

RE: DISTRICT EXPENSES

The following expenses for the months of April through September 2024, were presented and upon motion of

Director Solis, duly seconded and unanimously carried, were approved:

| | |
|--------------------------|-----------------|
| Local District Expenses: | |
| Operations & Maintenance | \$41,946 |
| Capital | 12,588 |
| Allocated Expenses: | |
| Joint Administration | <u>3,346</u> |
| Total Expenses | <u>\$57,880</u> |

RE: FINANCIAL MANAGEMENT - INTRODUCE DIRECTOR COMPENSATION ORDINANCE

Prior to meeting in regular session and as reported in the status report, the Assistant Chief Engineer and Assistant General Manager advised that the *Director Compensation Ordinance* (Ordinance) was presented to the Board for consideration and introduction. In May 2024, the Personnel Committee provided direction to draft a new Ordinance as the stipend has not changed since 2001.

The proposed Ordinance would increase compensation to \$175 per meeting, which is equivalent to a 1.7 percent annual increase since the last compensation increase. For Directors attending multiple meetings on the same day, they would be compensated at \$125 per meeting, which is unchanged from the existing stipend. Additionally, the proposed Ordinance institutes an annual increase in the stipend based on inflation, not to exceed 5 percent per year. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A copy of the Ordinance accompanied the agenda. A recommendation was made to waive the reading of the Ordinance in its entirety.

Upon motion of Director Solis, duly seconded and unanimously carried, a *Director Compensation Ordinance* (Ordinance) was introduced, and after reading of the title thereof, further reading of the Ordinance was waived.

RE: WASTEWATER REVENUE PROGRAM SET PUBLIC HEARING FOR FEBRUARY 26, 2025, AND GIVE REQUIRED NOTICE AND INTRODUCE AN ORDINANCE PRESCRIBING THE SERVICE CHARGE RATE AND MEAN LOADINGS PER UNIT OF USAGE FOR COUNTY SANITATION DISTRICT NO. 9 OF LOS ANGELES COUNTY AND PROVIDING FOR THE COLLECTION OF SUCH CHARGES ON THE TAX ROLL - INTRODUCE AN ORDINANCE PRESCRIBING INDUSTRIAL WASTEWATER SURCHARGE RATES FOR COUNTY SANITATION DISTRICT NO. 9 OF LOS ANGELES COUNTY

A letter describing the required Board actions, together with a copy of the proposed service charge rate and industrial wastewater surcharge rate ordinances, accompanied the agenda. In this District, the current service charge rate per single-family home (SFH) is \$6.50 per month (\$78 per year). The proposed rate for fiscal year 2025-26 is \$0 per year. Owners of multiple dwelling units and commercial properties are charged in proportion to their use compared to an SFH and, as a result, their resulting rate is proposed as \$0 per month as well. Staff recommends a Public Hearing be held at the Board meeting scheduled for February 26, 2025. 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.

The Chairperson introduced Mr. Andrew Hall, Assistant Department Head of Financial Management, to give a brief presentation regarding the Wastewater Revenue Program.

Mr. Hall stated that the District contracts with the City of Los Angeles for wastewater treatment service. The Board's rate-related actions were displayed on a slide. Today, the Board is considering introducing a proposed service charge rate ordinance. In February, the Board will hold a public hearing and consider adoption of the proposed ordinance.

The District has high levels of reserves due to Ad Valorem (property) tax revenue. Reserves can cover a portion of Operations & Maintenance (O&M) and Capital costs. This District's City of Los Angeles charges were not part of the recent rate increase by the city. Total revenue per SFH in Fiscal Year 2023-24 was \$196 (Interest - \$7, Average Ad Valorem Tax - \$111, and Service Charge - \$78).

It is recommended to reduce the service charge and industrial waste rates to \$0 to allow reserves to approach target levels.

A line graph showing a 10 Year Reserve Target Forecast was displayed on a slide. One line showed the current rate and a 3 percent annual increase in City of Los Angeles charges. A second line showed a \$0 Rate and

a 3 percent annual increase in City of Los Angeles Charges. A third line showed a \$0 Rate and 3 percent annual increase in City of Los Angeles charges for five years, then 10 percent annual increases.

Staff recommends that the Board decrease the service charge rate to \$0. Even with fairly large annual increases, reserves can pay for O&M for over 10 years. Staff will re-evaluate every five years, or if City of Los Angeles increases contract rates. In the future, the District can reinstate a service charge up to \$78 without a Proposition 218 process.

In response to Director Janice Hahn, County of Los Angeles, Mr. Hall advised that the public hearing is scheduled for the next regular meeting on February 26, 2025.

An Ordinance Prescribing the Service Charge Rate and Mean Loadings per Unit of Usage for County Sanitation District No. 9 of Los Angeles County and Providing for the Collection of Such Charges on the Tax Roll (Ordinance) was presented and introduction of the Ordinance was recommended. A recommendation was made to waive the reading of the Ordinance in its entirety.

A recommendation was made that, in accordance with Section 5473 of the Health and Safety Code, the Board instruct the District Clerk to publish newspaper notices to inform the public of the date, time, and place for a combined public hearing be set for February 26, 2025, at 1:30 p.m. in the District's Board Room at the Joint Administration Office, 1955 Workman Mill Road, Whittier, California, for the purpose of public discussion of the proposed service charge and industrial surcharge rates, and its collection on the property tax roll. After the public hearing is closed, the Board must consider adoption of the ordinances establishing the service charge and industrial wastewater surcharge rates providing for the collection of the service charge on the property tax roll.

BE IT RESOLVED, that the Board does hereby fix February 26, 2025 at 1:30 p.m. as the date and time, and in the District's Board Room at the Joint Administration Office, 1955 Workman Mill Road, Whittier, California, as the place for a public hearing on the proposed service charge and industrial wastewater surcharge rates, and the collection of the service charge on the property tax roll.

The Clerk of this Board shall cause notice of the filing of the Report and the time and place of the public hearing to be published once a week for two successive weeks in *The Daily Breeze*, a weekly newspaper, and in such other publications as are deemed appropriate by the Chief Engineer and General Manager.

Upon motion of Director Solis, duly seconded and unanimously carried, *An Ordinance Prescribing the Service Charge Rate and Mean Loadings per Unit of Usage for County Sanitation District No. 9 of Los Angeles County and Providing for the Collection of Such Charges on the Tax Roll*, was introduced, and after reading of the title thereof, further reading of the Ordinance was waived.

Upon motion of Director Solis, duly seconded and unanimously carried, the meeting adjourned.

JANICE HAHN
Chairperson

ATTEST:

KIMBERLY S. CHRISTENSEN
Secretary

/ee