



May 23, 2024

Boards of Directors  
County Sanitation District No. 27  
and Newhall Ranch Sanitation District  
of Los Angeles County

Directors:

The enclosed consolidated agenda includes the following items for the special meetings of the Boards of Directors of District No. 27 and Newhall Ranch Sanitation District meeting Tuesday, June 4, 2024.

1. Minutes. (3 and 5) Copies of the minutes have been provided to each of the Directors.

2. District Expenses. (3 and 5) Local District expenses represent costs that are the sole responsibility of the individual District. Allocated expenses represent the District’s proportionate share of expenses made by District No. 2, the Administrative District, on its behalf pursuant to the Joint Administration Agreement. This Agreement provides for the joint administration and technical support for all of the signatory Districts along with the methodology for determining the proportionate costs for each District. A listing of Districts’ payments and previously approved budgets can be found on the Districts’ website at [lacsd.org/financial-documents](http://lacsd.org/financial-documents). This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

**District No. 27 –**

Local Expenses:

Operations & Maintenance	\$ 99,423
Capital	46,081

Allocated Expenses:

Joint Administration	2,575
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Total Expenses	<u>\$148,079</u>
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**Newhall Ranch Sanitation District –**

Local District Expenses:

Operations & Maintenance	\$ 104,409
Capital	16,103

Allocated Expenses:

Joint Administration	23,446
Technical Support	10,903

Total Expenses	<u>\$154,861</u>
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3. Conflict of Interest and Disclosure Code. (3 and 5) At its meeting of February 27, 2024, the Districts’ code reviewing body, the Los Angeles County Board of Supervisors, adopted an amended Conflict of Interest Code and Disclosure Categories for the Sanitation Districts. The amendment consists of revisions of deletion of one position from the code as it no longer exists in the agency, changes to nine position titles, addition of eleven positions to the code, and adds one position under “Officials who manage Public Investments.” Pursuant to Government Code 87306, each District Board is required to adopt the amended code.

4. Investment Policy. (3 and 5) The agenda for upcoming meetings of the Boards of Directors contains an item regarding proposed revisions to the Districts' Investment Policy (Policy). The Policy establishes the practices under which the Districts invest reserves until such time as they are needed to meet expenses and identifies what types of investments are allowable. The current Policy already allows for investment with the County's Pooled Surplus Investment Fund; however, a narrow change is being proposed to allow investment in shared investment pools comprised of other California public agencies. This proposed change will allow investment in the broader class of all such investment pools and would allow the Districts to diversify their investments into investment pools such as the California Asset Management Program (CAMP) and California Cooperative Liquid Assets Securities System (CLASS). In May, these revisions were unanimously endorsed by the Personnel Committee, comprised of the Chairs of all active Districts. The proposed Policy will be presented to each Board for adoption over the next several months. If approved, the new Policy will take effect after adoption by all of the Boards. 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.

5, 6, and 7. Wastewater Budget Matters for Fiscal Year 2024-25. (3) Attached is a copy of the proposed final budget for fiscal year 2024-25 for District No. 27 with a breakdown of the items included in the sewerage system budget. The general revenue source available to the District is the pro rata share of the ad valorem (property) taxes. The sewerage system budget was prepared in accordance with the Joint Administration Agreement. In the case of Districts which contract with the City of Los Angeles for sewerage service (District No. 27), the Joint Administration Agreement states that these Districts shall pay one one-hundredth of one percent of all joint expenses. District No. 27 currently owns and operates trunk sewers within the District. However, the District does not own or operate any treatment and disposal facilities. The District contracts for these services with the City of Los Angeles. District's staff has no direct control over the City of Los Angeles costs. Thus, the portion of the proposed budget attributable to contract disposal Operations and Maintenance (O&M) and capital is a direct reflection of the City of Los Angeles O&M and capital costs. The local O&M and local capital costs only reflect the cost of operating and maintaining the District's local sewer system.

8 and 9. Wastewater Budget Matters for Fiscal Year 2024-25. (5) Attached is a copy of the proposed budget for fiscal year 2024-25 for Newhall Ranch Sanitation District (Newhall Ranch) with a breakdown of the items included in the budget. The main revenue source for Newhall Ranch is service charge revenues. The budget was prepared in accordance with the Joint Administration Agreement and other agreements.

