COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"Enriching Lives"

JAMES A. NOYES, Director

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IN REPLY PLEASE REFER TO FILE: W-9

January 15, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

TRANCAS WATER POLLUTION CONTROL PLANT
SEWER SERVICE CHARGES INCREASES
SUPERVISORIAL DISTRICT 3
4 VOTES

AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT YOUR BOARD:

As the governing body of the Consolidated Sewer Maintenance District:

1. Approve: (a) an imposition of a new additional annual zone sewer service charge for the Trancas Zone of $296 per improved parcel, beginning Fiscal Year 2004-05 and ending Fiscal Year 2013-14, to repay the $742,000 loan indicated below; and (b) an increase in the additional annual zone sewer service charge for the Trancas Zone of $448, from $1,078 to $1,526 per sewage unit beginning Fiscal Year 2004-05, for the operation and maintenance of the Trancas Water Pollution Control Plant.

2. If Item No. 1 is approved, adopt the enclosed Resolution authorizing a 10-year loan of $742,000 from the Marina Sewer Maintenance District Fund (GC6) to the Consolidated Sewer Maintenance District Accumulative Capital Outlay Fund (J14), for the rehabilitation of the Trancas Water Pollution Control Plant.

3. If Item No. 1 is approved, approve the enclosed Appropriation Adjustment to transfer $742,000 from the Marina Sewer Maintenance District Fund (GC6) to the Consolidated Sewer Maintenance District Accumulative Capital Outlay Fund (J14).

4. Find that the proposed ordinance amending Title 20 – Utilities of the Los Angeles County Code is to meet operating expenses and fund capital projects necessary to maintain services in existing service areas and is exempt from the California Environmental Quality Act pursuant to the Public Resources Code, Section 21080(b)(8).

5. Adopt the enclosed proposed ordinance.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Trancas Water Pollution Control Plant was built in 1960, was rehabilitated once in 1978, and has exceeded its rated useful life. The facility has experienced corrosion problems with its tanks and equipment due to the age of the plant and the harsh coastal environment. In March 2000, the Los Angeles Regional Water Quality Control Board adopted new Waste Discharge Requirements that established more stringent treatment and monitoring requirements and mandated the rehabilitation and upgrade of the facilities. We have met with homeowner representatives numerous times regarding project alternatives, financing options, and costs. Representatives are in support of the project and although they consider the costs high, they understand the need for the increase.

The recommended $742,000 loan from the Marina Sewer Maintenance District Fund (GC6) to the Consolidated Sewer Maintenance District Accumulative Capital Outlay Fund (J14), will fund the increase in the project costs for the rehabilitation and upgrade of the Trancas Water Pollution Control Plant. The recommended new Trancas Zone additional annual zone sewer service charge of $296 per improved parcel is for a 10-year period and will repay the $742,000 loan.

The recommended $448 per sewage unit increase in the additional annual zone sewer service charge for the Trancas Zone will generate an additional $121,000 annually beginning in Fiscal Year 2004-05. These increases are necessary to offset rising operational costs, including additional engineering and laboratory testing for permit compliance, equipment, utilities, services and supplies, and permit fees.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Fiscal Responsibility as these sewer service charges provide sufficient funds to rehabilitate and to continue maintaining the wastewater treatment plant in a safe, effective, and environmentally sound manner. It also satisfies the goal of Service Excellence since rehabilitation of deteriorated wastewater treatment facilities protects public health and the environment, which improves the quality of life in the County.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund. Sufficient funds are available in the Marina Sewer Maintenance District Fund (GC6) Fiscal Year 2003-04 budget to provide the loan to the Consolidated Sewer Maintenance District Accumulative Capital Outlay Fund (J14).

The total project cost for the rehabilitation of the Trancas Water Pollution Control Plant is currently estimated at $2,585,000. The project will be financed with available funds of $1,843,000, previously approved by your Board, and the proposed loan of $742,000. The loan will be repaid from the proposed Trancas Zone additional annual zone sewer service charge of $296 per improved parcel, beginning Fiscal Year 2004-05 and ending Fiscal Year 2013-14. The $1,843,000 previously approved by your Board for the project includes two loans made from the Marina Sewer Maintenance District Fund (GC6) to the Consolidated Sewer Maintenance District Trancas Zone Fund (GC4). The first was a 10-year loan of $410,000 made in Fiscal Year 1999-2000 for emergency repairs ($65,000) and for design phase project costs ($345,000). The second was a 10-year loan of $1,498,000 made in Fiscal Year 2000-01 for construction phase costs. At the time of the award of the construction contract, we will return to your Board for approval to transfer financing from the Consolidated Sewer Maintenance District Trancas Zone Fund (GC4) to the Consolidated Sewer Maintenance District Accumulative Capital Outlay Fund (J14) to fund the construction contract.

