

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 14
HELD AT THE ANTELOPE VALLEY
TRANSIT AUTHORITY

September 14, 2023
11:30 o'clock, A.M.

The Board of Directors of County Sanitation District No. 14 of Los Angeles County met in regular session.

There were present: Laura Bettencourt, Director from Palmdale
Marvin Crist, Chairperson pro tem, Alternate Director from Lancaster

Absent: Janice Hahn, Director from Los Angeles County

Also present: Kimberly S. Christensen, Secretary to the Board
Brant Dveirin, District Counsel

RE: PUBLIC COMMENT The Chairperson pro tem announced this was the time for any questions or comments by members of the public. There were no public comments or questions to address the Board on any matters.

RE: MINUTES Upon motion of Director Bettencourt, duly seconded and unanimously carried, the minutes of the regular meeting held June 8, 2023, were approved.

RE: DISTRICT EXPENSES The following expenses for the months of April, May, and June 2023, were presented and upon motion of Director Bettencourt, duly seconded and unanimously carried, were approved:

Local District Expenses:	
Operations & Maintenance	\$3,701,645
Capital	2,457,546
Legal	18,805
Allocated Expenses:	
Joint Administration	576,439
Technical Support	536,225
Legal	20,515
Total Expenses	<u>\$7,311,175</u>

RE: WASTEWATER MANAGEMENT LANCASTER WATER RECLAMATION PLANT - SOIL STABILIZATION MEASURES AND REPAIRS - AUTHORIZE ISSUANCE OF PURCHASE ORDER TO MIDWEST INDUSTRIAL SUPPLY, INC. The Chief Engineer and General Manager advised that in late 2015, it was determined that earthen embankments for the Lancaster Water Reclamation Plant's (WRP) Recycled Water Storage Reservoirs are vulnerable to erosion and possible failure due to dispersive soil conditions. In 2015, Midwest Industrial Supply, Inc., (Midwest) applied soil stabilizers on a significant portion of slopes and crest areas of the reservoirs that showed signs of concerning erosion. A maintenance re-application of the soil stabilization product was administered in 2018. Due to heavy rainfall this past winter, additional repairs and erosion control measures are necessary to prevent future damage at the plant reservoirs. Midwest is the producer and sole proprietor of their soil stabilization product and is recommended due to their experience and familiarity with the Lancaster Reservoir site, and to ensure the applied product is compatible with the previous treatment. This item is consistent with the Districts' Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue a purchase order to Midwest in the amount of approximately \$162,515 to perform soil stabilization measures and repairs on the Lancaster WRP recycled water storage reservoir embankments.

Director Bettencourt mentioned that the hurricanes that went through New Orleans were much more significant, but they were also more prepared for that type of weather there.

Upon motion of the Chairperson pro tem, duly seconded and unanimously carried, the Purchasing Agent was authorized to issue a purchase order to Midwest Industrial Supply, Inc., to perform soil stabilization measures and repairs on the Lancaster Water Recalvation Plant recycled water storage reservoir embankments, at a cost of approximately \$162,515.

RE: WASTEWATER MANAGEMENT
EMERGENCY REPAIR OF TRUNK A SEWER
BETWEEN MH 14 0253 AND MH 14 0049
CONFIRM PURCHASE ORDER TO
SOUTHWEST PIPELINE AND TRENCHLESS
CORPORATION

The Chief Engineer and General Manager advised that during routine inspection, Districts' staff discovered that the Trunk A Sewer had severe corrosion visible throughout 2,100 feet of the 24-inch-diameter reinforced concrete pipe sewer, with some areas of missing pipe that have since gotten worse. These reaches of sewer are included in the District's capital improvement plan for repair next

year but need to be repaired now on an emergency basis. Southwest Pipeline and Trenchless Corporation (Southwest) was selected to perform this emergency repair work due to their qualifications, immediate availability, and their familiarity with this type of sewer repair work. Staff has determined that the activities described herein are exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080(b)(4) and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15301. This item is consistent with the Districts' Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). A recommendation was made for the Board to confirm the issuance of a purchase order to Southwest in the amount of \$1,550,000 for the emergency repair of *Trunk A Sewer between MH 14 0253 and MH 14 0049*.

The Chief Engineer and General Manager advised that District staff reached out to the City to coordinate the repair.