Very truly yours,



Robert C. Ferrante

RCF:drs  
Enclosures

Notice and Agenda

REGULAR MEETINGS — BOARDS OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 27/  
NEWHALL RANCH SANITATION DISTRICT

To be held in the HEARING ROOM  
OF THE BOARD OF SUPERVISORS  
500 West Temple, Street, Room 383, Los Angeles, California

TUESDAY		June 4, 2024		At 9:30 A.M.
BARGER	HAHN	HORVATH (Chairperson)	MITCHELL	SOLIS

1. Recommendation: Approve minutes of the regular meeting held March 6, 2024 (both Districts)
2. Recommendation: Approve December 2023 through March 2024 Expenses in Total Amounts of \$148,079 (District No. 27) (3) and \$154,861 (Newhall Ranch Sanitation District) (5)
3. Recommendation: Adopt Amended Conflict of Interest and Disclosure Code (Both Districts)
4. Recommendation: Adopt Investment Policy (Both Districts)
5. Recommendation: Establish by Resolution Appropriation Limit of \$1,173,994, as Required by California Government Code Section 7910 (3)
6. Recommendation: Adopt Operating Fund Budget and Adopt Resolution Tax Levy of \$505,000 (3)
7. Recommendation: Authorize Appropriations per Budget (3)
8. Recommendation: Adopt Operating Fund (5)
9. Recommendation: Authorize Appropriations per Budget (5)

Adjourn Newhall Ranch Sanitation District to Tuesday, June 11, 2024, at 9:30 a.m., Board of Supervisors, Kenneth Hahn Hall of Administration, Los Angeles, California

Conflict of Interest Code  
of the

**Los Angeles County Sanitation Districts**

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section 18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Exhibit A establishing economic disclosure categories and Exhibit B designating officials and employees shall constitute the conflict of interest code of this agency.

Place of Filing of Statements of Economic Interests

All officials and employees required to submit a statement of economic interests shall file their statements with the Chief Engineer and General Manager; or his or her designee. The agency shall make and retain a copy of the statement filed by its Chief Engineer and General Manager and forward the original of such statement to Executive Office of the Board of Supervisors of Los Angeles County.

The agency shall retain the originals of all statements filed by its Directors\*; Assistant Chief Engineer and Assistant General Manager; Chief Accountant; Department Head, Financial Management and all other Designated Positions named in the agency's conflict of interest code, as appropriate. All retained statements, original or copied, shall be available for public inspection and reproduction. (Gov. Code Section 81008).

- \* Directors shall be deemed to include Alternates but not to include Directors who are members of the Board of Supervisors of Los Angeles County. Directors who are members of the Board of Supervisors of Los Angeles County are not required to file separate Statements of Economic Interests for this Conflict of Interest Code, since they are classified as 87200 filers making disclosure for their County Supervisor position with the Fair Political Practices Commission.

# Los Angeles County Sanitation Districts

## Exhibit "A"

### CATEGORY 1 – REAL PROPERTY

Persons in this category shall disclose all interest in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the agency.

Persons are not required to disclose property used primarily as their residence or for personal recreational purposes.

### CATEGORY 2 – INVESTMENTS AND BUSINESS POSITIONS

Persons in this category shall disclose all investments and business positions.

### CATEGORY 3 – INCOME AND BUSINESS POSITIONS

Persons in this category shall disclose all income (including gifts, loans, and travel payments) and business positions.

### CATEGORY 4 – PUBLIC WORKS PROJECTS, CONSTRUCTION AND TRANSACTIONS

Persons in this category shall disclose all investments, business positions, and income (including gifts, loans, and travel payments), from business entities that perform public works projects or construction services that are utilized by the District(s) and associated with job assignment of the designated position.

### CATEGORY 5 – PROCUREMENT OF SERVICES

Persons in this category shall disclose all investments, business positions, and sources of income (including gifts, loans and travel payments), from business entities that provide services that are utilized by the District(s) and associated with the job assignment of the designated position.

### CATEGORY 6- PROCUREMENT OF SUPPLIES

Persons in this category shall disclose all investments, business positions, and sources of income (including gifts, loans and travel payments), from business entities that provide supplies, materials, machinery or equipment that are utilized by the District(s) and associated with the job assignment of the designated position.

# **Los Angeles County Sanitation Districts**

## **Exhibit "A"**

### **CATEGORY 7 – REGULATION, PERMITTING, AND ENFORCEMENT**

Persons in this category shall disclose all investments, business positions, and sources of income (including gifts, loans and travel payments), from persons/business entities that are subject to regulatory, permitting, licensing, or enforcement authority of or have an application, permit or license pending before the Districts.

### **CATEGORY 8 – PROPERTY MANAGEMENT**

Persons in this category shall disclose all investments in, business positions, with and sources of income, gifts, loans and travel payments from business entities that are engaged in any real estate services including, but not limited to, real estate appraisal, development, construction, planning/architectural design, engineering, sales, brokerage, leasing, lending, insurance, rights of way, studies, and/or property or facilities management or maintenance, that are utilized by the District (s) and associated with the job assignment of the designated position.

