

SPECIAL MEETING – PERSONNEL COMMITTEE – COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

To be held at the JOINT ADMINISTRATION OFFICE  
1955 Workman Mill Road, Whittier, California

*For the public to join the meeting virtually, click <https://us02web.zoom.us/j/3397206095> or enter the Meeting ID 339 720 6095 into the Zoom app on your smartphone or computer. Alternatively, you may join by phone by calling (669) 900-9128 and entering the Meeting ID. The meeting is not required to be broadcast via Zoom, but as a courtesy for public attendance. You may find further information at: <http://www.lacsd.org/agendas>*

THE COMMITTEE MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

WEDNESDAY September 27, 2023 At 11:00 A.M.

District(s)	Chairperson
SBC, 5	BRAND
1	SALEH
2	WARNER (Committee Chairperson)
3	SANTA INES
4	MC OSKER
8	DAVIS-HOLMES
9, 27, NR	HAHN
14	PARRIS
15	BARAKAT
16	GORDO
17	BARGER
18, 19	TAJ
20	BETTENCOURT
21	MOSS
22	FINLAY
23	MERLO
28	DAVITT
29	HANSEN
SCV	WESTE

At the call of the Chairperson, a special meeting of the Board of Directors of the Personnel Committee of the County Sanitation Districts of Los Angeles County will be held at the above time and place for the purpose of:

1. Public Comment
2. Approve Minutes of Special Meeting Held January 25, 2023
3. Re: Update on Implementation of Recommendations Resulting from Audit of Sewer Maintenance, Operations, and Rehabilitation

Summary: In January 2022, the Districts retained the services of GHD to perform an independent external audit of the sanitary sewer overflow that occurred in December 2021 from the 216<sup>th</sup> Street Relocation Trunk Sewer in the City of Carson. GHD’s audit scope included an investigation of the physical causes of the sewer failure, the history of inspections and plans for replacement of the sewer line and the Districts’ response to the spill. The audit conducted by GHD included recommendations for improvement. The [report](#) is attached. The Chief Engineer and General Manager will provide an update on the implementation of the recommendations and the work to date.

4. Re: Financial Matters
  - (a) Purchasing Policy
  - (b) Joint Outfall System Recycled Water Rate Ordinances

Summary: As part of the continuing effort to ensure the Districts follows best practices as it relates to financial matters, minor revisions to the Purchasing Policy and implementation of new Recycled Water Rate Ordinances are recommended. First, the Districts’ Purchasing Policy establishes rules for purchase of materials, supplies, equipment services, and construction projects. Proposed revisions to the policy clarify several sections and modify the provisions for emergency orders and contracts. Second, it is recommended that new Recycled Water Rate Ordinances be presented for adoption. These ordinances will improve consistency and transparency in pricing across all recycled water customers and provide a better framework for capturing costs of providing recycled water. A letter summarizing these proposed changes, along with the proposed Purchasing Policy revisions and Recycled Water Rate Ordinances are attached. The Chief Engineer and General Manager will brief the Committee.

## 5. Re: Potential Formation of Education Foundation

Summary: One of our goals is to educate people in our service area about water and solid waste to encourage more environmentally responsible behavior and potentially inspire future sanitation workers. The Chief Engineer and General Manager will brief the Board regarding the potential forming of a non-profit education foundation focused on education interests related to our mission.

## 6. CLOSED SESSION - Personnel Related Matters

Summary: The Chief Engineer and General Manager will update the Committee on matters concerning the union-represented, self-represented and non-represented employee units. The Committee will meet in closed session pursuant to Section 54957.6 of the Government Code, *Conference with Labor Negotiators. Agency Designated Representatives: Robert Ferrante, Chief Engineer and General Manager; Martha Tremblay, Assistant Chief Engineer and Assistant General Manager; Matt Eaton, Deputy Assistant Chief Engineer; and Jennifer Allen, Human Resources Director.*

## 7. Re: Update on Pure Water Southern California Program, a Partnership with Metropolitan Water District of Southern California (MWD)

Summary: The Districts previously approved the Pure Water Southern California Program Agreement with MWD to jointly investigate production and distribution of purified water at the Joint Water Pollution Control Plant (JWPCP). MWD has started the preliminary engineering and California Environmental Quality Act studies, and some of the work includes potential modifications to existing wastewater treatment facilities at the JWPCP. The Chief Engineer and General Manager will provide an update on the progress to date.

## 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 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.



September 14, 2023

Personnel Committee  
Los Angeles County Sanitation Districts

Directors:

**Financial Matters**  
**Purchasing Policy and Recycled Water Rate Ordinances**

The agenda for the September 27, 2023, meeting of the Personnel Committee, contains an item regarding financial matters. As part of the continuing effort to ensure the Districts follow best practices, revisions to the Districts' Purchasing Policy and implementation of new Recycled Water Rate Ordinances for the Joint Outfall System (JOS) are being recommended.

