June 28, 2012

The Honorable Thomas J. Borris
Presiding Judge of the Superior Court
700 Civic Center West
Santa Ana, CA 92701


Dear Honorable Judge Borris:

The Rossmoor-Los Alamitos Area Sewer District ("District") is required to respond to certain findings and recommendations in the above-referenced report. In response, the District generally joins in the response of the California Special Districts Association ("CSDA") dated May 18, 2012, joins in portions of the LAFCO response dated May 9, 2012, and specifically replies to the report as follows:

Finding 1: The District joins in the responses of CSDA and LAFCO.

Finding 2: The District joins in the response of CSDA. Additionally, the District has good working relationships with its sister agencies and even has an emergency cooperative agreement with the City of Los Alamitos.

Finding 5: The District is not and does not operate as an enterprise district. It receives 90% of its revenues from its share of property taxes and does not charge user fees.

Finding 6: The District joins in the responses of CSDA and LAFCO. The District does not rely on user fees and specially agrees that requiring it to relinquish its share of the property tax will substantially increase the costs to its constituents and will increase the need to hire additional employees to manage user fees and other charges.

Finding 7: The District joins in the response of CSDA and further disagrees with this finding. The District spends its constituents' money frugally and only as authorized by law. Because of its reserves, it has had no need to request additional taxes from or impose user fees upon its constituents since the adoption of Proposition 13 in 1978.
Finding 8: The District joins in the response of CSDA and further disagrees with this finding. All District reserves are for specific purposes, such as replacement of aging infrastructure and to make sure there is sufficient funding for emergency repairs.

Finding 10: The District joins in the response of CSDA.

Finding 14: The District disagrees with this finding. The District's budget and financial reports show the District's revenues and expenses and are available to all its constituents and the public in general.

Finding 15: The District joins in the response of LAFCO.

Recommendation 1: The District disagrees with this recommendation. Also, see responses to Findings 6, 7 and 8.

Recommendation 4: The District disagrees with this recommendation and joins in the responses of CSDA and LAFCO.

Recommendation 5: The District disagrees with this recommendation. Also, see responses to Findings 2, 6, 7 and 8.

Recommendation 6: The District's reserves are already allocated to specific purposes and included in its annual budget, which is available to its constituents and the public for review.


Recommendation 8: The District joins in the response of CSDA. Furthermore, the District Board reviews monthly every aspect of the District's operations and hires an auditor to audit its books annually. Additional audits are not necessary.

Recommendation 9: The District joins in the response of CSDA.

Respectfully,

James L. Bell
President