



4. Contd.

Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to plan for both short-term and long-term needs to minimize the need for significant rate increases.

Adjourn

**Status Report:**

Prior to or during the meeting session, the Chief Engineer and General Manager may update the Directors on various matters concerning the Districts that may be of current interest to the Directors.

**Public Comment:**

Members of the public may address the Board of Directors on any item shown on the agenda or matter under the Board's authority. A "Request to Address Board of Directors" form is available. In compliance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Secretary to the Boards' Office (562) 908-4288, extension 1100. Notification of 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to this meeting. (28CFR 35.101 et seq. ADA Title II).

**Document Requests:**

Links to supporting documents are available online at the time of posting. Agendas and supporting documents or other writings that will be distributed to Board members in connection with matters subject to discussion or consideration at this meeting that are not exempt from disclosure under the Public Records Act are available for inspection following the posting of this agenda at the office of the Secretary to the Boards of Directors located at the Districts' Joint Administration Building, 1955 Workman Mill Road, Whittier, California, 90601, or at the time of the meeting at the address posted on this agenda.



February 20, 2025

Boards of Directors

Los Angeles County Sanitation Districts Nos. 1, 2, 3, 5, 8, 14,  
15, 16, 17, 18, 19, 21, 22, 23, 28, 29, 34, South Bay Cities, and  
Santa Clarita Valley

Directors:

### **Wastewater Revenue Program for Fiscal Year 2025-26**

The agendas for the upcoming meetings of these 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.

**Service charge rate ordinances have previously been adopted by the Boards and no changes are being proposed to these ordinances. However, to continue to collect the service charge on the property tax roll the Boards will consider taking certain actions.** Specifically, pursuant to state law, the Boards will consider to: (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) order the publication of the required notices.

### **BUDGET FOR FISCAL YEAR 2025-26**

Enclosed for your review is the preliminary budget for fiscal year 2025-26; 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 Districts' *Wastewater Financial Reserve Policy* and, if applicable, the *Joint Outfall System Financial Reserve Policy*. For the Joint Outfall System (JOS) Districts, a preliminary budget for the JOS for fiscal year 2025-26, 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 No. 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.

### **SERVICE CHARGE AND SURCHARGE RATES**

No change to previously-adopted rates is proposed for fiscal year 2025-26. 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 qualify for a reduced charge.

LOW WATER REBATE PROGRAM

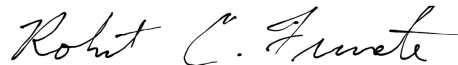
Because the cost of metering wastewater discharges from individual parcels is impractical and cost prohibitive, discharges are estimated using standard loading factors based on the size and types of facilities located on the parcel. With the ongoing efforts by local communities to conserve water and 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 will consider order the filing of a Service Charge Report with the District Clerk. The Boards will also consider scheduling a Public Hearing and instruct the District Clerk to publish newspaper notices to inform the public of the hearing. After the close of Public Hearing, the Boards will consider adoption of the Service Charge Report, as is required under the California Health and Safety Code 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 will consider taking 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. 19 OF LOS ANGELES COUNTY SERVICE CHARGE REPORT FOR FISCAL YEAR 2025-26

## INTRODUCTION

County Sanitation District No. 19 of Los Angeles County encompasses all or portions of the cities of Artesia, Cerritos, Hawaiian Gardens, Lakewood, and Long Beach and unincorporated Los Angeles County.