**PURCHASING POLICY**

Several revisions are recommended for the Purchasing Policy, which establishes rules for purchase of materials, supplies, equipment, services, and construction projects. The proposed revisions are as follows:

- Improvements to the wording that delineates what actions require Board approval and what actions the Purchasing Agent (Chief Engineer and General Manager) is authorized to take. (Section 2.1)
- Addition of a provision that requires that Board approval to reject bids, in addition to solicit bids, be obtained for large projects. (Section 2.2)
- Clarification of the language that describes when a change order requires board approval. Board approval is not required for change orders up to 25% of the original cost only if the additional cost is for additional quantities under the same terms, or it is for additional work under the substantially the same terms and general scope as the original order. Otherwise, board approval is required for any change order over \$100,000. The previous language was not clear. (Section 2.11)
- Modification of the board approval requirements for emergency and urgent purchases. Previously, such purchases over \$100,000 required obtaining concurrence from the Chairperson of the Board and reporting of the action at the next regular board meeting. The revised requirement eliminates the need for Chairperson concurrence and now requires reporting to the Board at its next meeting any such action over \$500,000, and confirming approval by the board for any such action over \$100,000 as soon as practical or at the completion of the work. The section was also restructured to make it clear when the reporting requirements apply. (Section 3)
- Clarification of the requirements for disposition of surplus property to ensure board approval is obtained for sale or disposal of any property over \$100,000 in value. The previous wording potentially did not capture all such situations. (Section 5.1)
- Addition of a section to make it clear that the Purchasing Agent may designate staff to carry out the Policy. (Sections 7.4 and 7.6)

## RECYCLED WATER RATE ORDINANCES FOR THE JOS DISTRICTS

The JOS includes six water reclamation plants which produce a total of 110 million gallons of treated wastewater, of which 78% is beneficially reused at nearly 900 locations. There are currently 13 active contracts for non-potable “purple pipe” uses<sup>1</sup>. These agreements specify the pricing paid to the Districts for the water, in addition to defining water quantity, connection points, and other operational responsibilities and typically have a term of 25 years. The pricing is normally based on a “Shared Savings” policy which factors in the price of a user’s other water sources and the District’s cost to produce the recycled water. The pricing formulas in the agreements are intended to encourage water reuse by having reduced costs for the user relative to their other water sources. In addition, funds received offset the Districts’ operational costs of producing the water.

While these contracts have served their purpose, there are several challenges with the current pricing policy. First, billing cannot occur until the users provide required data, which causes delays. Second, users do not have certainty on pricing as their rates are calculated after they have used the recycled water. This makes it difficult for them to budget and to make operational decisions. Third, pricing arrangements vary between users, leading to administrative complexity and inconsistency between users.

To address these issues, adoption of new Recycled Water Rate Ordinances is recommended. The Recycled Water Master Rate Ordinance would establish the structure for calculating rates, similar to the Master Service Charge Ordinance for sewer rates. The Recycled Water Rate ordinance would specify the actual recycled water rates and their effective dates and would be adopted concurrently with other rate ordinances. These ordinances would provide structure for all future pricing, reducing the need to negotiate pricing for each agreement. The ordinances set consistent pricing at 30% the District’s total operational costs, which provides price certainty for both the Districts and the users, eliminates the need to factor in alternative water costs, and ensures the incremental costs of producing the recycled water are covered. The formula also allows for pricing adjustments to reflect treatment costs.

## FINANCIAL POLICIES

Financial policies form the cornerstone of the Districts’ financial practices and are intended to provide guidance when preparing budgets, adopting rates, and developing long-term capital programs. Use of the policies helps create financial stability, allowing us to provide the vital services in a cost-effective manner, weather periods of economic downturn without having to impose significant rate increases, and construct capital projects in a timely fashion despite fluctuations in costs from year to year.

The Districts’ Investment Policy, Debt Management Policy, and Financial Reserve Policies were reviewed by staff and no changes are recommended this year.

## CONCLUSION/ FUTURE ACTIONS

A presentation on these matters will be given at the September 27, 2023, Personnel Committee meeting. Concurrence or further direction from the Committee will be sought. If incorporation of Committee comments is needed, final versions of the policy and ordinances will be presented at the October 25, 2023, Personnel Committee meeting. If endorsed by the Personnel Committee, the policy and ordinances would be presented to the Boards of Directors for adoption at upcoming meetings.

Very truly yours,



Robert C. Ferrante

RCF:MAE:av

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<sup>1</sup> This number excludes the contract for recycled water from the La Cañada treatment plant and the contract for indirect potable uses.