In response to the Chairperson pro tem's questions, the Chief Engineer and General Manager advised that the \$1.5M repair cost is comparable to what was budgeted because it didn't include administration costs and, as a result, the cost was basically the same.

Upon motion of the Chairperson pro tem, duly seconded and unanimously carried, the Board confirmed the issuance of a purchase order to Southwest Pipeline and Trenchless Corporation, in the amount of \$1,550,000, for the emergency repair of *Trunk A Sewer between MH 14 0253 and MH 14 0049*.

RE: FACILITIES PLANNING
GROUNDWATER PURCHASE AND SALE
AGREEMENT - CITY OF LANCASTER
CONTRACT NO. 5561 - APPROVE

The Chief Engineer and General Manager advised that the District holds 3,060 acre-feet per year (AFY) of groundwater production rights in the Antelope Valley Groundwater Basin, and 2,861 AFY are currently utilized by the District. The remaining 199 AFY are surplus and 157 AFY

of this surplus are available for purchase by the City of Lancaster (City), based on the proportion of District sewage units that are within the jurisdictional boundaries of the City. The City desires to purchase 50 of the 157 AFY to support the Lancaster National Soccer Center. Under the proposed *Groundwater Purchase and Sale Agreement* (Agreement), the District will sell 50 AFY of production rights to the City for \$375,000, which is the fair market value of the water rights based on a third-party appraisal commissioned by the District. Making this groundwater available to the City is a benefit to the community. Staff has determined that approval of the Agreement does not constitute a "Project" under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15378. This item is consistent with the Districts' Guiding Principle to maximize use of our assets and resources (recycled water, recyclables, and energy). A recommendation was made to approve and order executed an Agreement with the City for District's surplus groundwater production rights.

Upon motion of the Chairperson pro tem, duly seconded and unanimously carried, the Board of Directors of County Sanitation District No. 14 of Los Angeles County found and determined that it would be to the advantage of the District to enter into a *Groundwater Purchase and Sale Agreement* with City of Lancaster providing for 50 acre-feet per year of production rights to the City of Lancaster for \$375,000, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Groundwater Purchase and Sale Agreement*, Contract No. 5561, dated September 14, 2023, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District.

RE: RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY APPROVING A JOINT COMMUNITY FACILITIES AGREEMENT WITH CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2023-8 (CITY OF LANCASTER – PACIFIC TOPAZ) - ADOPT

A proposed resolution approving a *Joint Community Facilities Agreement* (Agreement) with the California Municipal Finance Authority (Authority) and the Pacific Communities Builder, Inc., a California Corporation (Developer), was presented. In order to fund obligations to District No. 14 associated with the Pacific Topaz development, the Developer has proposed establishing a Community Facilities District (CFD) through the Authority pursuant to the Mello-Roos Community Facilities Act of 1982 (Mello-Roos Act). In accordance with the Mello-Roos Act, the Authority is the agency forming the CFD. In order to

receive bond proceeds, the District must be party to the Agreement. The District will have no obligations for issuing any CFD bonds or for repaying any bonds that might be issued. The proposed Resolution authorizes the Chief Engineer and General Manager to execute the Agreement. Staff has determined that Resolution and Agreement do not constitute a “Project” under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15378. This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A copy of the proposed Resolution was attached to the agenda. A recommendation was made to adopt the Resolution.

The Chief Engineer and General Manager advised that the Agreement is for development of 208 units for senior housing. At the last meeting, the Directors expressed concern over a conflict with accepting funds from the developer and requested to abstain from the vote. District Counsel has reviewed the conflict and, because both Directors stated the same conflict, in order for the item to proceed, he recommended that the Directors vote in favor under the rule of necessity.

