be annexed to the District before sewerage service can be provided. The cost of processing the annexation application is borne by the applicant pursuant to the District's existing Master Annexation Fee Ordinance and Annexation Fee Rate Ordinance (Existing Ordinances), which were both adopted in 2007. The current method of calculating the fee is a tiered acreage-based approach. However, this method results in inequities in certain circumstances. Furthermore, the cost to process an annexation application does not vary significantly between a large or small property. The proposed ordinance, which is attached, supersedes the Existing Ordinances and establishes a flat fee of \$2,000 per annexation application, which is more equitable and representative of the actual cost to process each annexation. In October 2022, the Personnel Committee, comprised of the Chairs of all active Districts, unanimously endorsed the proposed ordinance. This item is consistent with the Districts' Guiding Principles of commitment to continual improvement; and commitment to fiscal responsibility and prudent financial stewardship.

11. Approve and Order Executed [First Amendment to Project Development and Non-Disclosure Agreement](#) (Amendment) with Pacifico Power, LLC, (Pacifico) to Provide up to \$100,000 to Explore Feasibility of Solar and Energy Storage Project at Lancaster Water Reclamation Plant (WRP)

Summary: On March 10, 2022, the District executed a Project Development and Non-Disclosure Agreement (Agreement) with Pacifico to evaluate the viability of a solar energy project at Lancaster WRP. The Agreement provided a 270-day exclusivity period and up to \$30,000 to reimburse engineering expenses and third-party fees, including Southern California Edison’s (SCE) fees, if the project was not viable. Due to project size and complexity, SCE indicated that additional studies are required that will cost approximately \$66,000. The proposed Amendment increases the not-to-exceed amount for third-party reimbursements to \$100,000 and extends the exclusivity period by one year. As previously reported to the District, SCE’s complimentary review of the Pacifico proposal indicated a 20-year cumulative savings of approximately \$7-14 million net present value if a project is implemented. The Agreement and Amendment do not commit the District to a full project award but will allow the evaluation to be completed. Future District approval will be required if a viable project can be developed. Staff has determined the Amendment is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21084(a) and Title 14 of the California Code of Regulations (“CEQA Guidelines”). This item is consistent with the Districts’ Guiding Principles to maximize use of our assets and resources (recycled water, recyclables, and energy).

12. Adopt Policies as Follows:

- (a) [Purchasing Policy](#)
- (b) [Investment Policy](#)
- (c) [Debt Management Policy](#)
- (d) [Wastewater Financial Reserve Policy](#)

Summary: As part of the continuing effort to ensure the Districts follows best practices as it relates to financial matters, revisions to certain policies are being recommended. First, sound Investment, Debt Management, and Financial Reserve Policies are crucial to maintaining the Districts’ financial stability, and changes are being proposed to the existing policies to ensure consistency across the Districts, ensure transparency in Districts’ finances, and improve the Districts’ investment performance. Second, the Districts’ Purchasing Policy establishes rules for purchase of materials, supplies, equipment, services, and construction projects. Proposed revisions to the policy clarify certain provisions, ensure current practices are incorporated into the policy, and add provisions for related business practices. In October 2022, the Personnel Committee, comprised of the Chairs of all of the active Districts, unanimously endorsed the proposed revisions. A letter summarizing these proposed changes is attached. Links to the policies showing proposed revisions can be found on the posted agenda on the Districts’ website (www.lacsd.org). 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.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE COUNTY SANITATION
DISTRICT NO. 14 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. 14 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 September 22, 2022 (the “County Order”) includes recommendations for the protection of person with elevated risk factors for severe health outcomes due to COVID-19 infection; 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. 14 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. 14 of Los Angeles County this 8th day of December 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chairperson

COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY

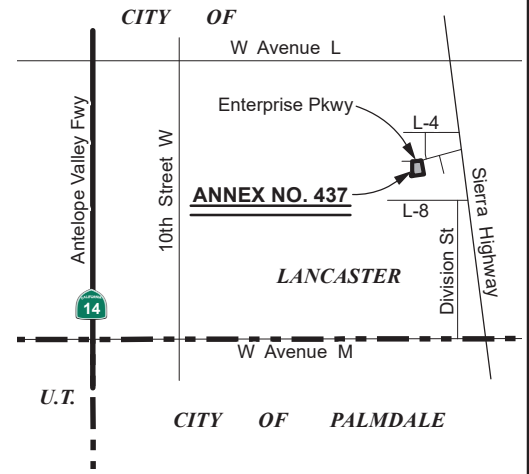
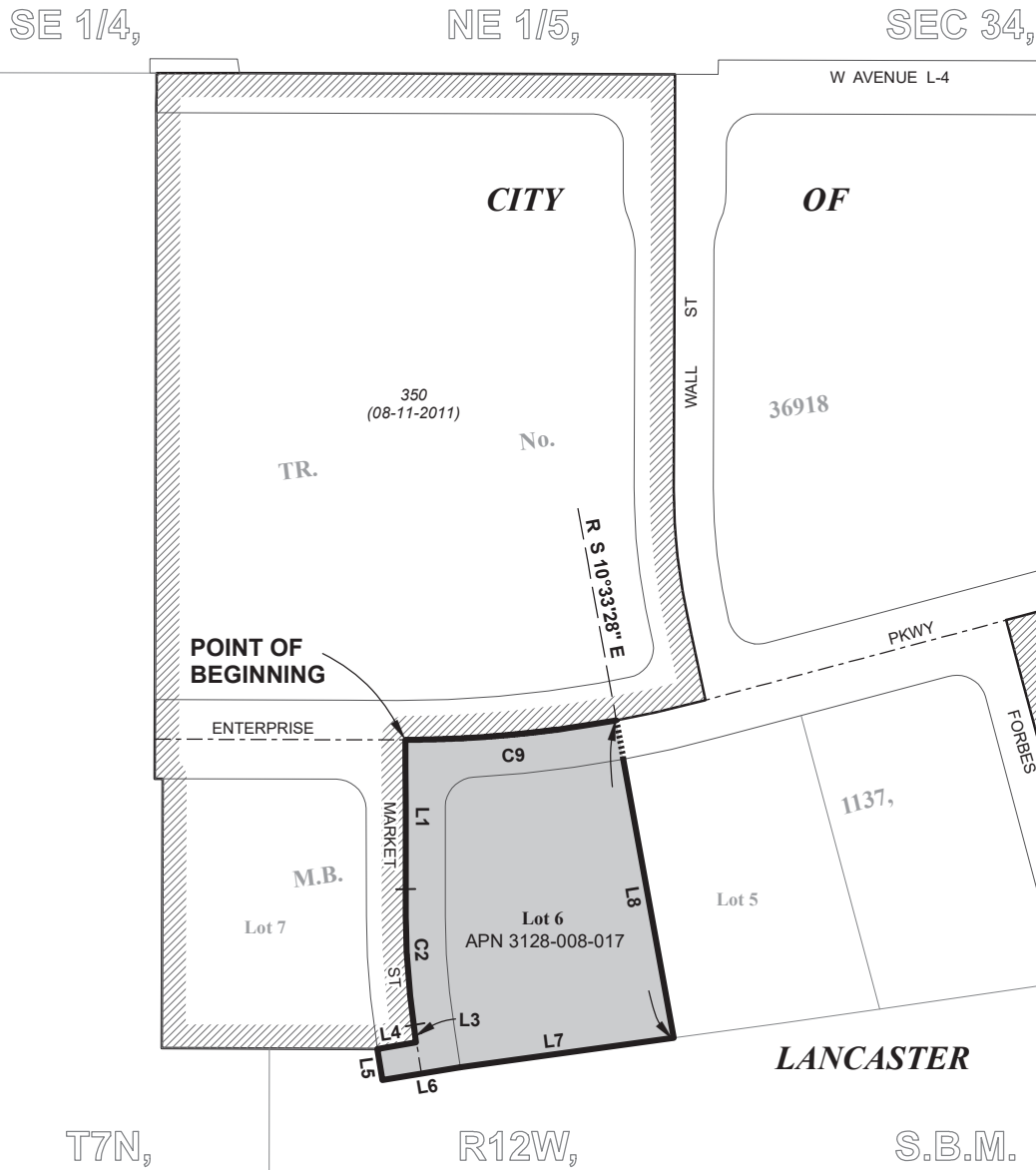
PROPOSED ANNEXATION NO. 437

AGENDA DATE: Resolution Making Application to LAFCO December 8, 2022

LOCATION: Located on the southeast corner of Market Street and Enterprise Parkway, all within the City of Lancaster.

PROCESSING FEES:	District	\$ 1,450.00
	Local Agency Formation Commission	2,500.00
	State Board of Equalization	<u>350.00</u>
	Total:	\$ <u>4,300.00</u>

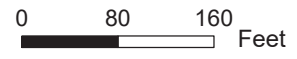
DESCRIPTION & REMARKS: The annexation consists of one proposed industrial building.