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

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

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## **PURCHASING POLICY**

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Rules, Regulations, and Policies for the Purchase  
or Lease of Materials, Supplies, Equipment,  
Services, and Construction Projects, and for the  
Sale and Disposition of Districts' Property

### **Proposed 2023 Revisions**

*For clarity only substantive changes are shown; formatting and other minor edits are not shown.*

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**RULES, REGULATIONS AND POLICIES FOR THE PURCHASE OR LEASE OF  
MATERIALS, SUPPLIES, EQUIPMENT, SERVICES, AND CONSTRUCTION PROJECTS  
AND FOR THE SALE AND DISPOSITION OF DISTRICTS' PROPERTY**

**SECTION 1. GENERAL**

- 1.1 The County Sanitation Districts of Los Angeles County ("Districts" or individually "District") are special districts organized and operating pursuant to the County Sanitation District Act, California Health and Safety Code, Sections 4700, et seq.
- 1.2 Health and Safety Code section 4763 provides that all powers of the District shall be exercised by the District Board unless otherwise specified. Pursuant to Health and Safety Code section 4840, each of the Districts has found and declared by resolution that it is for the interest or advantage of the Districts to enter into an agreement for the maintenance of a centralized and joint administrative organization to carry out the purposes there set forth, which powers include:
  - a. To purchase or lease personal property, including materials, equipment, supplies and services that are necessary or convenient for the construction, maintenance, and operation of their sewerage and refuse transfer and disposal systems (Health and Safety Code 4740), and
  - b. To sell or dispose of interests in property that are no longer required for District purposes (Health and Safety Code sections 4743), and
  - c. To sell or dispose of by-products from the operation of their sewerage and refuse transfer and disposal systems (Health and Safety Code section 4743).
- 1.3 Each District hereby confirms said action by approving this Policy by resolution.
- 1.4 The Purchasing Agent is its Chief Engineer and General Manager or his or her designee.
- 1.5 The Board of Directors hereby delegates to the Purchasing Agent the authority set forth in the following rules, regulations, and policies, which shall be known as the Districts' Purchasing Policy (Policy) and shall, among other things, constitute the policies and procedures, including bidding regulations to advertise and receive bids in accordance with all applicable statutes and regulations, required by Government Code Sections 54201, et seq.
- 1.6 The Purchasing Agent shall develop detailed procedures as needed to implement the requirements of this Policy.
- 1.7 As the administrative District, as described in the Amended Joint Administration Agreement, District No. 2 is authorized to issue purchase orders or enter into contracts on behalf of each of the other Districts. When Board approval is required by this Policy, the Board of District No. 2 shall approve, execute, or authorize purchases, agreements leases, contracts, etc., that involve joint or shared costs. The Purchasing Agent may seek concurrence from other Districts' Boards for such actions.

- 1.8 The Districts are subject to the requirements of the California Uniform Public Construction Cost Accounting Act (“CUPCCAA”) Public Contract Code § § 22000 – 22045 and this Policy sets forth purchasing procedures consistent with CUPCCAA.
- 1.9 The Districts have adopted Job Order Contracting (JOC), indefinite delivery, indefinite quantity, alternative delivery method under the provisions of the Joint Powers Agreement with Sourcewell adopted May 27, 2020. JOC is to be utilized for projects that do not require detailed engineering design and when the Purchasing Agent determines JOC is the most cost-effective method for completing the project.
- 1.10 This Policy is not intended to describe every requirement of laws and regulations that govern Districts’ purchases and therefore additional requirements, processes and limits may apply. In the event of a conflict between this Policy and any law, regulation, or other agreement, the more stringent provisions shall prevail.

**SECTION 2. PROCEDURES FOR PURCHASE OR LEASE OF MATERIALS, SUPPLIES, EQUIPMENT, SERVICES, AND CONSTRUCTION PROJECTS**

- 2.1 Board approval shall be obtained before any purchase order is issued or, contract is executed, or change order or extra work claim is granted that has a value of greater than \$100,000 regardless of the method of solicitation or whether it falls under CUPCCAA, except as allowed under Section 2.11. The Purchasing Agent is authorized to take necessary actions to issue or execute purchase orders, contracts, change orders or extra work claims with a value of \$100,000 or less.
- 2.2 Board approval to solicit or reject bids or proposals shall be obtained for all significant projects and purchases as determined by the Purchasing Agent or when required by law.
- 2.3 The following limits govern solicitation of bids or proposals not falling under CUPCCAA:
  - a. \$5,000 or Less The Purchasing Agent may make purchases or leases in accordance with procedures that the Purchasing Agent deems appropriate.
  - b. More than \$5,000 up to \$50,000 The Purchasing Agent shall solicit bids or proposals from a minimum of three vendors, if available.
  - c. More than \$50,000 The Purchasing Agent shall solicit bids or proposals by formal invitation with a thoroughly documented scope and terms. All such solicitations shall be posted on the Districts’ web site.
- 2.4 For Projects that are procured pursuant to CUPCCAA, the following limits apply as required in Public Contract Code 22032:
  - a. \$60,000 or Less The Purchasing Agent shall solicit informal quotes or perform with District’s own workforces (“Force Account”).
  - b. More than \$60,000 up to \$200,000 The Purchasing Agent shall let to contract by the informal procedures set forth in CUPCCAA.



