

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 17

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 22, 2023	At 1:30 P.M.
Governing Body	Director	Alternate
PASADENA	GORDO	WILLIAMS
LOS ANGELES COUNTY	HAHN	HORVATH
LOS ANGELES COUNTY	BARGER (Chairperson)	HORVATH

1. Public Comment
2. Receive and Order Filed Action Appointing Ms. Felicia Williams as Alternate Director of the City of Pasadena
3. Approve Minutes of Special Meeting Held December 19, 2022
4. Approve October, November, and December 2022 Expenses in Amount of \$1,642,199.70

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 either the Joint Administration Agreement or the Joint Outfall Agreement. These Agreements provide for the joint administration, technical support and management of the operations, maintenance, and capital costs associated with all of the shared facilities 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' websites 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	\$ 11,942.07
Allocated Expenses:	
Joint Outfall	1,630,257.63
Total Expenses	<u>\$1,642,199.70</u>

5. Approve Resolution of the Board of Directors of County Sanitation District No. 17 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.

6. Re: Revised Annexation Fee Ordinance
 - (a) Hold Public Hearing
 - (b) Adopt An Ordinance Prescribing Fees for the Annexation of Territory to County Sanitation District No. 17 of Los Angeles County and Find that Adoption of Ordinance is Exempt from California Environmental Quality Act (CEQA) Under Section 15273 of State Guidelines for Implementation of CEQA

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), both adopted in 2007, according to 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 Chairpersons of all active Districts, unanimously endorsed the proposed ordinance; and in December 2022, the proposed ordinance was introduced to the Board. This item is consistent with the Districts' Guiding Principles of commitment to continual improvement; and commitment to fiscal responsibility and prudent financial stewardship.

7. Re: Wastewater Revenue Program

- (a) Order Wastewater Service Charge Report, Containing Description of Each Parcel, and Amount of Proposed Wastewater Service Charge for Fiscal Year 2023-24 for Each Parcel; 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 \$13.75 per month (\$165 per year). The rate for fiscal year 2023-24, as previously adopted by the Board of Directors, is \$14.08 per month (\$169 per year). A letter discussing the service charge rate, the fiscal year 2023-24 preliminary budget, and related matters accompanies the agenda. Staff recommends that the Public Hearing be held at the Board meeting scheduled for June 28, 2023. 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.

8. Receive and Order Filed [Annual Comprehensive Financial Report](#) (ACFR) for Fiscal Year Ending June 30, 2022

Summary: Copies of the Districts' ACFR for the fiscal year ending June 30, 2022, 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.

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. 17 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. 17 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 persons 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. 17 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. 17 of Los Angeles County this 22nd day of February 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chairperson

**AN ORDINANCE PRESCRIBING FEES FOR THE ANNEXATION OF TERRITORY TO
COUNTY SANITATION DISTRICT NO. 17 OF LOS ANGELES COUNTY**

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 17 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. 17 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. 17 of Los Angeles County* and the *Annexation Fee Rate Ordinance of County Sanitation District No. 17 of Los Angeles County*, both adopted on May 23, 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. 17 of Los Angeles County.

SECTION 2.05 – CHIEF ENGINEER

Chief Engineer shall mean the Chief Engineer and General Manager of County Sanitation District No. 17 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. 17 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. 17
of Los Angeles County

Chairperson, Board of Directors
County Sanitation District No. 17
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 17 of Los Angeles County on _____ by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary, Board of Directors
County Sanitation District No. 17
of Los Angeles County



February 3, 2023

Boards of Directors
Los Angeles County Sanitation Districts

Directors:

Wastewater Revenue Program for Fiscal Year 2023-24

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 2023-24. 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 2023-24

Enclosed for your review is the preliminary budget for fiscal year 2023-24; 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. If applicable, a preliminary budget for the Joint Outfall System (JOS) for fiscal year 2023-24, a list of proposed JOS capital projects, and information on JOS reserves has also been included to provide more detail on the District's share of Joint Outfall expenses, but will only be adopted by District 2, the administrative District for the JOS.

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

COUNTY SANITATION DISTRICT NO. 17 SERVICE CHARGE REPORT FOR FISCAL YEAR 2023-24

INTRODUCTION

County Sanitation District No. 17 of Los Angeles County encompasses a portion of the city of Pasadena and unincorporated Los Angeles County.