Upon motion of Director Bettencourt, duly seconded and unanimously carried, the following Resolution was adopted:

RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY APPROVING A JOINT COMMUNITY FACILITIES AGREEMENT WITH CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2023-8 (CITY OF LANCASTER – PACIFIC TOPAZ)

WHEREAS, the California Municipal Finance Authority (the “Authority”) is initiating proceedings to establish a community facilities district to be designated as the “California Municipal Finance Authority Community Facilities District No. 2023-8 (City of Lancaster – Pacific Topaz)” (the “Community Facilities District”), pursuant to Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982” (the “Act”), for the formation of the Community Facilities District, for the purpose, among others, of financing through the sale of bonds or the levy of special taxes to pay for the design, construction, and acquisition of certain public facilities which are necessary to meet increased demands placed upon the City of Lancaster and County Sanitation District No. 14 of Los Angeles County (the “Sanitation District”) as a result of the development of the property within the Community Facilities District; and

WHEREAS, the Community Facilities District is proposed to encompass the property in approved Tentative Tract Map No. 53642, consisting of Assessor Parcel Numbers 3204-009-026, 3204-009-079, and 3204-009-081, which are located with the boundaries of the Sanitation District and are being developed into single family residences by Pacific Communities Builder, Inc. (the “Developer”); and

WHEREAS, pursuant to Sections 53316.2 through 53316.6 of the Act, a community facilities district may finance facilities to be owned or operated by an entity other than the agency that created the district pursuant to a joint community facilities agreement if the legislative body of each entity adopts a resolution declaring that such a joint agreement would be beneficial to the residents of that entity; and

WHEREAS, there has been presented to the Board of Directors of the Sanitation District (the “Board”) a form of joint community facilities agreement to now be entered into by the Sanitation District; and

WHEREAS, the Board has determined that the proposed joint community facilities agreement will be beneficial to the residents of the Sanitation District.

NOW, THEREFORE, the Board of Directors of County Sanitation District No. 14 of Los Angeles County does hereby resolve, determine, and order as follows:

SECTION 1. The Board hereby determines that the joint community facilities agreement, attached hereto as Exhibit A and incorporated hereby, by and between the Authority, the Sanitation District, and Developer (the "Agreement") will be beneficial to the residents of the Sanitation District.

SECTION 2. The Agreement is approved in the form submitted to the Board at the meeting at which this Resolution is adopted and the Chief Engineer and General Manager (the "Authorized Officer") is authorized to execute and deliver the Agreement on behalf of the Sanitation District. The Authorized Officer is authorized to consent to any such modifications of the Agreement as may be necessary to effectuate its purposes.

SECTION 3. The Secretary to the Board shall deliver an executed copy of the Agreement to the Authority.

APPROVED AND ADOPTED by the Board of Directors of County Sanitation District No. 14 of Los Angeles County this 13th day of September 2023 by the following vote:

AYES: Directors Bettencourt and Crist

NOES: None

ABSTAIN: None

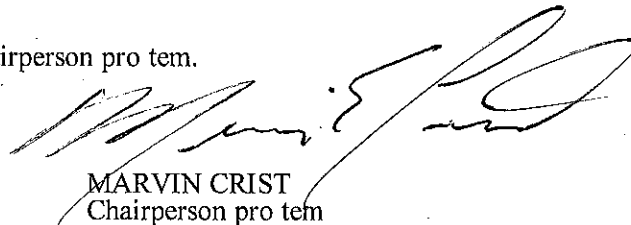
ABSENT: Director Hahn

RE: STATUS REPORT/DIRECTOR COMMENTS
ITEMS NOT LISTED ON AGENDA

District Rating and Bond Update. The Chief Engineer and General Manager presented a Fitch Ratings Press Release to the Directors. He advised that District No. 14 was upgraded from an AA rating to an AA+ rating. The District remains in good standings with reserves and capital improvement funding. He stated that he does not anticipate bond refunding in the next one to two years.

Certificate of Recognition Program for Qualifying Industries. The Chief Engineer and General Manager stated that the Districts regulates industries that discharge into our system. The Districts' Industry Advisory Council, which was formed 27 years ago, recommended the program in order to publicly recognize and promote those industries who have achieved full compliance with the Districts' industrial waste program. Out of 800 industrial waste dischargers that the Districts regulates, 320 were in full compliance with all Districts' industrial waste requirements for the 2022 calendar year, and 80 of the industrial waste dischargers remained in full compliance for five or more consecutive years. All Directors and City Managers will be receiving a letter to recognize these industrial waste dischargers. Districts' staff is available to assist cities with recognizing industries at City Council meetings.

The meeting was adjourned by the Chairperson pro tem.



MARVIN CRIST
Chairperson pro tem

ATTEST:



KIMBERLY S. CHRISTENSEN
Secretary

/ee