- c. More than \$200,000                      The Purchasing Agent shall let to contract by formal bidding procedures that comply with the requirements of the Public Contract Code.

2.5 The Purchasing Agent need not comply with the solicitation requirements of sections 2-3 when the Purchasing Agent determines that any of the following reasons or circumstances exist:

- a. An emergency condition as described in section 3 of this Policy.
- b. Construction or repair completion dates cannot be met, and delays will lead to costs that exceed possible savings from following the bid requirements.
- c. Patented, licensed, or proprietary materials or services are required.
- d. Compatibility with existing equipment is necessary.
- e. Single-Source Procurement – Prior experience has proven that a particular-make or type of equipment, material, supply, service is more satisfactory or economical from one supplier than any other available product or service from other suppliers.
- f. Sole Source Procurement – Equipment, material, supply, or service is only available from one source.
- g. Piggybacking – The procurement is available at pricing established by and available through an existing governmental purchasing cooperative or a City, County, State, or Federal contract.

2.6 The following may be purchased by means of a Purchase Order:

- a. Purchases of materials, supplies, equipment, and services of any dollar value.
- b. Projects procured using the procedures set forth in CUPCAA and JOC.

2.7 The following shall be procured by a contract:

- a. Whenever a contract is needed to clarify or supplement the terms and conditions and related documents associated with a purchase order.
- b. When required by any law or regulation.

2.8 A request for proposals may be issued when the purchase involves one or more of the following: significant unknown conditions or scope; evaluation of the providers' abilities; selection factors other than price; or it is required or allowed by law.

2.9 All dollar limits in this policy are exclusive of taxes and delivery fees.

2.10 Projects, ~~purchases~~purchases, and contracts shall not be split or separated for purposes of evading the dollar limits given in this Policy or mandated by law. For recurring orders, blanket orders, or multi-year orders, the dollar limits in this Policy are to be applied considering the annual estimated purchases.

2.11 When the purchase of materials, supplies, equipment, services, including maintenance and public works projects, has previously been authorized by the Board of Directors, the Purchasing Agent may, during the term of the original authorization, purchase additional ~~quantities of such~~ materials, supplies, equipment, or services, including maintenance and public works projects, under the same terms as the board-approved order, without Board Approval as follows:

- If the change is for additional quantities under the same terms, up to 25% of the original amount authorized by the Board regardless of dollar value.
- If the change is under substantially the same terms and within the general scope of the original order, up to 25% of the original amount authorized by the Board regardless of dollar value.
- If the change order involves work outside of the original scope or under different terms of the original order, up to \$100k regardless of percentage, up to 25 percent of the cost originally authorized without additional Board approval, not to exceed \$100,000.
- ~~Thereafter, if exceeding 25 percent of the original cost of \$100,000 or greater, Board approval is required.~~

2.112.12 The law requires that private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management services shall be selected based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. The Purchasing Agent shall comply with the requirements of Government Code Section 4525 et seq. When in the best interest of the Districts, such services shall be obtained by issuing a request for competitive proposals utilizing a two-envelope process (one for qualifications and one for costs) in accordance with the procedures described in Government Code Section 4527 and 4528.

2.122.13 The Purchasing Agent may purchase used equipment without following the bid procedures in this Policy and without prior authorization by the Board of Directors if savings can be realized only by making such purchase before the next regular meeting of the District Board of Directors. Any such purchase in excess of \$100,000 shall be reported to the Board of Directors at its next regular meeting.

2.132.14 The Purchasing Agent is authorized to participate in research studies or programs with other public, private, or academic organizations, or become a member of an organization, if the resulting research or membership has the potential to benefit District facilities or services or otherwise further a statutory purpose of the District, and the District's contribution will not exceed \$100,000 per year, without approval by the Board of Directors.

2.142.15 The Purchasing Agent is authorized to arrange for utility services as required for operation of District facilities, including executing agreements and contracts as required to obtain utility services without Board approval.

2.152.16 The Purchasing Agent is authorized to execute service agreements and similar agreements related to software, internet, and other information services purchases without obtaining Board approval beyond the purchasing approvals otherwise required in the Policy.

~~2.162.17~~ The Purchasing Agent is authorized to purchase dirt, used asphalt, and other similar materials for solid waste site operations at rates determined necessary and appropriate (including at no charge when appropriate) to provide materials in quantities required without Board approval.

### SECTION 3. EMERGENCY AUTHORITY

3.1 Pursuant to Public Contract Code, Section ~~110222050~~, The Purchasing Agent shall have the authority to take immediate action, including the expenditure of District funds, to repair, restore, replace, or protect District facilities, or to prevent or correct damage caused by District operations, for protection of public health, safety, property, or the environment, without prior authorization of the Board of Directors upon his or her finding that:

- a. It is necessary to repair, restore, replace, or protect District facilities or prevent or correct damage caused by District operations for protection of public health, safety, property, or the environment;
- b. It is infeasible to secure prior authorization of the Board of Directors or to contract for such work in accordance with formal competitive bidding procedures.