VICINITY MAP
NO SCALE

COURSE DATA

L1	S 00°08'10" E	147.44'
C2	R=600.00' L=100.00' D= 09°32'57"	
L3	S 09°41'07" E	5.62'
L4	S 80°18'53" W	33.00'
L5	S 09°41'07" E	26.38'
L6	N 80°18'53" E	66.00'
L7	N 82°01'10" E	179.58'
L8	N 10°33'29" W	269.48'
C9	R=1000.00' L=176.32' D= 10°06'08"	



U.T. = Unincorporated Territory

Annexation No. 437 shown thus	
Boundary of Sanitation District No. 14 prior to Annexation No. 437 shown thus	
Prior Annexations shown thus	
Area of Annexation	ANNEX. NO. (RECORDING DATE) 1.257 Acres

LA County Assessor Landbase
CAMS Centerline, DPW City boundary
LA County Sanitation Districts:
Annexation Layer and District Layer

COUNTY SANITATION DISTRICT NO. 14
OF LOS ANGELES COUNTY, CA
OFFICE OF CHIEF ENGINEER
ROBERT C. FERRANTE
CHIEF ENGINEER & GENERAL MANAGER

ANNEXATION NO. 437
TO
COUNTY SANITATION DISTRICT NO. 14

Recorded:

NOTICE OF FINDING/CERTIFICATE OF FILING

ANNEXATION NO. 437 TO COUNTY SANITATION DISTRICT NO. 14

The annexation consists of one proposed industrial building.

1. **BASED UPON REVIEW AND STUDY, I FIND AND CERTIFY THAT:**

- The annexation **is exempt** from the provisions of the California Environmental Quality Act, pursuant to the State CEQA Guidelines,

Section: 15319(b)

Reason: Annexations of small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures

- The **Negative Declaration** is adequate for consideration of the annexation.

- The **Environmental Impact Report** is acceptable for consideration of the annexation.

2. The subject annexation has been set for consideration before the Board of Directors of County Sanitation District No. 14 at their meeting to be held on December 8, 2022, at the time and place as provided for the meeting of said date.
3. The subject annexation and all related documents are on file in the office of the Chief Engineer and General Manager, Los Angeles County Sanitation Districts, 1955 Workman Mill Road, (P.O. Box 4998) Whittier, California and may be examined by any interested person for further particulars. Telephone: (562) 908-4288, extension 2708.



Stan Pegadiotes
Division Engineer
Facilities Planning Department

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
ACTING IN BEHALF OF

Los Angeles County General Fund

Los Angeles County Library

Los Angeles County Consolidated Fire Protection District

Los Angeles County Waterworks #40 - Antelope Valley

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES
COUNTY, AND THE GOVERNING BODIES OF

Antelope Valley Cemetery District

Antelope Valley Mosquito & Vector Control District

Antelope Valley Resource Conservation District

City of Lancaster

Antelope Valley - East Kern Water Agency

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES
RESULTING FROM ANNEXATION TO COUNTY SANITATION DISTRICT NO. 14

"ANNEXATION NO. 437"

WHEREAS, pursuant to Section 99 and 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change which will result in a special district providing a new service, the governing bodies of all local agencies that receive an apportionment of the property tax from the area must determine the amount of property tax revenues from the annual tax increment to be exchanged between the affected agencies and approve and accept the negotiated exchange of property tax revenues by resolution; and

WHEREAS, the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to County Sanitation District No. 14 entitled *Annexation No. 437*;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to County Sanitation District No. 14 in the annexation entitled *Annexation No. 437* is approved and accepted.
2. For each fiscal year commencing on July 1, 2022, or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to County Sanitation District No. 14 a total of 0.3417098 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 437* as shown on the attached Worksheet.

3. No additional transfer of property tax revenues shall be made from any other tax agencies to County Sanitation District No. 14 as a result of annexation entitled *Annexation No. 437*.

4. No transfer of property tax increments from properties within a community redevelopment project, which are legally committed to a Community Redevelopment Agency, shall be made during the period that such tax increment is legally committed for repayment of the redevelopment project costs.

5. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of County Sanitation District No. 14 of Los Angeles County, and the governing bodies of Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Lancaster, and Antelope Valley - East Kern Water Agency, signatory hereto.