The annual operation and maintenance expenditure for the Trancas Zone of the Consolidated Sewer Maintenance District is estimated to increase by $121,000. A $448 per sewage unit increase, from $1,078 to $1,526, beginning Fiscal Year 2004-05, in the additional annual zone sewer service charges is recommended to offset the increase in expenditures.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Section 4894 of the Health and Safety Code, the Board may lend available funds from a County Sewer Maintenance District to another County Sewer Maintenance District or Zone.

The California Constitution, Article XIIID, Section 6(a), requires that owners of parcels subject to increased or new sewer service charges be notified by mail no later than 45 days before the public hearing of the amount of charge and method of determination, date, time, and location of the hearing. In the event a weighted majority of property owners protest an increased charge within any district or zone, such charge may not be imposed.

As required by Section 5473 of the Health and Safety Code, the properties to which the increased sewer service charges apply will be included in the Sewer Service Charge Annual Report for Fiscal Year 2004-05 for the Los Angeles County Sewer Maintenance Districts.

Section 5473 of the Health and Safety Code requires that any ordinance or resolution adopted authorizing the collection of charges on the tax roll shall remain in effect until repealed or until changes have been made in the rates.

The enclosed ordinance and Notice of Hearing related to this matter have been reviewed and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The proposed ordinance is to meet operating expenses and fund capital projects necessary to maintain services in existing service areas and is exempt from the California Environmental Quality Act pursuant to the Public Resources Code, Section 21080(b)(8).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact on current County services or projects during the performance of the recommended project.

CONCLUSION

Please return two approved copies of this letter, Appropriation Adjustment, adopted resolution and ordinance to Public Works, Waterworks and Sewer Maintenance Division, and forward one copy of the documents to the Auditor-Controller's Office.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

HY:cs
BDLHY2

Enc.

cc: Chief Administrative Office
County Counsel

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, APPROVING A LOAN FROM THE MARINA SEWER MAINTENANCE DISTRICT TO THE CONSOLIDATED SEWER MAINTENANCE DISTRICT ACCUMULATIVE CAPITAL OUTLAY FUND

WHEREAS, the Trancas Water Pollution Control Plant within the Consolidated Sewer Maintenance District is severely deteriorated and in need of immediate rehabilitation, for which construction cost exceeds the funds presently available in the Trancas Zone, requiring a loan of up to seven hundred and forty-two thousand dollars ($742,000); and

WHEREAS, the Marina Sewer Maintenance District has sufficient funds available which are not immediately needed for the operation, maintenance, and repairs of its sewer facilities or other authorized purposes for which they were accumulated and which could be loaned to rehabilitate the Trancas Water Pollution Control Plant; and

WHEREAS, the Board of Supervisors is authorized by law to lend available funds of the Marina Sewer Maintenance District to the Consolidated Sewer Maintenance District for the rehabilitation of improvements to the Trancas Water Pollution Control Plant; and

WHEREAS, the proposed loan to the Consolidated Sewer Maintenance District does not exceed 100 percent of the total revenue of the Consolidated Sewer Maintenance District for Fiscal Year 2003-04.

NOW, THEREFORE, BE IT RESOLVED as follows:

1 A loan of up to seven hundred and forty-two thousand dollars ($742,000) shall be made from the Marina Sewer Maintenance District to the Consolidated Sewer Maintenance District Accumulative Capital Outlay Fund for the purpose of rehabilitating the Trancas Water Pollution Control Plant.

2. The loan shall be repaid by the Trancas Zone of the Consolidated Sewer Maintenance District at an interest rate of one and thirty-five hundredth percent (1.35%), and within a ten (10) year period, beginning Fiscal Year 2004-05, and ending Fiscal Year 2013-14.

The foregoing Resolution was on the _____ day of , 2004, adopted by the Board of Supervisors of the County of Los Angeles.

VIOLET VARONA-LUKENS
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By_____
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By _____
Deputy

BA-FORM

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF PUBLIC WORKS

DEPT'S. NO. 690

January 13, 2004

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2003-04

4-VOTE BUDGET ADJUSTMENT

SOURCES

Department of Public Works
Services and Supplies (2000)
GC6 - PW -47000 - 2000 - $742,000

Department of Public Works
Long Term Debt Proceeds (9921)
J14 - PW - 47000 - 9921 - $742,000

USES

Department of Public Works
Reserve for Long Term Receivable (3030)
GC6 - PW - 53030 - 3030 - $742,000

Department of Public Works
Services and Supplies (2000)
J14 - PW - 47000 - 2000 - $742,000

JUSTIFICATION

In accordance with the attached Board letter, this adjustment is necessary to transfer $742,000 from the Marina Sewer Maintenance District Fund (GC6) as a loan to the Consolidated Sewer Maintenance Maintenance District Accumulative Capital Outlay Fund (J14) to finance the increased construction cost of rehabilitating the Trancas Water Pollution Control Plant.