District No. 17 is one of seventeen (17) contiguous sanitation districts within the urbanized Los Angeles Basin signatory to the Amended Joint Outfall Agreement. These Districts, known as the Joint Outfall Districts, have formed a regional wastewater management system known as the Joint Outfall System. This regional system provides for operation and maintenance of large sewers, pumping plants, inland water reclamation plants, and the Joint Water Pollution Control Plant. These services are essential to protect the public health of the people served by the system.

District No. 17, as a member of the Joint Outfall System, must provide a proportionate share of the revenue required to operate and maintain the facilities. Additionally, District No. 17 is responsible for any costs associated with the local sewers that are owned by District No. 17 and are solely for its benefit. The general revenue sources currently available to the District include a pro rata share of the ad valorem (property) taxes, service charges, industrial wastewater surcharges, grants, state low-interest loans, interest income, contract revenue 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. 17 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. 17 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:

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

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 2023-24, 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. 17.

Based upon presently anticipated sources of funds, the service charge rate for fiscal year 2023-24 is \$169 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 District No. 17 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 2023-24 Tax Rate Areas as shown in Table 2 are receiving or benefiting from the services and facilities of District No. 17. 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 Health Spa, Gymnasium	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>
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. 17

000268	000269	001347	006511	006524
007468	007488	007505	007507	007508
007537	007542	007543	007545	007551
007556	007567	007569	007571	007572
007580	007581	007584	007586	007588
007600	007601	007602	007603	007604
007606	007607	007608	007609	007612
007617	007618	007619	007626	007627
007663	007688	007689	008701	010298
010430	010440	011127	012129	012130
012961	013213	013215	013216	013217
013218	013897	014348	014745	014748
014749	014765	014767	014768	014775
015662	015688	015757	016069	016620
016621	016882	016883	016943	

**County Sanitation District No. 17 of Los Angeles County
Preliminary Operating Fund Budget (\$000)
Fiscal Year 2023-24**

	<u>Adopted 2022-23</u>	<u>Proposed 2023-24</u>
<u>Starting Balance</u>	\$ 1,040	\$ 1,674
 <u>Sources of Funds</u>		
Service Charge	\$ 2,453	\$ 2,523
Total Operating Revenue	<u>2,453</u>	<u>2,523</u>
 Ad Valorem Tax Revenue	 715	 789
Interest	<u>5</u>	<u>42</u>
Total Non-Operating Revenue	721	831
 Transfers from Designated Funds	 <u>2,285</u>	 <u>-</u>
Total Transfers In	2,285	-
 Total Sources of Funds	 <u>\$ 5,458</u>	 <u>\$ 3,354</u>
 <u>Use of Funds</u>		
Joint Outfall Operations	\$ 2,263	\$ 2,822
Other Operational Expenditures	<u>4</u>	<u>8</u>
Operations and Maintenance Expense	2,266	2,830
 Joint Outfall Capital	 <u>998</u>	 <u>594</u>
Capital Expense	998	594
 Total Use of Funds	 <u>\$ 3,264</u>	 <u>\$ 3,424</u>
 <u>Ending Balance</u>	 <u>\$ 3,234</u>	 <u>\$ 1,605</u>

**County Sanitation District No. 17 of Los Angeles County
Reserve Funds Proposed Budget (\$000)
Fiscal Year 2023-24**

	Unrestricted	Designated	
	Operating	Rate Stabilization	Total
Starting Balance	\$ 1,674	1,900	3,574
Operating Revenue	2,523	-	2,523
Non-Operating Revenue	831	47	878
Operations and Maintenance Expense	2,830	-	2,830
Capital Expense	594	-	594
Ending Balance	<u>1,605</u>	<u>1,948</u>	<u>3,552</u>

**County Sanitation District No. 17 of Los Angeles County
Wastewater Budget Rate and Other Information Summary
Fiscal Year 2023-24**