COUNTY SANITATION DISTRICT NO. 14
OF LOS ANGELES COUNTY

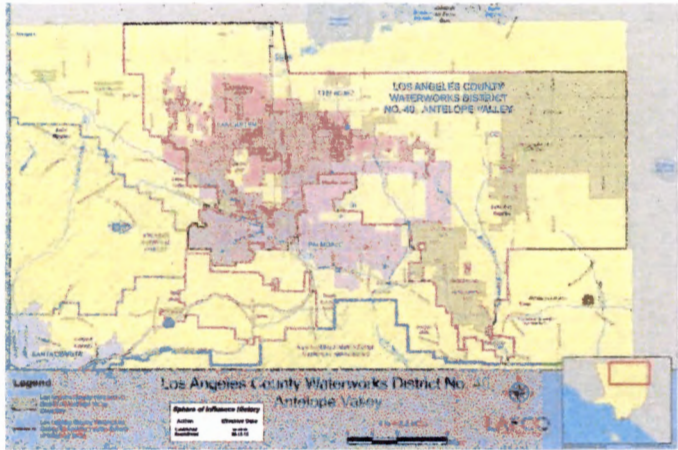
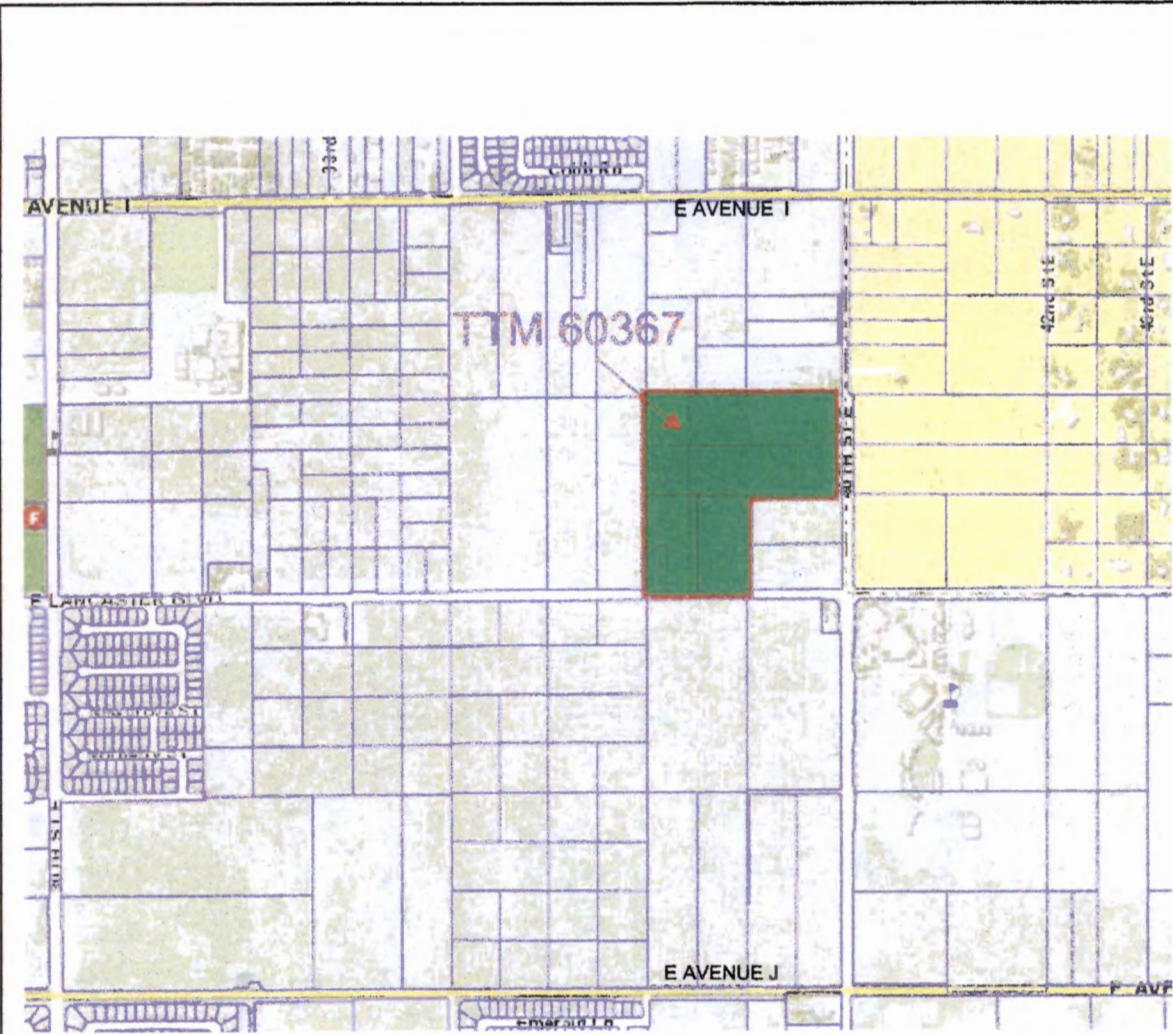
Chairperson, Board of Directors

ATTEST:

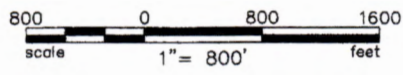
Secretary


Date

(SIGNED IN COUNTERPART)



KEY MAP
LAFCO SPHERE OF INFLUENCE
SCALE: 1"=50,000'