### **CATEGORY 9 – HUMAN RESOURCES**

Persons in this category shall disclose all income (including gifts, loans and travel payments) from any County Sanitation District employee, any representative or association of such employee; and business positions or income (including gifts, loans and travel payments) from any entity owned or controlled by such employee's spouse or other financial dependent.

# Los Angeles County Sanitation Districts

## Exhibit "B"

	<u>Designated Positions</u>	<u>Disclosure Categories</u>
1	Directors and Alternates*	1, 2, 3
2	Department Head, Technical Services	1, 4, 5, 6, 7, 8
3	Department Head, Solid Waste Management	1, 4, 5, 6, 7, 8
4	Department Head, Wastewater Management	1, 4, 5, 6, 7, 8
5	Department Head, Engineering	1, 4, 5, 6, 7, 8
6	Department Head, Facilities Planning	1, 4, 5, 6, 7, 8
7	Human Resources Director	5, 6, 9
8	General Counsel**	1, 2, 3
9	Assistant Departmental Engineer	1, 4, 5, 6, 7, 8
10	Division Engineer, Air Quality Engineering Section, Technical Services	5, 6
11	Division Engineer, Water Quality Section, Technical Services	5, 6
12	Division Engineer, Wastewater Research Section, Technical Services	5, 6
13	Manager of Laboratories, Technical Services	4-7
14	Refuse & Compliance Manager, Technical Services	1, 4-8
15	Environmental Health and Safety Supervisor, Environmental Health and Safety Section, Technical Services	5, 6
16	Superintendent of JWPCP Lab, JWPCP Water Quality Lab, Technical Services	4-7
17	Supervising Engineer, Biosolids Management, Technical Services	4-7
18	Division Engineer, Solid Waste Management	4-7
19	Fleet Manager, Solid Waste Management	5, 6
20	Supervising Engineer, MRFs and Special Projects Engineering, Solid Waste Management	5, 6
21	Project Engineer, Recyclables, Solid Waste Management	5, 6
22	Supervising Engineer, Energy Recovery, Solid Waste Management	5, 6
23	Supervising Engineer, Landfill Engineering, Solid Waste Management	5, 6
24	Division Engineer, Wastewater Management	4-7
25	JWPCP Manager, Wastewater Management	4-7
26	Supervising Engineer, JWPCP Section, Wastewater Management	5, 6
27	Division Engineer, JWPCP Section, Wastewater Management	5, 6

# LOS ANGELES COUNTY SANITATION DISTRICTS

## Exhibit "B" (Cont'd)

Designated Positions

Disclosure Categories

28	Supervising Engineer, Wastewater Collection Systems Operations & Maintenance, Wastewater Management	5, 6
29	Supervising Engineer, Wastewater Collection Systems Engineering	5, 6
30	Supervising Engineer, Water Reclamation Plants Section, Wastewater Management	5, 6
31	Supervising Engineer, Electrical & Instrumentation Engineering Support Group, Wastewater Management	5, 6
32	Supervising Engineer, Field and Compliance Engineering, Inspection, and Monitoring, Wastewater Management	7
33	Supervising Industrial Waste Inspector II	7
34	Supervising Industrial Waste Inspector I	7
35	Project Engineer, Field and Compliance Engineering, Inspection, and Monitoring, Wastewater Management	7
36	Senior Industrial Waste Inspector, Field and Compliance Engineering, Inspection, and Monitoring, Wastewater Management	7
37	Industrial Waste Inspector I, II, Field and Compliance Engineering, Inspection, and Monitoring, Wastewater Management	7
38	Division Engineer, Engineering	4-7
39	Supervising Engineer, Resident Engineer, Construction Management Section, Engineering	4-7
40	Project Engineer, Resident Engineer, Construction Management Section, Engineering	4-7
41	Supervising Construction Inspector, Construction Management Section, Engineering	4-7
42	Construction Inspector, Construction Management Section, Engineering	4-7
43	Budget and Finance Manager, Financial Management	4-7
44	Accounting Services Supervisor, Financial Management	4-7
45	Insurance & Claims Coordinator, Financial Management	4, 5, 6, 8