~~3.2 The amount of expenditures authorized by section 3-1 is unlimited, except that the Purchasing Agent shall not incur an indebtedness that is anticipated to exceed \$100,000 without the concurrence of the Chairperson of the Board of Directors, or, in his or her absence, the concurrence of any other Board member. If the Purchasing Agent, after reasonable effort under the circumstances, is unable to contact the Chairperson or other board member, the Purchasing Agent is authorized to take immediate action without the prior concurrence of the Chairperson or other Board member.~~

~~3.3 The Purchasing Agent shall report any action taken pursuant to section 3-1 and that exceeds \$5100,000 to the Board of Directors at its next regular board meeting.~~

3.2 The Purchasing Agent shall have the authority to issue a purchase order or execute a contract agreement that would normally ~~otherwise~~ require prior Board authorization if any delays to the issuance of the purchase order would result in significant economic losses, such as downtime at an energy or commodity-producing facility or delays to other contractors or District forces or when there are tangible benefits to the Districts such as associated with project staging costs and/or minimizing project impacts to surrounding communities. When possible, the order shall be issued to a vendor who has previously been awarded similar work because of a formal bid process. An analysis of the economic and other any factors justifying the issuance of the purchase order shall be documented. ~~Action confirming the issuance of the purchase order shall be obtained from the Board of Directors at its next regular board meeting.~~

3.3 ~~The amount of expenditures authorized by sections 3-1 and 3-2 is unlimited, except that the Purchasing Agent shall report any action that exceeds \$500,000 in cost to the Board of Directors at its next regular board meeting. The Purchasing Agent shall obtain confirming approval for any action that exceeds \$100,000 as soon as practical, or in the case of emergency construction and repairs, at the completion of the work.~~

#### **SECTION 4. BIDDING REGULATIONS**

- 4.1 The Purchasing Agent shall establish bidding procedures that are in the best interest of the Districts, and that comply with all applicable provisions of law and this Purchasing Policy and the specific requirements of this Section.
- 4.2 As used in this Section, the word “bid” shall include any offer to provide materials, equipment, supplies and services, including maintenance and public works projects, to the Districts.
- 4.3 Procurements shall be awarded to the lowest responsive, responsible bidder.
- 4.4 The Purchasing Agent shall have the right to reject all bids, to accept one part of a bid and reject another in accordance with bid specifications, to waive technical defects, and to consider alternate bids if to do so best serves the interests of the Districts.
- 4.5 All bids submitted to the Districts that do not substantially comply with the instructions for bidding or that contain unauthorized conditions, limitations, or provisions, or that substitute items shall be deemed non-responsive and may be rejected by the Purchasing Agent. The Purchasing Agent may waive minor errors, omissions, or irregularities and accept bids if the error, omission, or irregularity does not affect the award or provide any other advantage to the bidder.
- 4.6 In the event of a discrepancy, the bid price shown for the unit price or for a lump sum item shall take precedence over the bid price shown for the total.
- 4.7 Any bids received after a bid date and time will not be considered.
- 4.8 Contractors must supply such bidders’ security, payment bonds, or performance bonds required by law or District specifications. The Purchasing Agent shall establish reasonable minimum requirements for bonds and surety companies.
- 4.9 All bids shall remain confidential until the time for bid opening. All responses to Requests for Proposals shall remain confidential until a contract or purchase order has been awarded.
- 4.10 All methods of procurement, including bids, requests for quotations, requests for proposals, etc., must be conducted in a manner that is fair and transparent.
- 4.11 The Purchasing Agent shall maintain written records of all purchasing activity as required by law or the District’s document retention practices or policy. Electronic records, including but not limited to scanned documents, emails, and purchasing data in the District’s accounting and asset management systems, shall be considered adequate written records for this purpose.

#### **SECTION 5. DISPOSITION OF DISTRICT PROPERTY**

- 5.1 The Purchasing Agent shall sell or dispose of property that is no longer required for District purposes in such manner and for such consideration as the Purchasing Agent determines will best benefit the District. Property having a combined current value of \$100,000 or greater shall not be sold or disposed of without prior authorization of the District’s Board of Directors.

- 5.2 The Purchasing Agent may exchange used District property in connection with a purchase of materials, supplies, or equipment, subject to the limitations in this section.
- 5.3 Disposition of all real property, regardless of value, requires Board approval.