District No. 19 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. 19, 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. 19 is responsible for any costs associated with the local sewers and pumping plants that are owned by District No. 19 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. 19 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. 19 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;

**COUNTY SANITATION DISTRICT NO. 19 OF LOS ANGELES COUNTY  
SERVICE CHARGE REPORT FOR FISCAL YEAR 2025-26**

- FLOW<sub>sfn</sub> = Average flow of wastewater from a single-family home in gallons per day;
- COD<sub>sfn</sub> = Average loading of COD in the wastewater from a single-family home in pounds per day;
- SS<sub>sfn</sub> = Average loading of suspended solids in the wastewater from a single-family home in pounds per day;
- FLOW<sub>avg</sub> = Estimated flow of wastewater which will enter the sewerage system from a user in gallons per day;
- COD<sub>avg</sub> = Estimated loading of COD which will enter the sewerage system from a user in pounds per day;
- SS<sub>avg</sub> = Estimated loading of suspended solids which will enter the sewerage system from a user in pounds per day.

For fiscal year 2025-26, 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. 19.

Based upon presently anticipated sources of funds, the service charge rate for fiscal year 2025-26 is \$181 per sewage unit. Parcels with significantly lower water usage may be eligible for a reduced rate pursuant to the terms of the *Master Service Charge Ordinance of County Sanitation District No. 19 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 2025-26 Tax Rate Areas as shown in Table 2 are receiving or benefiting from the services and facilities of District No. 19. Additionally, the parcels listed in Table 3, which do not fall within the Tax Rate Areas shown in Table 2, are receiving or benefiting from the services and facilities of District No. 19. 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**

| <b><u>DESCRIPTION</u></b>                             | <b><u>UNIT OF MEASURE</u></b> | <b><u>FLOW (Gallons per Day)</u></b> | <b><u>COD (Pounds per Day)</u></b> | <b><u>SUSPENDED SOLIDS (Pounds per Day)</u></b> |
|---|-------------------------------|--------------------------------------|------------------------------------|---|
| <b>RESIDENTIAL</b>                                    |                               |                                      |                                    |   |
| 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  |
| <b>COMMERCIAL</b>                                     |                               |                                      |                                    |   |
| Hotel/Motel/Rooming House                             | Room                          | 125                                  | 0.54                               | 0.28  |
| Store   | 1000 ft <sup>2</sup>          | 100                                  | 0.43                               | 0.23  |
| Supermarket   | 1000 ft <sup>2</sup>          | 150                                  | 2.00                               | 1.00  |
| Shopping Center                                       | 1000 ft <sup>2</sup>          | 325                                  | 3.00                               | 1.17  |
| Regional Mall   | 1000 ft <sup>2</sup>          | 150                                  | 2.10                               | 0.77  |
| Office Building                                       | 1000 ft <sup>2</sup>          | 200                                  | 0.86                               | 0.45  |
| Medical, Dental, Veterinary<br>Clinic or Building     | 1000 ft <sup>2</sup>          | 300                                  | 1.29                               | 0.68  |
| Restaurant  | 1000 ft <sup>2</sup>          | 1,000                                | 16.68                              | 5.00  |
| Indoor Theatre  | 1000 ft <sup>2</sup>          | 125                                  | 0.54                               | 0.28  |
| Car Wash:   |                               |                                      |                                    |   |
| Tunnel – No Recycling                                 | 1000 ft <sup>2</sup>          | 3,700                                | 15.86                              | 8.33  |
| Tunnel – Recycling                                    | 1000 ft <sup>2</sup>          | 2,700                                | 11.74                              | 6.16  |
| Wand  | 1000 ft <sup>2</sup>          | 700                                  | 3.00                               | 1.58  |
| Bank, Credit Union                                    | 1000 ft <sup>2</sup>          | 100                                  | 0.43                               | 0.23  |
| Service Shop, Vehicle<br>Maintenance & Repair Shop    | 1000 ft <sup>2</sup>          | 100                                  | 0.43                               | 0.23  |
| Animal Kennels  | 1000 ft <sup>2</sup>          | 100                                  | 0.43                               | 0.23  |
| Gas Station   | 1000 ft <sup>2</sup>          | 100                                  | 0.43                               | 0.23  |
| Auto Sales  | 1000 ft <sup>2</sup>          | 100                                  | 0.43                               | 0.23  |
| Wholesale Outlet                                      | 1000 ft <sup>2</sup>          | 100                                  | 0.43                               | 0.23  |
| Nursery/Greenhouse                                    | 1000 ft <sup>2</sup>          | 25                                   | 0.11                               | 0.06  |
| Manufacturing   | 1000 ft <sup>2</sup>          | 200                                  | 1.86                               | 0.70  |
| Light Manufacturing                                   | 1000 ft <sup>2</sup>          | 25                                   | 0.23                               | 0.09  |
| Lumber Yard   | 1000 ft <sup>2</sup>          | 25                                   | 0.23                               | 0.09  |
| Warehousing   | 1000 ft <sup>2</sup>          | 25                                   | 0.23                               | 0.09  |
| Open Storage  | 1000 ft <sup>2</sup>          | 25                                   | 0.23                               | 0.09  |
| Drive-in Theatre                                      | 1000 ft <sup>2</sup>          | 20                                   | 0.09                               | 0.05  |
| Night Club  | 1000 ft <sup>2</sup>          | 350                                  | 1.50                               | 0.79  |
| Bowling/Skating                                       | 1000 ft <sup>2</sup>          | 150                                  | 1.76                               | 0.55  |
| Club & Lodge Halls                                    | 1000 ft <sup>2</sup>          | 125                                  | 0.54                               | 0.27  |
| Auditorium, Amusement                                 | 1000 ft <sup>2</sup>          | 350                                  | 1.50                               | 0.79  |
| Golf Course and Park<br>(Structures and Improvements) | 1000 ft <sup>2</sup>          | 100                                  | 0.43                               | 0.23  |