# Los Angeles County Sanitation Districts

## Exhibit "B" (Cont'd)

### Designated Positions

### Disclosure Categories

46	Procurement and Risk Manager, Purchasing Section, Financial Management	4, 5, 6, 8
47	Senior Buyer, Purchasing Section, Financial Management	4, 5, 6, 8
48	Buyer, Purchasing Section, Financial Management	4, 5, 6, 8
49	Revenue Collection Supervisor, Financial Management	7
50	Customer Service Specialist (Surcharge), Revenue Collection Group, Financial Management	7
51	Customer Service Specialist (Data Management), Revenue Collection Group, Financial Management	7
52	Customer Service Coordinator (Customer Service), Revenue Collection Group, Financial Management	7
53	Surcharge Assistant, Industrial Waste, Revenue Collection, Financial Management	7
54	Customer Service Representative, Revenue Collection Group, Financial Management	7
55	Division Engineer, Planning & Property Management	1, 4, 5, 7, 8
56	Supervising Engineer, Property Management, Facilities Planning	1, 4, 5, 7, 8
57	Information Technology Manager, Information Technology Section, Facilities Planning	5, 6
58	Division Engineer, Wastewater Planning Section, Facilities Planning	1, 4, 5, 7, 8
59	Division Engineer, Information Services Section, Facilities Planning	5, 6
60	Chief Information Officer	5, 6
61	Legislative Programs Manager	5, 7

## Los Angeles County Sanitation Districts

### Exhibit "B" (Cont'd)

Designated Positions

Disclosure Categories

62	Environmental Health and Safety Manager	5, 6
63	IW Surcharge Supervisor	7
64	Customer Service Supervisor	7
65	Manager of Construction Management	4-7
66	Wastewater Collection Management	4-7
67	Water Reclamation Plants Manager	4-7
68	Solid Waste Operations and Engineering Manager	4-7
69	Manager of Civil and Mechanical Design	4-7
70	Diversity, Equity and Inclusion Programs Manager	5
71	Consultant/New Positions***	

\*Directors shall be deemed to include Alternates but not to include Directors who are members of the Board of Supervisors of Los Angeles County. The jurisdiction for each Director/Alternate is limited to the specific Sanitation District they represent, and not the entire County of Los Angeles. Except for District No. 2 Directors/Alternates who must include in their jurisdiction all the County Sanitation Districts of Los Angeles County.

\*\*General Counsel shall be deemed to be the attorney who regularly attends District Board meetings and under whose directorship the legal affairs of the District are handled.

\*\*\*Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The Chief Engineer and General Manager or his or her designee may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Engineer and General Manager or his or her designee's determination is

# Los Angeles County Sanitation Districts

## Exhibit "B" (Cont'd)

a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

### Officials Who Manage Public Investments

It has been determined that the positions listed below manage public investments and will file a Statement of Economic Interests pursuant to Government Code Section 87200 et seq.

Chief Engineer and General Manager  
Assistant Chief Engineer and Assistant General Manager  
Deputy Assistant Chief Engineer  
Chief Accountant  
Departmental Head, Financial Management

**EFFECTIVE: 2/28/2024**



**LOS ANGELES COUNTY  
SANITATION DISTRICTS**  
*Converting Waste Into Resources*

**Robert C. Ferrante**  
Chief Engineer and General Manager

1955 Workman Mill Road, Whittier, CA 90601-1400  
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998  
(562) 699-7411 • www.lacsd.org

May 13, 2024

Boards of Directors  
Los Angeles County Sanitation Districts

Directors:

**Investment Policy**

The agenda for upcoming meetings of the Boards of Directors contains an item regarding proposed revisions to the Districts' Investment Policy (Policy). The Policy establishes the practices under which the Districts invest reserves until such time as they are needed to meet expenses and identifies what types of investments are allowable. The current Policy already allows for investment with the County's Pooled Surplus Investment Fund; however, a narrow change is being proposed to allow investment in shared investment pools comprised of other California public agencies. This proposed change will allow investment in the broader class of all such investment pools and would allow the Districts to diversify their investments into investment pools such as the California Asset Management Program (CAMP) and California Cooperative Liquid Assets Securities System (CLASS). In May, these revisions were unanimously endorsed by the Personnel Committee, comprised of the Chairs of all of the active Districts.

The proposed Policy will be presented to each Board for adoption over the next several months. If approved, the new Policy will take effect after adoption by all of the Boards.

Very truly yours,

A handwritten signature in black ink that reads "Robert C. Ferrante". The signature is fluid and cursive.

Robert C. Ferrante

RCF:JLF



**LOS ANGELES COUNTY  
SANITATION DISTRICTS**  
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Chief Engineer and General Manager

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# INVESTMENT POLICY

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## **Proposed 2024 Revisions**

*For Clarity, Only Substantive Changes Shown; Formatting and other Minor Edits Not Shown*

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# Investment Policy

## SECTION 1. POLICY STATEMENT

This Investment Policy of the Los Angeles County Sanitation Districts (each, a “District” and, collectively, the “Districts”) provides for the prudent investment of the Districts’ funds and the effective management of investment activities. This Policy covers all investment activities directly controlled by each District.