 D & D ENGINEERING, INC. 119 W. HYDE PARK BLVD. INGLEWOOD, CA 90302 Phone: 424-351-6800	EXHIBIT "B" ANNEXATION NO. 2022-01	SCALE: 1" = 800'
	TO LOS ANGELES COUNTY WATERWORKS DISTRICT 40, ANTELOPE VALLEY	DATE: 01/06/2022 SHT NO.: 01 of 01

**JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES, THE BOARD OF DIRECTORS OF THE
ANTELOPE VALLEY CEMETERY DISTRICT, THE BOARD OF TRUSTEES OF
THE ANTELOPE VALLEY MOSQUITO AND VECTOR CONTROL DISTRICT, THE
BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 14 OF
LOS ANGELES COUNTY, THE BOARD OF DIRECTORS OF THE
ANTELOPE VALLEY RESOURCE CONSERVATION DISTRICT, THE
CITY COUNCIL OF THE CITY OF LANCASTER, AND THE BOARD OF DIRECTORS
OF THE ANTELOPE VALLEY-EAST KERN WATER AGENCY APPROVING AND
ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES
RESULTING FROM ANNEXATION OF PROPERTY DESIGNATED AS
ANNEXATION 40-65 (4-135), LOCAL AGENCY FORMATION COMMISSION
DESIGNATION 2022-01, TO THE LOS ANGELES COUNTY
WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY**

WHEREAS, pursuant to Section 99.01 of the Revenue and Taxation Code, in the case of any jurisdictional change that will result in a special district providing one or more services to an area where those services have not previously been provided by any local agency, the special district and each local agency that receives an apportionment of property tax revenue from the area may negotiate an exchange of property tax revenue generated in the area subject to the jurisdictional change and attributable to those local agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, acting on behalf of the Los Angeles County Waterworks District No. 40, Antelope Valley; the Los Angeles County Library; and the Consolidated Fire Protection District of Los Angeles County; together with the Board of Directors of the Antelope Valley Cemetery District, the Board of Trustees of the Antelope Valley Mosquito and Vector Control District, the Board of Directors of County Sanitation District No. 14 of Los Angeles County, the Board of Directors of the Antelope Valley Resource Conservation District, the City Council of the City of Lancaster, and the Board of Directors of the Antelope Valley-East Kern Water Agency have determined the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as Annexation 40-65 (4-135) to the Los Angeles County Waterworks District No. 40, Antelope Valley, is as set forth:

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Los Angeles County Waterworks District No. 40, Antelope Valley; the Los Angeles County Library; the Consolidated Fire Protection District of Los Angeles County; the Antelope Valley Cemetery District; the Antelope Valley Mosquito and Vector Control District; the County Sanitation District No. 14 of Los Angeles County; the Antelope Valley Resource Conservation District; the City of Lancaster; and the Antelope Valley-East Kern Water Agency have determined the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as Annexation 40-65 (4-135) is approved and accepted.
2. For fiscal years commencing on or after July 1, 2022, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within Annexation 40-65 (4-135) shall be allocated to the affected agencies as indicated in the enclosed worksheets (Exhibits 40-65-A and 40-65-B).
3. No transfer of property tax revenues other than those specified in paragraph 2 shall be made as a result of Annexation 40-65 (4-135).
4. If at any time after the effective date of this Joint Resolution the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect, thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson, Board of Directors
County Sanitation District No. 14
of Los Angeles County

ATTEST:

Secretary

RESOLUTION ESTABLISHING TIME AND PLACE FOR
REGULAR AND SPECIAL MEETINGS OF THE
COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY

BE IT RESOLVED, that there shall be a regular monthly meeting of the Board of Directors of the District on the second Thursday of every month, at 9:30 a.m., in the Board Room of the Lancaster City Hall, Lancaster, California, 93534; provided that, should the second Thursday fall upon a legal holiday, said meeting shall be held on the next business day thereafter, at the same time and place, and that no further notice of such regular monthly meeting shall be required and further provided that for convenience and scheduling conflicts, regular meetings may be rescheduled on a majority vote of the Board of Directors.

BE IT RESOLVED, that there shall be no regular monthly meeting of the Board of Directors of the District in the month of August unless deemed necessary.

BE IT FURTHER RESOLVED, that special meetings of the Board of Directors of the District may be called at any time by the Chairman of the Board as the presiding officer, or by a majority of the members of the Board of Directors by delivering personally or by mail written notice to each member of the Board of Directors and to each local newspaper of general circulation, radio station, or television station requesting notice in writing. Such notice shall be delivered personally or by mail at least twenty-four (24) hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. However, such written notice of special meetings may be dispensed with as to any member who has previously filed a written waiver of notice with the Secretary of the District. Such waiver may be given by fax or electronic mail. Such written notice may also be dispensed with as to any member of the Board of Directors who is actually present at the meeting at the time the special meeting is requested.