## **SECTION 6. OUTREACH PROGRAM**

### 6.1 Policy Statement

- a. The Districts reaffirm a commitment to cost efficiency, fair and open public processes, and equal opportunity for purchasing and contracting.
- b. The Districts support and encourage participation by businesses owned and controlled by minorities (“MBE”), women (“WBE”), disabled veterans (“DVBE”), disadvantaged (“DBE”), small business enterprises (“SBE”), and other disadvantaged businesses.
- c. Therefore, the Districts have adopted the following Outreach Program (“Program”):

### 6.2 The Program

- a. **Public Works Contracts:** Districts’ staff shall encourage participation by all members of the community including MBE/WBE/DVBE/DBE/SBE businesses in the process of bidding for public works contracts as defined by Section 1101 of the California Public Contract Code by means of an outreach program.
- b. **Purchases of Materials, Supplies, Equipment or Services:** Districts’ staff shall periodically review purchases of materials, supplies, equipment, or services for possible participation by MBE/WBE/DVBE/DBE/SBE businesses. Districts’ staff shall determine the availability of MBE/WBE/DVBE/DBE/SBE businesses in the applicable trade or industry and will notify them of contract opportunities.
- c. **Federal and State Projects:** Projects that are funded in whole or in part by the federal and/or state government shall be administered according to requirements of the respective state and/or federal programs.

- 6.3 The Program shall not apply to contracts let pursuant to emergency authority delegated to the Purchasing Agent as provided for elsewhere in this Policy.

### 6.4 Certification

- a. MBE/WBE/DVBE/DBE/SBE businesses shall have been certified as such by one or more of the following agencies: the City of Los Angeles, Department of Public Works; WMBE Clearinghouse, Los Angeles, California (California Public Utilities Commission); California Department of Transportation (CalTrans); Los Angeles County Metropolitan Transportation Authority (MTA); County of Los Angeles, Consumer and Business Affairs, Office of Small Business; or such other agencies deemed authoritative by the Purchasing Agent. Certifications from other agencies may be accepted on a case-by-case basis.

- b. The Purchasing Agent shall accept small businesses certified as such under the Federal Government's Small Business Administration 8(a) program and the State of California's Office of Small and Minority Businesses.
- 6.5 All businesses that have been certified in accordance with the procedures set forth above shall be placed in a database that categorizes them according to type of industry, trade, or commodity.
- 6.6 Districts' Goals and Reporting
- a. To encourage participation, an aspirational goal of 20% of Purchase Orders issued to MBE/WBE/DVBE/DBE/SBE businesses has been established for the Program. The goal will be communicated to prospective bidders in the specifications for each project.
  - b. Contractors awarded projects of \$100,000 and greater in value will be required to report levels of participation by MBE/WBE/DVBE/DBE/SBE suppliers and subcontractors. The information will be used by the Districts for statistical purposes.
- 6.7 The following methods shall be utilized by Districts' staff as appropriate to increase awareness of opportunities for MBE/WBE/DVBE/DBE/SBE business participation in contracting opportunities:
- a. Participate in working groups with other local agencies, such as OneLA Regional Collaborative.
  - b. Maintain a database that contains pertinent information on various certified MBE/WBE/DVBE/DBE/SBE firms, including the type of trade or industry in which the business is engaged.
  - c. Actively participate in business fairs sponsored by various city and county agencies, as well as MBE/WBE/DVBE/DBE/SBE business associations.
  - d. Notify contractor associations regarding bidding opportunities.
  - e. Place notices in local newspapers and trade journals regarding upcoming projects.
- 6.8 Efforts shall be made to eliminate or minimize requirements that have the potential to discourage or prevent disadvantaged businesses from participating in bids including:
- a. Insurance requirements shall not be more than what would be appropriate for the risk associated with the scope of work.
  - b. Bonds, licenses, experience requirements, etc. shall not be more than what is required by law or what is needed to ensure the quality of the work and the qualifications of the vendor.
  - c. When it will not unduly impact the Districts ability to operate efficiently, the scope of work associated with each bid or proposal solicitation shall be structured to maximize opportunities for vendors that have limited size or capabilities.

## **SECTION 7. ADMINISTRATIVE AND BUSINESS TRANSACTIONS**

- 7.1 The Purchasing Agent is authorized to procure and pay for required regulatory fees, permit fees, taxes, etc. for payments to government agencies without Board approval.

- 7.2 The Purchasing Agent is authorized to procure and pay for legally required newspaper notices without board approval.
- 7.3 The Purchasing Agent is authorized to procure temporary property rights, that do not exceed \$100,000, necessary to accommodate construction of Districts' projects without approval by the Board of Directors.
- 7.4 The Purchasing Agent ~~or his or her designee~~ is authorized to settle and reject claims against the Districts not to exceed \$100,000.
- 7.5 The Purchasing Agent is authorized to issue Purchase Orders and enter into Contracts greater than \$100,000 without board approval, if the next board meeting is not expected to take place for more 30 days, and delay of the order or contract until the next board meeting would result in significant economic losses, regulatory issues, or delays to critical work. The Purchasing Agent shall request approval at the next meeting of the Board of Directors, not to exceed 90 days from the date the purchase order or contract was issued.
- 7.5.6 The Board authorizes the Purchasing Agent to designate staff, as he or she determines is appropriate, to carry out the actions authorized in this Policy.