## SECTION 2. TREASURER; ADMINISTRATION

- 2.1 The District’s Chief Engineer and General Manager is hereby appointed Treasurer of each District and is trustee of the Districts’ funds.
- 2.2 The Treasurer, or his or her designee, is hereby authorized to implement this Policy, and to manage, deposit, and invest Districts’ funds in accordance with this Policy and all provisions of law.
- 2.3 The Treasurer shall report to the Boards of Directors in accordance with the requirements of law and this Investment Policy.

## SECTION 3. TRUSTEE’S DUTIES AND OBJECTIVES

The District and the Treasurer are trustees of the public funds of the District and shall implement this Policy using the Prudent Investor Standard and the priority of investment objectives below.

### 3.1 Prudent Investor Standard

The prudent investor standard is set forth in California Government Code Section 53600.3, which provides:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

### 3.2 Investment Objectives

1. The Districts’ priority of investment objectives is set forth in Government Code Section 53600.5, which provides:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.”

2. The Treasurer shall pursue these objectives as follows:
  - a. *Safety of Principal:* In safeguarding the principal of District funds the District Treasurer shall evaluate or cause to have evaluated each potential investment, seeking both quality in issuer and in underlying security or collateral, and shall diversify the portfolio to reduce exposure to loss.
  - b. *Liquidity:* In order to meet the Districts' liquidity needs, investments must be made so that maturity dates are compatible with cash flow requirements and, when required, permit easy and rapid conversion into cash.
  - c. *Return on Investments:* Investments will be undertaken to produce a market rate of return after first considering safety of principal and liquidity.

#### **SECTION 4. INVESTMENT INSTRUMENTS ALLOWED**

The Districts' funds may be invested in the following investment instruments:

##### **4.1 Los Angeles County Pooled Surplus Investment Fund (PSIF)**

The PSIF is a pooled investment fund created under Government Code Section 27000 et seq. and is administered by the Los Angeles County Treasurer and Tax Collector. PSIF is a voluntary government investment pool that allows local agencies to participate in a major portfolio using the investment expertise of the Los Angeles County Treasurer's investment staff. Investments in PSIF typically consist of those funds required to cover the District's operating needs.

##### **4.2 State of California Local Agency Investment Fund (LAIF)**

LAIF is a pooled investment fund created under Government Code Section 16429.1 et seq. and is administered by the California State Treasurer. LAIF is a voluntary government investment pool that allows local agencies to participate in a major portfolio using the investment expertise of the State Treasurer's Office investment staff.

##### **4.3 United States Treasury Bills, Notes, Bonds, Certificates of Indebtedness**

Treasury bills, notes, bonds, and certificates of indebtedness are fixed-income investments issued by the U.S. Treasury Department for which the faith and credit of the United States are pledged for the payment of principal and interest.

##### **4.4 United States Government-Sponsored Enterprises (GSE)**

GSEs consist of privately held corporations with public purposes created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy. Members of these sectors include students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government.

##### **4.5 State Obligations**

Registered state warrants or treasury notes or bonds of any of the 50 U.S. states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by any state or by a department, board, agency, or authority of any state.



#### 4.6 California Local Agency Obligations

Bonds, notes, warrants, or other evidences of indebtedness of a local agency within the state of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

#### 4.7 California Local Agency Investment Pools

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations as described in Government Code Section 53601 subdivision (p).

#### 4.74.8 Medium-Term Notes

Medium-term notes are all corporate and depository institution debt securities with a maximum original maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. To be eligible as a District investment, medium-term notes must be rated "A" or its equivalent or better by S&P Global Ratings, Moody's Investor Services, Inc., or Fitch Ratings, Inc.

#### 4.84.9 Deposits held at Nationally- or State-chartered Banks, or State or Federal Savings and Loan Associations

Banking or savings and loan institutions holding demand deposits for the District must meet the definitions provided in California Financial Code section 5102 and must have a rating of "A" or better on its long-term debt by S&P Global Ratings, Moody's Investor Services, Inc., or Fitch Ratings, Inc. Demand deposits must be fully collateralized in accordance with California Government Code Section 53652.

#### 4.94.10 Shares of beneficial interest in funds investing in U.S. dollar-denominated money market securities (Money Market Funds)

Money Market Funds in which the District invests must be registered with the Securities and Exchange Commission under the Investment Company Act of 1940, and have achieved the highest letter ranking by two of the following: S&P Global Ratings, Moody's Investor Services, Inc., or Fitch Ratings, Inc.

### **SECTION 5. INVESTMENT LIMITS AND ALLOCATION**

5.1 The Treasurer shall continuously evaluate market conditions economic data, interest rate trends and forecasts, and the Districts' cash flow requirements. When appropriate, the Treasurer shall obtain quotations from brokers, dealers, banks, savings and loan institutions and the Los Angeles County Treasurer's Office. Investments in the PSIF and LAIF will be monitored continually. All of these factors must be considered, among other things, in determining where, in what denomination and for what maturity investments are made.