**TABLE 1  
LOADINGS FOR EACH CLASS OF LAND USE**

| <b><u>DESCRIPTION</u></b>  | <b><u>UNIT OF MEASURE</u></b> | <b><u>FLOW (Gallons per Day)</u></b> | <b><u>COD (Pounds per Day)</u></b> | <b><u>SUSPENDED SOLIDS (Pounds per Day)</u></b> |
|--|-------------------------------|--------------------------------------|------------------------------------|---|
| <b>COMMERCIAL</b>  |                               |                                      |                                    |   |
| Campground, Marina,<br>Recreational Vehicle Park                     | Sites, Slips,<br>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 <sup>2</sup>          | 3,825                                | 16.40                              | 8.61  |
| Mortuary, Funeral Home   | 1000 ft <sup>2</sup>          | 100                                  | 1.33                               | 0.67  |
| Health Spa, Gymnasium:   |                               |                                      |                                    |   |
| With Showers   | 1000 ft <sup>2</sup>          | 600                                  | 2.58                               | 1.35  |
| Without Showers  | 1000 ft <sup>2</sup>          | 300                                  | 1.29                               | 0.68  |
| Convention Center,<br>Fairground, Racetrack,<br>Sports Stadium/Arena | Average Daily<br>Attendance   | 10                                   | 0.04                               | 0.02  |
| <b>INSTITUTIONAL</b>   |                               |                                      |                                    |   |
| College/University   | Student                       | 20                                   | 0.09                               | 0.05  |
| Private School   | 1000 ft <sup>2</sup>          | 200                                  | 0.86                               | 0.45  |
| Library, Museum  | 1000 ft <sup>2</sup>          | 100                                  | 0.43                               | 0.23  |
| Post Office (Local)  | 1000 ft <sup>2</sup>          | 100                                  | 0.43                               | 0.23  |
| Post Office (Regional)   | 1000 ft <sup>2</sup>          | 25                                   | 0.23                               | 0.09  |
| Church   | 1000 ft <sup>2</sup>          | 50                                   | 0.21                               | 0.11  |