#### **SECTION 8. PURCHASING POLICY ADOPTION**

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



**ORDINANCE PRESCRIBING RATES FOR RECYCLED WATER PRODUCED BY OR THROUGH THE JOINT OUTFALL SYSTEM AND PROVIDING FOR THE COLLECTION OF SUCH CHARGES.**

**ON BEHALF OF THE JOINT OUTFALL SYSTEM, THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:**

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### **PART 1 – GENERAL PROVISIONS**

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#### **SECTION 1.1 - SHORT TITLE**

This Ordinance will be known as the *Joint Outfall System Master Recycled Water Rate Ordinance* and may be cited as such.

#### **SECTION 1.2 - PURPOSE**

The purpose of this Ordinance is to impose charges for the use of Tertiary-Treated Recycled Water produced by the Water Reclamation Plants and to provide for collection of these charges.

#### **SECTION 1.3 - AUTHORITY**

The Districts are empowered to prescribe, revise, and collect fees, tolls, rates, rentals, or other charges for services and facilities furnished by it and to collect such charges pursuant to California Health and Safety Code Sections 4744 and 5471.

#### **SECTION 1.4 - ADDITIONAL REVENUE**

The revenue provided for by this Ordinance will be in addition to all revenue otherwise collected by or on behalf of the District, including, but not limited to, ad valorem taxes, federal and state grants and loans, bond revenue, contract revenue, investment income, annexation fees, connection fees, service charges, and industrial wastewater surcharges imposed under the Wastewater Ordinance.

#### **SECTION 1.5 - ADMINISTRATION**

The Chief Engineer will administer, implement, and enforce the provisions of this Ordinance.

#### **SECTION 1.6 - VALIDITY**

If any court holds any part, section, subsection, paragraph, sentence, clause, or phrase of this Ordinance to be illegal, invalid, or unconstitutional for any reason, that decision will not affect the legality, validity, or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.

SECTION 1.7 - RESERVED

SECTION 1.8 - EFFECTIVE DATE

This Ordinance becomes effective 30 days after its adoption.

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**PART 2 – DEFINITIONS**

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This Ordinance will be construed according to the following definitions:

SECTION 2.1 - BOARD OF DIRECTORS

Board of Directors means the Board of Directors of County Sanitation District No. 2 of Los Angeles County.

SECTION 2.2 - CHIEF ENGINEER

Chief Engineer means the Chief Engineer and General Manager of County Sanitation District No. 2 of Los Angeles County or their designee.

SECTION 2.3 - DISTRICT

District means County Sanitation District No. 2 of Los Angeles County.

SECTION 2.4 - DISTRICTS

Districts means the collective parties' signatory to the most recently adopted Joint Outfall Agreement and forming the Joint Outfall System (JOS).

SECTION 2.5 - FISCAL YEAR

Fiscal year means the 12-month period beginning on July 1 and ending on June 30 of the following calendar year.

SECTION 2.6 - JOINT OUTFALL AGREEMENT

Joint Outfall Agreement means the *Joint Outfall Agreement* effective July 1, 2022, and as thereafter amended.

SECTION 2.7 - NOTICE OF CHARGES

Notice of charges means a written statement prepared by the Chief Engineer setting forth all charges, including any penalty and interest, incurred pursuant to this Ordinance.

SECTION 2.8 - PRIME INTEREST RATE

Prime interest rate means the base rate on corporate loans posted by at least 75 percent of the nation's thirty largest banks as published in *The Wall Street Journal* or, if not reported in such newspaper, as reported in such other source as may be selected by the Chief Engineer.

SECTION 2.9 - RECYCLED WATER RATE

Recycled Water Rate means the calculated rate as defined in Section 3.4 of this Ordinance.

SECTION 2.10 - RECYCLED WATER CHARGES

Recycled Water Charges means the calculated charges as defined in Section 3.3 of this Ordinance.

SECTION 2.11 - RECYCLED WATER RATE ORDINANCE

Recycled Water Rate Ordinance means the most recent version of *An Ordinance Prescribing Recycled Water Rates for the Joint Outfall System*.

SECTION 2.12 - TERTIARY-TREATED RECYCLED WATER

Tertiary-Treated Recycled Water means recycled water produced from any of the Water Reclamation Plants as defined in Section 2.14.

SECTION 2.13 - USER

User means any person or entity who has voluntarily entered into a contract to receive Tertiary-Treated Recycled Water from the Districts for purposes other than direct or indirect potable reuse.

SECTION 2.14 - WATER RECLAMATION PLANTS

Water Reclamation Plants means the Long Beach, Los Coyotes, Pomona, San Jose Creek, and Whittier Narrows Water Reclamation Plants.