AYES:

NOES:

ABSTAIN:

ABSENT:

Chairperson

**AN ORDINANCE PRESCRIBING FEES FOR THE ANNEXATION OF TERRITORY TO
COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY**

**THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 14 OF LOS
ANGELES COUNTY ORDAINS AS FOLLOWS:**

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PART I -- GENERAL PROVISIONS

SECTION 1.01 – SHORT TITLE

This Ordinance shall be known as the *Annexation Fee Ordinance of County Sanitation District No. 14 of Los Angeles County*.

SECTION 1.02 – PURPOSE

The purpose of this Ordinance is to recover the District's cost of furnishing administrative services for the annexation of territory to the District, and to provide for the collection and transfer of annexation fees imposed by other agencies.

SECTION 1.03 – AUTHORITY

The District is empowered to prescribe, revise, and collect fees, tolls, rates, rentals, or other charges for services and facilities furnished by it in connection with its sewerage system pursuant to California Health & Safety Code §5471.

SECTION 1.04 – ADMINISTRATION

The Chief Engineer shall administer, implement, and enforce the provisions of this Ordinance.

SECTION 1.05 – VALIDITY

If any court holds any part, section, subsection, paragraph, sentence, clause or phrase of this Ordinance to be invalid or unconstitutional for any reason, that decision does not affect the validity or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.

SECTION 1.06 – SUPERSESSION

This Ordinance shall supersede the *Master Annexation Fee Ordinance of County Sanitation District No. 14 of Los Angeles County* and the *Annexation Fee Rate Ordinance of County Sanitation District No. 14 of Los Angeles County*, both adopted on February 28, 2007, with respect to any rights, duties or privileges arising after the effective date of this Ordinance.

SECTION 1.07 – EFFECTIVE DATE

This Ordinance shall become effective thirty days after its adoption.

PART II -- DEFINITIONS

This Ordinance shall be construed according to the following definitions:

SECTION 2.01 – ACT

Act shall mean the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code §§56000 *et seq.*) and as thereafter amended.

SECTION 2.02 – AGENCY FEES

Agency Fees shall mean fees and charges imposed by LAFCO pursuant to California Government Code §56383, by the SBE pursuant to California Government Code § 54902.5, and any other fees and charges imposed by other public agencies that the Chief Engineer may from time to time determine are necessary or convenient for the District to collect in connection with annexation applications.

SECTION 2.03 – ANNEXATION FEE

Annexation Fee shall mean the sum of the District Fee and Agency Fees.

SECTION 2.04 – BOARD OF DIRECTORS

Board of Directors shall mean the Board of Directors of County Sanitation District No. 14 of Los Angeles County.

SECTION 2.05 – CHIEF ENGINEER

Chief Engineer shall mean the Chief Engineer and General Manager of County Sanitation District No. 14 of Los Angeles County or his/her designee.

SECTION 2.06 – CONTIGUOUS PARCEL AREA

Contiguous parcel area shall mean “single area” of contiguous parcels, as that term is used by the SBE in calculating fees.

SECTION 2.07 – DISTRICT

District shall mean County Sanitation District No. 14 of Los Angeles County.

SECTION 2.08 – DISTRICT FEE

District Fee shall mean that portion of the Annexation Fee imposed by the District pursuant to Government Code §66014 to recover the District’s cost of furnishing administrative services for the annexation of territory to the District.

SECTION 2.09 – LAFCO

LAFCO shall mean the Local Agency Formation Commission of Los Angeles County or any successor agency thereto.

SECTION 2.10 – PARCEL

Parcel shall mean any area of land contained within a single legal description and as shown on maps prepared and filed by the Assessor’s Office of the county in which the land is located.

SECTION 2.11 – SBE

SBE shall mean the State Board of Equalization or any successor agency thereto.

PART III -- ANNEXATION FEE

SECTION 3.01 – IMPOSITION OF ANNEXATION FEE

The applicant requesting or petitioning for annexation to the District shall pay an Annexation Fee. The application for annexation may be for more than one parcel, subject to Section 3.05.

SECTION 3.02 – AMOUNT OF ANNEXATION FEE

- (1) The Annexation Fee shall be the sum of the District Fee and any Agency Fees not directly paid to LAFCO by the applicant.
- (2) The District Fee shall be \$2,000 per single application for annexation to the District, regardless of the number of parcels in the application or if the parcels are contiguous.
- (3) Agency Fees shall be determined in accordance with the procedures established by LAFCO, SBE, and any other local or state agency imposing a charge to complete the annexation.
- (4) The portion of the Annexation Fee attributable to a given parcel that is part of a single application involving multiple parcels shall be equal to the sum of:
 - (a) the District Fee divided by the number of parcels in the application; and
 - (b) the LAFCO fee multiplied by the ratio of the acreage of the parcel to the total acreage of all of the parcels included in the application; and
 - (c) the SBE fee for the contiguous parcel area in which the parcel is located, multiplied by the ratio of the acreage of the parcel to the total acreage of the contiguous parcel area.