**TABLE 2**  
**TAX RATE AREAS IN SANITATION DISTRICT NO. 19**

|        |        |        |        |        |
|--------|--------|--------|--------|--------|
| 001963 | 001968 | 001974 | 001975 | 001990 |
| 001991 | 001996 | 002011 | 002018 | 002024 |
| 002465 | 002467 | 002483 | 002484 | 002491 |
| 002492 | 002494 | 002496 | 002499 | 002510 |
| 002515 | 002517 | 002518 | 002519 | 002520 |
| 002521 | 002525 | 002566 | 002567 | 002588 |
| 002589 | 002590 | 002605 | 002606 | 002607 |
| 002609 | 002615 | 002617 | 002620 | 003744 |
| 003745 | 003746 | 005488 | 005505 | 005507 |
| 005516 | 005524 | 005580 | 005581 | 012177 |
| 012179 | 012180 | 013185 | 013187 | 015709 |
| 015775 | 015818 |        |        |        |

**TABLE 3**  
**PARCEL NUMBERS SERVED BY SANITATION DISTRICT NO. 19**  
**OUTSIDE OF TAX RATE AREAS**

7060022064    7060022065

**County Sanitation District No. 19 of Los Angeles County  
Preliminary Operating Fund Budget (\$ in thousands)  
Fiscal Year 2025-26**

|                                    | <b>Adopted<br/>2024-25 <sup>(1)</sup></b> | <b>Proposed<br/>2025-26 <sup>(1)(2)</sup></b> |
|------------------------------------|---|---|
| <b><u>Starting Balance</u></b>     | <b>\$ 8,185</b>                           | <b>\$ 8,957</b>                               |
| <b><u>Sources of Funds</u></b>     |   |   |
| Service Charge                     | \$ 7,054                                  | \$ 7,278                                      |
| Total Operating Revenue            | 7,054                                     | 7,278   |
| Ad Valorem Tax Revenue             | 2,145                                     | 2,451   |
| Interest                           | 205                                       | 179   |
| Total Non-Operating Revenue        | 2,349                                     | 2,631   |
| <b>Total Sources of Funds</b>      | <b>\$ 9,403</b>                           | <b>\$ 9,908</b>                               |
| <b><u>Use of Funds</u></b>         |   |   |
| Joint Outfall Operations           | \$ 8,675                                  | \$ 9,208                                      |
| Other Operational Expenditures     | 18  | 19  |
| Operations and Maintenance Expense | 8,693                                     | 9,227   |
| Joint Outfall Capital              | 465                                       | 443   |
| Capital Expense                    | 465                                       | 443   |
| <b>Total Use of Funds</b>          | <b>\$ 9,158</b>                           | <b>\$ 9,670</b>                               |
| <b><u>Ending Balance</u></b>       | <b>\$ 8,430</b>                           | <b>\$ 9,195</b>                               |

(1) The Adopted FY 24-25 Budget is presented as adopted by the Board in 2024. The ending balance reflects the estimate at that time, and therefore may not match the current estimated starting balance for the Proposed FY 25-26 Budget.

(2) District only has operating fund.

**County Sanitation District No. 19 of Los Angeles County  
Wastewater Budget Rate and Other Information Summary  
Fiscal Year 2025-26**

|  | <u>Adopted<br/>2024-25</u> | <u>Proposed<br/>2025-26</u> |
|--|----------------------------|-----------------------------|
| <b><u>Service Charge Rate (\$ per Sewage Unit)</u></b>         | 179.00                     | 181.00                      |
| <b><u>Industrial Waste (Surcharge) Rates</u></b>               |                            |                             |
| Flow (\$ per MGY)  | 865.00                     | 891.00                      |
| COD (\$ per 1000 lbs)  | 173.00                     | 178.20                      |
| SS (\$ per 1000 lbs)   | 413.90                     | 426.20                      |
| Peak Flow (\$ per gpm)   | 118.40                     | 121.90                      |
| Short Form Rate (\$ per million gallon per year)               | 3,824.92                   | 3,939.50                    |
| Liquid Waste Disposal (\$ per 100 gallon)                      | 5.70                       | 5.80                        |
| <b><u>Total Connection Fee Rate (\$ per Capacity Unit)</u></b> | 1,749.00                   | 1,751.00                    |
| <b><u>Projected Sewage Units</u></b>                           |                            |                             |
| Residential/Commercial   | 39,408                     | 40,208                      |
| Contract In  | 212                        | 681                         |
| Contract Out   | -675                       | -929                        |
| Total Served Sewage Units                                      | <u><b>38,945</b></u>       | <u><b>39,960</b></u>        |