5.2 The following limits shall apply to each District's invested funds:

1. No more than 60% of any District's funds may be invested in any one GSE.
  2. The total of the medium-term notes may not exceed 30% of any District's funds, with no more than 10% in aggregate in medium-term notes rated A.
  3. No more than 10% of any District's funds may be invested in the securities of any single corporate entity or depository institution rated AA or greater and no more than 2% of any District's funds may be invested in the securities of any single corporate entity or depository institution rated A.
  4. No more than 20% of any District's funds may be invested in Money Market Funds, and no more than 10% of any District's funds may be invested in any single Money Market Fund.
- 5.3 The percentage limitations in Section 5.2 will apply at the time the investment is made. For purposes of calculating these percentages, District funds include all cash and investments of a District as reflected in each District's most recent books of account.
- 5.4 Any investments owned by any District that have been downgraded to a rating below A shall be considered to be rated A for the purposes of calculating percentage limits as prescribed in Section 5.2.

#### **SECTION 6. MAXIMUM MATURITIES**

The Treasurer shall match investments with anticipated cash flow requirements and will not invest in securities with a remaining maturity of more than five years unless approved by the Board of Directors, either specifically or as a part of an investment program, at least three months prior to purchase.

#### **SECTION 7. PURCHASING ENTITIES**

- 7.1 As required by Government Code Section 53601.5, investments not purchased directly from the issuer or not purchased using pooled funds in PSIF or LAIF must be purchased from or through:
1. An institution licensed by the State of California as broker/dealer, as defined in Section 25004 of the Corporations Code;
  2. A member of a federally regulated securities exchange;
  3. A national or state-chartered bank;
  4. A savings association or a federal association; or
  5. A brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

#### **SECTION 8. INVESTMENT SAFEKEEPING**

To ensure a high degree of internal safety, all certificates or other evidence of securities or other investments purchased by or for the Districts will be held for safekeeping as required by law. The Treasurer may require any securities to be held by an entity other than the selling party of the security. Any specific investments must be held for safekeeping by a third-party custodian designated by the Treasurer and must be segregated from and not commingled with the funds of other investors or the County.

#### **SECTION 9. REPORTING REQUIREMENTS**

In accordance with Government Code Section 53646, the Treasurer shall prepare and submit a quarterly report to the Boards of Directors. The quarterly report must comply with applicable law and include the security type, issuer, investment yield, date of maturity, par value, amount invested, current market value and source of this valuation. Any investments in PSIF or LAIF will be included with a summary of that pool's most recent investment statement.

#### **SECTION 10. INTERNAL CONTROL**

In addition to the certified public accountant's yearly independent audit of the Districts, the Treasurer will cause the Districts' Internal Auditor to conduct semi-annual audits of the investment portfolio to ensure compliance with this Investment Policy and related procedures.

#### **SECTION 11. ETHICS AND CONFLICTS OF INTEREST**

Officers and employees of the Districts involved in the investment process are prohibited from personal business activities that could conflict with proper execution of the Districts' investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials must disclose to the Treasurer any material financial interests in financial institutions, broker dealers and vendors that conduct business with the Districts and must disclose any larger financial/investment positions which could relate in a conflicting manner to the performance of the Districts' investment portfolio by filing Form 700 annually.

#### **SECTION 12. INVESTMENT POLICY ADOPTION**

This Policy will be reviewed on an annual basis and any modifications must be approved by all of the Districts' Boards of Directors. Prior to that review, the matter will be referred to the Personnel Committee (comprised of the Chairpersons of the Board of Directors of each active District) for its consideration. This Policy will become effective after approval by all of the Districts Boards and supersedes the Investment Policy for each individual District.

Adopted by all Boards \_\_\_\_\_ 2024

**County Sanitation District No. 27 of Los Angeles County  
Final Operating Fund Budget (\$ in thousands)  
Fiscal Year 2024-25**

	<b>Adopted 2023-24 <sup>(1)</sup></b>	<b>Proposed 2024-25 <sup>(1)</sup></b>
<b><u>Starting Balance</u></b>	<b>\$ 213</b>	<b>\$ 114</b>
 <b><u>Sources of Funds</u></b>		
Ad Valorem Tax Revenue	477	505
Interest	5	3
Total Non-Operating Revenue	482	508
Transfers from Restricted Funds	21	1
Total Transfers In	21	1
 <b>Total Sources of Funds</b>	<b>\$ 503</b>	<b>\$ 509</b>
 <b><u>Use of Funds</u></b>		
Joint Administration Operations	\$ 9	\$ 9
Sewer System Operations	7	8
Contract Disposal Operations	154	143
Operations and Maintenance Expense	170	160
Joint Administration Capital	2	1
Contract Disposal Capital	57	48
Capital Expense	59	49
Transfers to Designated Reserves	372	293
Transfers Out	372	293
 <b>Total Use of Funds</b>	<b>\$ 602</b>	<b>\$ 501</b>
 <b><u>Ending Balance</u></b>	<b>\$ 115</b>	<b>\$ 122</b>

(1) The Adopted FY 23-24 Budget is presented as adopted by the Board in 2023. The ending balance reflects the estimate at that time, and therefore may not match the current estimated starting balance for the Proposed FY 24-25 Budget.