SECTION 3.03 – ADJUSTMENT OF DISTRICT FEE

The Chief Engineer may periodically review the amount of the District Fee and adjust it as necessary to recover the District’s cost of furnishing administrative services for the annexation of territory to the District. Any adjustment in the District Fee shall be prescribed in a new Annexation Fee Ordinance that shall be adopted by the Board of Directors and supersede this Ordinance.

SECTION 3.04 – DISPOSITION OF ANNEXATION FEE

The portion of the Annexation Fee payment attributable to the District Fee shall be deposited into the District’s Operating Fund. Following the Board of Directors’ approval of the resolution of making application to LAFCO, the portion of the Annexation Fee payment attributable to any Agency Fees shall be submitted to LAFCO together with the application for annexation.

SECTION 3.05 – ADDITIONAL PARCELS

Additional parcels may be added to an existing annexation application if (a) the additional parcel is within 0.5 miles of any of the parcels included in the existing annexation application, and (b) tax sharing resolutions have not been submitted to other agencies.

SECTION 3.06 – REFUND OF FEES

- (1) In the event that an annexation application is terminated pursuant to the terms of Section 4.01, the Chief Engineer shall estimate the costs of District services provided prior to the date of termination and refund any excess portion of the Annexation Fee payment attributable to the District Fee. The District is not responsible for determining or refunding any excess portion of the Annexation Fee payment attributable to the Agency Fees.
- (2) In the event that the Annexation Fee payment is in excess of the final Annexation Fee due pursuant to Section 5.02, the Chief Engineer shall refund the difference to the owner of the affected parcel(s).
- (3) Refunds shall be issued to the parcel owner(s) of record at the time the refund is paid.
- (4) Annexation Fee payments shall not accrue interest during the time the District is processing the annexation application or determining the amount of any refund.

PART IV -- TERMINATION OF APPLICATION

SECTION 4.01 – TERMINATION

An application for annexation shall be terminated if:

- (1) The annexation proceedings are not complete in accordance with the provisions of the Act within five years of submitting the initial application, or
- (2) The applicant withdraws the application.

PART V -- PAYMENT

SECTION 5.01 – PAYMENT OF ANNEXATION FEE

The Annexation Fee is due and payable at the time a request for annexation is made to the District. The Annexation Fee shall be paid to the District either:

- (1) in person at the Joint Administration Office of the Los Angeles County Sanitation Districts, located at 1955 Workman Mill Road, Whittier, California 90601, or

- (2) by mailing the payment to the Los Angeles County Sanitation Districts, Attn: Annexations Program, P.O. Box 4998, Whittier, California 90607, or
- (3) electronically through the District's online payment portal.

SECTION 5.02 – DETERMINATION OF FINAL ANNEXATION FEE

- (1) For annexations in which the owner of a parcel has requested that the District adopt a resolution of application pursuant to Part 3, Chapter 1 of the Act, the Chief Engineer shall recalculate the Annexation Fee at the time the Board of Directors considers the resolution of making application to LAFCO. The final Annexation Fee shall be the sum of the District Fee plus the Agency Fees based on the total acreage of each parcel in the application, as determined by the Chief Engineer, and calculated pursuant to Section 3.02 using the Agency Fees in effect as of the date the request is considered by the Board of Directors.

If the final Annexation Fee is greater than the Annexation Fee paid at the time of application, the owner of each parcel seeking annexation shall pay the difference before the Board of Directors considers the resolution of making application to LAFCO.

If the final Annexation Fee is less than the Annexation Fee paid at the time of application, the District shall refund the difference to the owner of each parcel pursuant to Section 3.06.

- (2) For annexations in which the owner of each parcel has directly petitioned LAFCO pursuant to Part 3, Chapter 2 of the Act and LAFCO has requested the District's assistance in preparing the necessary application, the Chief Engineer shall calculate the final Annexation Fee at the time LAFCO makes its request. The final Annexation Fee shall be the sum of the District Fee plus the Agency Fees based on the total acreage of each parcel in the application, as determined by the Chief Engineer, and calculated pursuant to Section 3.02 using the Agency Fees in effect when LAFCO made its request. The owner of each parcel shall pay this amount before the District commences work on the application.