**Joint Outfall System  
Preliminary Operating Fund Budget (\$ in thousands)  
Fiscal Year 2025-26**

|                                       | <b>Adopted<br/>2024-25 <sup>(1)</sup></b> | <b>Proposed<br/>2025-26 <sup>(1)(2)</sup></b> |
|---------------------------------------|---|---|
| <b>Starting Balance</b>               | <b>\$ 397,211</b>                         | <b>\$ 475,092</b>                             |
| <br><b>Sources of Funds</b>           |   |   |
| Industrial Waste Charges              | \$ 66,982                                 | \$ 69,391                                     |
| Operating Payments by Districts       | 380,495                                   | 400,364                                       |
| Contract Revenue                      | 5,629                                     | 5,945   |
| Agricultural and Recycled Water Sales | 10,405                                    | 11,043  |
| Total Operating Revenue               | 463,512                                   | 486,743                                       |
| <br>Interest                          | <br>9,971                                 | <br>9,587                                     |
| Total Non-Operating Revenue           | 9,971                                     | 9,587   |
| <br>Loan Proceeds                     | <br>102,442                               | <br>60,000                                    |
| Bond Proceeds                         | 286,000                                   | 250,927                                       |
| Capital Payments by Districts         | 20,399                                    | 19,275  |
| Total Capital Revenue                 | 408,842                                   | 330,202                                       |
| <br>Transfers from Designated Funds   | <br>188,660                               | <br>22,800                                    |
| Transfers from Restricted Funds       | -   | 8,790   |
| Transfers from Districts              | 1,626                                     | 4,268   |
| Total Transfers In                    | 190,286                                   | 35,858  |
| <br><b>Total Sources of Funds</b>     | <b>\$ 1,072,610</b>                       | <b>\$ 862,390</b>                             |
| <br><b>Use of Funds</b>               |   |   |
| Joint Administration Operations       | \$ 121,642                                | \$ 124,714                                    |
| Sewer System Operations               | 82,626                                    | 88,414  |
| Treatment Plant Operations            | 239,670                                   | 254,545                                       |
| Composting Facility Operations        | 16,224                                    | 16,680  |
| Contract Disposal Operations          | 1,746                                     | 1,589   |
| Other Operational Expenditures        | 11,575                                    | 10,388  |
| Operations and Maintenance Expense    | 473,483                                   | 496,330                                       |
| <br>Joint Administration Capital      | <br>14,720                                | <br>17,727                                    |
| Sewer System Capital                  | 139,485                                   | 129,165                                       |
| Treatment Plant Capital               | 176,082                                   | 192,589                                       |
| Composting Facility Capital           | 600                                       | 1,000   |
| Field Office Capital                  | 1,000                                     | 8,240   |
| Contract Disposal Capital             | 591                                       | 157   |
| Capital Expense                       | 332,477                                   | 348,877                                       |
| <br>Loan Repayment                    | <br>5,859                                 | <br>5,373                                     |
| Bond Repayment                        | 10,733                                    | 10,725  |
| Debt Service                          | 16,592                                    | 16,099  |
| <br><b>Total Use of Funds</b>         | <b>\$ 822,552</b>                         | <b>\$ 861,306</b>                             |
| <br><b>Ending Balance</b>             | <b>\$ 647,269</b>                         | <b>\$ 476,176</b>                             |

(1) The Adopted FY 24-25 Budget is presented as adopted by the Board in 2024. The ending balance reflects the estimate at that time, and therefore may not match the current estimated starting balance for the Proposed FY 25-26 Budget.