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**PART 3 – CHARGES**

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SECTION 3.1 - PRICING POLICY

The Districts, by this Ordinance, intend to establish a fair and equitable price for the sale of recycled water. Tertiary-Treated Recycled Water Users save costs by purchasing recycled water at a price that is generally less than alternative water supplies, and Districts' ratepayers save money because revenues from recycled water sales are used to offset the charges for wastewater treatment.

SECTION 3.2 - IMPOSITION OF CHARGES

Use of Tertiary-Treated Recycled Water from the Water Reclamation Plants is voluntary and restricted to Users who have elected to enter into a contract to receive Tertiary-Treated Recycled Water from the Districts . Any User of Tertiary-Treated Recycled Water shall comply with the terms of their contract including the payment of Recycled Water Charges as defined in each contract.

### SECTION 3.3 - CALCULATION OF THE RECYCLED WATER CHARGE

The Recycled Water Charge will be based on use and will equal the product of the recycled water rate (as determined in Section 3.4) and the total recycled water used during each fiscal year as determined in accordance with each User's recycled water contract.

### SECTION 3.4 - DETERMINATION OF THE RECYCLED WATER RATE

The Recycled Water Rate will be determined in the following manner:

- (1) The Chief Engineer will first determine unit cost for operation and maintenance of the Water Reclamation Plants by taking the total operation and maintenance costs of producing Tertiary-Treated Recycled Water from the Water Reclamation Plants and dividing those total costs by the number of acre-feet of treated effluent produced from the Water Reclamation Plants. ("**Unit Cost**")
- (2) Next the Chief Engineer will determine the recycled water rate percentage. This percentage represents a discount on the full Unit Cost to encourage use of Tertiary-Treated Recycled Water in recognition of the additional costs incurred by Users attributed to the use of Recycled Water compared to potable water and, as of the effective date of this Ordinance, is set at 30 percent. ("**Recycled Water Rate Percentage**")
- (3) The Recycled Water Rate will be the Unit Cost from (1) above multiplied by the Recycled Water Rate Percentage from (2) above.

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## **PART 4 – COLLECTION OF RECYCLED WATER CHARGES**

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### SECTION 4.1 - COLLECTION AND PAYMENT OF RECYCLED WATER CHARGE

Recycled Water Charges payable by Users are due upon service of notice of charges. The Recycled Water Charges shall be paid to the District either in person at the Joint Administration Office of the Los Angeles County Sanitation Districts, located at 1955 Workman Mill Road, Whittier, California, by mailing the appropriate payment to the Los Angeles County Sanitation Districts, P.O. Box 4998, Whittier, California 90607-4998 or using any other approved method.

### SECTION 4.2 - PENALTY AND INTEREST CHARGES FOR DELINQUENT RECYCLED WATER CHARGES

Unpaid charges shall become delinquent 45 days after mailing or personal service of notice of charges. A basic penalty charge of 10 percent of any unpaid amount shall be added to any charge that becomes delinquent. Additional penalties and interest will accrue on the total of all delinquent charges and the basic penalty at three percent over the Prime Interest Rate in effect at the beginning of fiscal year during which the charges were initially due, not to exceed the maximum allowed by law.

### SECTION 4.3 - MANNER OF PAYMENT

The Chief Engineer shall determine the manner in which Recycled Water Charges may be paid. If a manner of payment requires the Districts to pay a transaction fee, the User shall pay the transaction fee to the Districts as an additional charge.

ATTEST:

\_\_\_\_\_  
Clerk, Board of Directors  
County Sanitation District No. 2  
of Los Angeles County

\_\_\_\_\_  
Chairperson, Board of Directors  
County Sanitation District No. 2  
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 2 of  
Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Secretary of the Board of Directors  
County Sanitation District No. 2  
of Los Angeles County

**AN ORDINANCE PRESCRIBING RECYCLED WATER RATES FOR  
THE JOINT OUTFALL SYSTEM**

**ON BEHALF OF THE JOINT OUTFALL SYSTEM, THE BOARD OF DIRECTORS OF COUNTY  
SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:**

**SECTION 1.0 - RECYCLED WATER RATE**

Pursuant to Section 3.4(3) of the *Joint Outfall System Master Recycled Water Rate Ordinance*, the following, to be effective on the dates given, shall constitute the Recycled Water Rate per acre-foot of Tertiary-Treated Recycled Water used:

July 1, 2023	July 1, 2024	July 1, 2025
\$167.81	\$172.84	\$178.03

**SECTION 2.0 - VALIDITY**

If any part, section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is held invalid or unconstitutional for any reason by any court, that decision does not affect the validity or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.

**SECTION 3.0 - EFFECTIVE DATE**

This Ordinance shall become effective 30 days after its adoption.

ATTEST:

\_\_\_\_\_  
Clerk, Board of Directors  
County Sanitation District No. 2  
of Los Angeles County

\_\_\_\_\_  
Chairperson, Board of Directors  
County Sanitation District No. 2  
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 2 of Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Secretary of the Board of Directors  
County Sanitation District No. 2  
of Los Angeles County