SECTION 5.03 – ADMINISTRATIVE CHARGES

The Chief Engineer shall add an administrative charge to the Annexation Fee in the event a check tendered for payment is not honored. The Chief Engineer shall establish the amount of the charge to reflect the District's added cost in processing dishonored checks, up to the maximum amount allowed by law, and may adjust it from time to time as required to continue to reflect the District's added cost.

SECTION 5.04 – MANNER OF PAYMENT

The Chief Engineer shall determine the manner in which the Annexation Fee may be paid. If a manner of payment requires the District to pay a transaction fee, the parcel owner shall pay the transaction fee to the District as an additional charge.

[signature page follows]

ATTEST:

Clerk, Board of Directors
County Sanitation District No. 14
of Los Angeles County

Chairperson, Board of Directors
County Sanitation District No. 14
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 14 of Los Angeles County on _____ by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary, Board of Directors
County Sanitation District No. 14
of Los Angeles County



November 9, 2022

Boards of Directors
Los Angeles County Sanitation Districts

Directors:

Financial Policies

The agenda for upcoming meetings of the Boards of Directors contains an item regarding proposed revisions to several District policies.

FINANCIAL POLICIES

Financial policies form the cornerstone of the Districts' financial practices and are intended to provide guidance when preparing budgets, adopting rates, and developing long-term capital programs. Use of the policies helps create financial stability, allowing us to provide the vital services in a cost-effective manner, weather periods of economic downturn without having to impose significant rate increases, and construct capital projects in a timely fashion despite fluctuations in costs from year to year. Revisions to the financial policies are recommended that will ensure consistency across the Districts, ensure transparency in Districts' finances, and improve the Districts' investment performance. These revisions were endorsed by the Personnel Committee on October 26, 2022.

One administrative change is consolidation of each of the individual Districts' Investment, Debt Management and Wastewater Financial Reserve policies into common policies adopted by all of the Districts. With few exceptions, the existing individual District policies are identical to each other. Consolidating the policies will streamline the adoption of the policies and improve transparency.

Other recommended revisions to the financial policies are as follows:

Investment Policy

- Addition of state issued bonds (all 50 states) and local agencies (within California only) as permitted investments.
- Clarification that downgraded securities are treated as "A" rated policies for the purposes of limit testing, eliminating the need to sell securities at a loss when they are downgraded.
- Removal of a provision allowing Investments between the Districts' Solid Waste System and the Joint Outfall System for the Clearwater Tunnel Project. Alternative financing has been secured for the Clearwater Tunnel and this provision is no longer needed.
- Reduction of audits for compliance with investment limits from quarterly to semi-annually.

Debt Management Policy

- Addition of a provision for federal low-interest loans through the Water Infrastructure Finance and Innovation Act or WIFIA.
- Removal of two debt instruments that are no longer applicable.
 - CIF debt is no longer applicable due to changes in the most recently adopted connection fee ordinances

- As mentioned above, a debt agreement between the Districts' Solid Waste System and the Joint Outfall System for the Clearwater Tunnel Project is no longer needed.
- Addition of a provision to encourage participation and selection of disadvantaged businesses for underwriting services.

Financial Reserve Policies

- Update of uses of the Natural Disaster and Self-Insured Retention Fund to include not only deductible and self-insure retention costs, but also costs above the Districts' insured limits. This is recommended to expand this fund's coverage for costs above the Districts' insured limits, in addition to covering the deductible and self-insured retention layers.
- Inclusion of all Joint Administration Funds to ensure all funds are covered under the Wastewater Policy.
- Addition of Rate Stabilization Fund to the Wastewater Policy, which is currently tracked but not held as a separate fund.
- Addition of Fee-in-Lieu and Puente Hills Landfill Park Settlement related funds in the Solid Waste Policy.

PURCHASING POLICY

Revisions are also recommended for the Purchasing Policy, which establishes rules for purchase of materials, supplies, equipment, services, and construction projects. Most of the revisions clarify and improve wording.

Purchasing Policy

- Authorizes the Purchasing Agent to procure temporary property rights up to \$100,000 to accommodate construction of District's projects.
- Clarifies reporting responsibilities to the Board on any action taken with emergency authority: requires a report at the next Board meeting and approval by the Board when the work is complete.
- Increases authority to settle or reject claims up to \$100,000 from the current authority of \$5,000.
- Adds a provision to allow issuance of orders and contracts without Board approval when there is an urgent need, and the Board is not expected to meet. Ratification by the Board is required at the next meeting.

CONCLUSION

The proposed Policies will be presented to each Board for adoption over the next several months. You may find the link to the policies on the posted agenda on the Districts' website (www.lacsd.org), or you may contact Kim Christensen at kchristensen@lacsd.org, for hard copies to be mailed directly to you. If approved, the new Policies will take effect after adoption by all of the Boards.

Very truly yours,



Robert C. Ferrante

RCF:MAE