DONALD L. WOLFE, Chief Deputy Director

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR--- ACTION

RECOMMENDATION

APPROVED AS REQUESTED ✓ AS REVISED

1/14/04 J. Kubkowski for Darryl E. Johnson
CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER BY John Naimo
NO. 177 JAN 14, 2004

APPROVED (AS REVISED): BOARD OF SUPERVISORS BY

DEPUTY COUNTY CLERK

COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

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January 5, 2004

James A. Noyes, Director
Department of Public Works
900 South Fremont Avenue
Alhambra, California 91803

Attention: Dean D. Efstathiou, Deputy Director
Administration

Re: Ordinance Amending Annual Zone Sewer Service Charge - Title 20, Trancas Zone

Dear Mr. Noyes:

As requested, this office has reviewed the enclosed ordinance amending Title 20 of the Los Angeles County Code to increase the annual zone sewer service charges for the Trancas Zone of the Consolidated Sewer Maintenance District.

The ordinance and its accompanying analysis may be presented to the Board of Supervisors for its consideration.

Very truly yours,

LLOYD W. PELLMAN
County Counsel

By Francis E. Scott
FRANCIS E. SCOTT
Principal Deputy County Counsel
Public Works Division

FES/mh

Enclosures

HOA.214626.

ANALYSIS

This ordinance amends Title 20 - Utilities of the Los Angeles County Code, to increase the additional annual zone sewer service charge for the Trancas Zone of the Consolidated Sewer Maintenance District from $1,078.00 to $1,536.00 per sewage unit for Fiscal Year 2003-04.

In addition, this ordinance will levy an additional zone sewer service charge of $296.00 on properties within the Trancas Zone for 10 years, in order to pay back loan for additional construction costs to rehabilitate the Trancas Water Pollution Control Plant.

This ordinance may be adopted after a public hearing pursuant to mailed notice under the provisions of Proposition 218.

LLOYD W. PELLMAN
County Counsel

By Francis E. Scott
FRANCIS E. SCOTT
Principal Deputy County Counsel
Public Works Division

FES:mh

12/16/03 (Requested)

12/29/03 (Revised)

213572-1

ORDINANCE NO. _____

An ordinance amending Title 20 - Utilities of the Los Angeles County Code relating to additional annual zone sewer service charges for the Trancas Zone.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 20.40.080 is hereby amended to read as follows:

20.40.080 Additional zone charges -- Lake Hughes and Trancas zones.

A. An additional annual zone sewer service charge is levied upon each improved parcel of real property in each of the following zones for additional services provided within the zone. The amount of the charge for each parcel shall be computed by multiplying the sewage unit charge for each parcel by the number of sewage units for current land use of the parcel as shown in Table A, set out in Section 20.40.100. The sewage unit charge in each zone is as follows:

Zone	**Sewage Unit Charge**
Lake Hughes Zone	$ 537.00
Trancas Zone	~~1,078.00~~ $1,526.00

B. An additional zone sewer service charge of $207.00 is levied for a 10-year period upon each improved parcel of real property in the Trancas Zone to repay a loan for the Trancas Water Pollution Control Plant emergency repair and project engineering for the plant's rehabilitation project. This charge shall begin in Fiscal Year 2000-2001 and end in Fiscal Year 2009-2010.

C. An additional zone sewer service charge of $754.00 is levied for a 10-year period upon each improved parcel of real property in the Trancas Zone to repay a loan for the construction cost of rehabilitating the Trancas Water Pollution Control Plant. This charge shall begin in Fiscal Year 2001-2002 and end in Fiscal Year 2010-2011.

D. An additional zone sewer service charge of $296.00 is levied for a 10-year period upon each improved parcel of real property in the Trancas Zone to repay a loan for the additional construction cost of rehabilitating the Trancas Water Pollution Control Plant. This charge shall begin in Fiscal Year 2004-2005 and end in Fiscal Year 2013-2014.

~~D~~ E. These charges shall be in addition to the charges imposed in Sections 20.40.040 and 20.40.045.

[2040080FSCOC]
213572-1