(2) Bond amounts are currently being reviewed.

**Joint Outfall System  
Reserve Funds Proposed Budget (\$ in thousands)  
Fiscal Year 2025-26**

|                                    | Unrestricted   | Designated |                               |   | Restricted             |                                     | Total          |
|------------------------------------|----------------|------------|-------------------------------|---|------------------------|-------------------------------------|----------------|
|                                    | Operating      | Emergency  | O&M<br>Financial<br>Stability | Capital<br>Projects<br>Financial<br>Stability | Capital<br>Improvement | Closure/Postcl<br>osure<br>Reserves |                |
| Starting Balance                   | \$ 475,092     | 13,873     | 8,380                         | 100   | 837                    | 498                                 | <b>498,779</b> |
| Operating Revenue                  | 486,743        | -          | -                             | -   | -                      | -                                   | <b>486,743</b> |
| Non-Operating Revenue              | 9,587          | 277        | 168                           | 2   | 17                     | 10                                  | <b>10,061</b>  |
| Capital Revenue                    | 330,202        | -          | -                             | -   | 7,936                  | -                                   | <b>338,138</b> |
| Transfers In                       | 35,858         | -          | -                             | -   | -                      | -                                   | <b>35,858</b>  |
| Operations and Maintenance Expense | 496,330        | -          | -                             | -   | -                      | -                                   | <b>496,330</b> |
| Capital Expense                    | 348,877        | -          | -                             | -   | -                      | -                                   | <b>348,877</b> |
| Debt Service                       | 16,099         | -          | -                             | -   | -                      | -                                   | <b>16,099</b>  |
| Transfers Out                      | -              | 14,150     | 8,548                         | 102   | 8,790                  | -                                   | <b>31,590</b>  |
| Ending Balance                     | <b>476,176</b> | -          | -                             | -   | -                      | <b>508</b>                          | <b>476,684</b> |

# Sanitation Districts of Los Angeles County

## Wastewater Budget Explanation and Glossary of Terms

### Fiscal Year 2025-26

#### 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.*

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

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

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| <b>Operating Payments by Districts</b>         | Payments received by Joint Outfall System Districts to be used for system’s net operating expenditures.   |
| <b>Other Capital Expenditures</b>              | Capital expenditures not related to District’s sewers, treatment plants, composing facilities, field offices, or contract disposal.   |
| <b>Other Operational Expenditures</b>          | The District’s operational expenditures that are not directly related to the District’s facilities, such as insurance, annexations, and certain regulatory work.  |
| <b>Service Charge Revenue</b>                  | 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.  |
| <b>Total Served Sewage Units</b>               | Total number of Sewage Units (single family home equivalent dischargers) that are served by treatment plants owned by the Districts.  |
| <b>Transfers from Designated Funds</b>         | Funds transferred from Designated Funds when projected operating reserve balance is below target; these funds are to be used toward operating expenditures.   |
| <b>Transfers from Districts</b>                | Payments received from Joint Outfall System Districts to fund the Joint Outfall reserves per June 1, 2022, Joint Outfall Agreement.   |
| <b>Transfers from Restricted Funds</b>         | Funds transferred from Restricted Funds to be used toward capital expenditures.   |
| <b>Transfers to Designated Reserves</b>        | 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. |
| <b>Transfers to Joint Outfall System</b>       | Individual District’s contribution to the Joint Outfall System reserves per June 1, 2022, Joint Outfall Agreement.  |
| <b>Treatment Plant Capital Expenditures</b>    | Capital expenditures related to upgrade, repair, or expansion of treatment plants.  |
| <b>Treatment Plant Operations Expenditures</b> | Expenditures related to operating and maintaining treatment plants.   |