	<u>Adopted 2022-23</u>	<u>Proposed 2023-24</u>
<u>Service Charge Rate</u>	165.00	169.00
<u>Industrial Waste (Surcharge) Rates</u>		
Flow (\$ per MGY)	811.00	839.00
COD (\$ per 1000 lbs)	162.40	167.80
SS (\$ per 1000 lbs)	388.10	401.30
Peak Flow (\$ per gpm)	111.00	114.80
Short Form Rate (\$ per million gallon per year)	3,588.33	3,709.51
Liquid Waste Disposal (\$ per 100 gallon)	5.30	5.50
<u>Total Connection Fee Rate (\$ per Capacity Unit)</u>	1,735.00	1,739.00
<u>Projected Sewage Units</u>		
Residential/Commercial	14,865	14,932
Total Served Sewage Units	<u>14,865</u>	<u>14,932</u>

Sanitation Districts of Los Angeles County
Wastewater Budget Explanation and Glossary of Terms
Fiscal Year 2023-24

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 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.

Ad Valorem Taxes Revenue	The District’s share of Ad Valorem (property) taxes paid by property owners in the District.
Agricultural and Recycled Water Sales Revenue	Sales of reclaimed water.
Bond Proceeds	Funds received from the issuance of bonds.
Bond Repayment	Interest and principal payments toward bond debt.
Capital Payments by Districts	Payments received by Joint Outfall System Districts to be used toward system’s capital expenditures.
Composting Facility Capital Expenditures	Capital expenditures related to upgrade, repair or expansion of composting facilities.
Composting Facility Operations and Maintenance Expenditures	Expenditures related to operating and maintaining composting facilities.
Contract Disposal Capital Expenditures	Capital expenditures related to conveyance and treatment of wastewater performed by another entity.

Contract Disposal Operations and Maintenance Expenditures	Expenditures related to the operation and maintenance for conveyance and treatment of wastewater performed by another entity.
Contract Revenue	Commodity and energy revenue; leases; and other similar sources of revenue.
District Sewer System Capital Expenditures	Capital expenditures related to rehabilitation or expansion of the District's sewers and pumping plants.
District's Sewer System Operations Expenditures	Expenditures related to operating and maintaining the District's sewers and pumping plants.
Field Office Capital Expenditures	Capital expenditures related to upgrade, repair or expansion of field offices.
Grant Revenue	Grant proceeds received, generally state and/or federal grants toward capital projects.
Industrial Waste Revenue	Fees paid by large industrial users of the District's wastewater system.
Interest Revenue	Interest generated by District's Reserves.
Joint Administration Capital Expenditures	The District's share of Joint Capital Expenses minus Joint Capital Revenues.
Joint Administration Operations Expenditures	The District's share of Joint Administration Operating Expenditures less any operational or non-operational Joint Administration Revenues.
Joint Outfall Capital Expenditures	The District's share of the Joint Outfall capital payment.
Joint Outfall Operations Expenditures	The District's share of Joint Outfall System Operating Expenditures less any operational or non-operational Joint Outfall System Revenues.
Loan Proceeds	Funds received from loans taken out to finance capital projects, primarily State Revolving Fund Clean Water Loans.
Loan Repayment	Interest and principal payments toward loans, primarily State Revolving Fund Clean Water Loans.
Operating Fund Ending Balance	Projected balance in the Operating Fund as of June 30 at the end of the fiscal year shown.
Operating Fund Starting Balance	Projected cash balance in the Operating Fund as of July 1 at the beginning of the fiscal year shown.

Operating Payments by Districts	Payments received by Joint Outfall System Districts to be used for system's net operating expenditures.
Other Capital Expenditures	Capital expenditures not related to District's sewers, treatment plants, composing facilities, field offices, or contract disposal.
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.
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.
Total Served Sewage Units	Total number of Sewage Units (single family home equivalent dischargers) that are served by treatment plants owned by the Districts.
Transfers from Designated Funds	Funds transferred from Designated Funds when projected operating reserve balance is below target; these funds are to be used toward operating expenditures.
Transfers from Districts	Payments received from Joint Outfall System Districts to fund the Joint Outfall reserves per 7/1/22 Joint Outfall Agreement.
Transfers from Restricted Funds	Funds transferred from Restricted Funds to be used toward capital expenditures.
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.
Transfers to Joint Outfall System	Individual District's contribution to the Joint Outfall System reserves per 7/1/22 Joint Outfall Agreement.
Treatment Plant Capital Expenditures	Capital expenditures related to upgrade, repair or expansion of treatment plants.
Treatment Plant Operations Expenditures	Expenditures related to operating and maintaining treatment plants.