**County Sanitation District No. 27 of Los Angeles County  
Reserve Funds Proposed Budget (\$ in thousands)  
Fiscal Year 2024-25**

	Unrestricted	Designated			Restricted	Total
	Operating	Emergency	O&M Financial Stability	Capital Projects Financial Stability	Capital Improvement	
Starting Balance	\$ 114	50	2,466	100	1	2,731
Non-Operating Revenue	508	1	62	3	-	573
Transfers In	1	-	296	-	-	298
Operations and Maintenance Expense	160	-	-	-	-	160
Capital Expense	49	-	-	-	-	49
Transfers Out	293	1	-	3	1	298
Ending Balance	<u>122</u>	<u>50</u>	<u>2,824</u>	<u>100</u>	<u>-</u>	<u>3,096</u>

**County Sanitation District No. 27 of Los Angeles County  
Wastewater Budget Rate and Other Information Summary  
Fiscal Year 2024-25**

	<b>Adopted 2023-24</b>	<b>Proposed 2024-25</b>
<b><u>Service Charge Rate (\$ per Sewage Unit)</u></b>	0.00	0.00
<b><u>Total Connection Fee Rate (\$ per Capacity Unit)</u></b>	1,460.00	1,460.00
<b><u>Projected Sewage Units</u></b>		
Residential/Commercial	554	554
Contract Out	-554	-554
Total Served Sewage Units	<b>0</b>	<b>0</b>

**Newhall Ranch Sanitation District  
Final Operating Fund Budget (\$ in thousands)  
Fiscal Year 2024-25**

	<b>Adopted 2023-24 <sup>(1)</sup></b>	<b>Proposed 2024-25</b>
<b><u>Starting Balance</u></b>	<b>\$ 3,035</b>	<b>\$ 771</b>
 <b><u>Sources of Funds</u></b>		
Service Charge	\$ 1,672	\$ 911
Total Operating Revenue	1,672	911
Interest	76	19
Total Non-Operating Revenue	76	19
 <b>Total Sources of Funds</b>	<b>\$ 1,748</b>	<b>\$ 930</b>
 <b><u>Use of Funds</u></b>		
Joint Administration Operations	\$ 115	\$ 95
Sewer System Operations	210	221
Treatment Plant Operations	216	227
Contract Disposal Operations	888	450
Other Operational Expenditures	30	38
Operations and Maintenance Expense	1,460	1,030
Joint Administration Capital	20	10
Sewer System Capital	15	15
Treatment Plant Capital	10	5
Capital Expense	45	30
Transfers to Designated Reserves	2,487	68
Transfers Out	2,487	68
 <b>Total Use of Funds</b>	<b>\$ 3,993</b>	<b>\$ 1,129</b>
 <b><u>Ending Balance</u></b>	<b>\$ 790</b>	<b>\$ 573</b>

(1) The Adopted FY 23-24 Budget is presented as adopted by the Board in 2023. The ending balance reflects the estimate at that time, and therefore may not match the current estimated starting balance for the Proposed FY 24-25 Budget.

**Newhall Ranch Sanitation District  
Capital Project Wastewater Budget (\$ in thousands)**

Project Name	Description	FY24-25 Budget	Estimated Completion	Total Budget <sup>(1)</sup>
Newhall Ranch Sanitation District Sewer Design Support	Design support for new sewer facilities	15	06-30-2029	360
	Sewer System Total	15		
Newhall Ranch Sanitation District Facilities Planning	Capital improvements to water reclamation plant	5	06-30-2029	1,450
	Treatment Plants Total	5		
	Total Capital Projects	20		

(1) Includes past, present, and future amounts.



**Newhall Ranch Sanitation District  
Reserve Funds Proposed Budget (\$ in thousands)  
Fiscal Year 2024-25**

	<b>Unrestricted</b>	<b>Designated</b>			<b>Restricted</b>	<b>Total</b>
	Operating	Emergency	O&M Financial Stability	Capital Projects Financial Stability	JSSA Reserve	
Starting Balance	\$ 771	50	2,198	100	60	<b>3,179</b>
Operating Revenue	911	-	-	-	-	<b>911</b>
Non-Operating Revenue	19	1	55	3	1	<b>79</b>
Transfers In	-	-	72	-	-	<b>72</b>
Operations and Maintenance Expense	1,030	-	-	-	-	<b>1,030</b>
Capital Expense	30	-	-	-	-	<b>30</b>
Transfers Out	68	1	-	3	-	<b>72</b>
Ending Balance	<b>573</b>	<b>50</b>	<b>2,325</b>	<b>100</b>	<b>62</b>	<b>3,109</b>

**Newhall Ranch Sanitation District  
Wastewater Budget Rate and Other Information Summary  
Fiscal Year 2024-25**

	<b>Adopted 2023-24</b>	<b>Proposed 2024-25</b>
<b><u>Service Charge Rate (\$ per Sewage Unit)</u></b>	696.60	696.60
 <b><u>Industrial Waste (Surcharge) Rates</u></b>		
Flow (\$ per MGY)	2,667.80	2,667.80
COD (\$ per 1000 lbs)	608.10	608.10
SS (\$ per 1000 lbs)	1,494.20	1,494.20
Peak Flow (\$ per gpm)	377.40	377.40
Short Form Rate (\$ per million gallon per year)	9,033.30	9,033.30
 <b><u>Total Connection Fee Rate (\$ per Capacity Unit)</u></b>	 9,410.00	 9,410.00
 <b><u>Projected Sewage Units</u></b>		
Residential/Commercial	2,400	1,308
Total Served Sewage Units	<b>2,400</b>	<b>1,308</b>

## SUMMARY OF 2024-25 APPROPRIATIONS LIMIT FOR EACH SANITATION DISTRICT

DISTRICT NUMBER	2023-24 APPROX. LMT. EXCLUDING MANDATED COSTS	POPULATION CHANGE FACTOR	<sup>1</sup> APPROX. LMT. CHANGE FACTOR	2024-25 APPROX. LMT. EXCLUDING MANDATED COSTS	2024-25 MANDATED COSTS	2024-25 APPROX. LMT. INCLUDING MANDATED COSTS	ESTIMATED AD VALOREM TAX REVENUES
1	\$ 22,294,667	1.0005	1.0367	\$ 23,113,285	\$ 3,256,752	\$ 26,370,037	\$ 5,454,000
2	38,365,485	1.0005	1.0367	39,774,193	4,780,313	44,554,506	10,256,000
3	27,232,398	1.0005	1.0367	28,232,320	4,020,404	32,252,724	8,034,000
4	3,564,885	1.0005	1.0367	3,695,781	-	3,695,781	1,024,000
5	56,404,873	1.0005	1.0367	58,475,953	5,817,233	64,293,186	17,572,000
8	10,588,922	1.0005	1.0367	10,977,727	1,317,674	12,295,401	3,192,000
9	1,356,871	1.0005	1.0367	1,406,693	-	1,406,693	142,000
14	63,380,443	1.0005	1.0367	65,707,652	16,579,322	82,286,974	2,723,000
15	22,407,081	1.0005	1.0367	23,229,826	4,196,343	27,426,169	11,342,000
16	15,810,387	1.0056	1.0420	16,475,099	2,493,100	18,968,199	6,372,000
17	2,174,717	1.0005	1.0367	2,254,568	333,162	2,587,730	901,000
18	16,859,440	1.0005	1.0367	17,478,487	2,676,526	20,155,013	5,503,000
19	6,598,723	1.0005	1.0367	6,841,016	853,494	7,694,510	2,145,000
20	50,914,574	1.0005	1.0367	52,784,060	14,958,511	67,742,571	2,206,000
21	64,367,402	1.0017	1.0380	66,811,457	3,402,744	70,214,201	6,998,000
22	15,063,593	1.0023	1.0385	15,644,149	2,830,005	18,474,154	6,462,000
23	7,513,744	1.0005	1.0367	7,789,634	74,868	7,864,502	651,000
27	1,132,414	1.0005	1.0367	1,173,994	-	1,173,994	505,000
28	1,278,264	1.0005	1.0367	1,325,199	108,558	1,433,757	948,000
29	1,060,052	1.0005	1.0367	1,098,975	127,275	1,226,250	210,000
SBC	29,587,691	1.0005	1.0367	30,674,095	1,145,478	31,819,573	7,925,000
SCV	27,499,173	1.0005	1.0367	28,508,890	5,170,272	33,679,162	TBD
34						<sup>2</sup> N/A	
NR						<sup>2</sup> N/A	

<sup>1</sup> This column represents the net change resulting from the percent change in population and the percent change in Per Capital Income of 3.62%

<sup>2</sup> This District is not subject to an appropriations limit as it does not receive any proceeds of taxes.