

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 2

To be held at the OFFICE OF THE DISTRICT
1955 Workman Mill Road, Whittier, California

For the public to join the meeting virtually, click <https://us02web.zoom.us/j/8091438308> or enter the Meeting ID 809 143 8308 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 DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

WEDNESDAY	December 13, 2023	At 1:30 P.M.
Governing Body	Director	Alternate
ALHAMBRA	MAZA	S. PEREZ
ARTESIA	MANALO	TAJ
BELL	ARROYO	SALEH
BELL GARDENS	SANCHEZ	BARCENA
BELLFLOWER	SANTA INES	KOOPS
CERRITOS	BARROWS	SOLANKI
COMMERCE	ARGUMEDO	ALTAMIRANO
COMPTON	SHARIF	-----
DOWNEY	FROMETA	TRUJILLO
LONG BEACH	RICHARDSON	SARO
LOS ANGELES CITY	KREKORIAN	MC OSKER
MONTEBELLO	TORRES	JIMENEZ
MONTEREY PARK	SANCHEZ	WONG
NORWALK	VALENCIA	J. PEREZ
PARAMOUNT	AGUAYO	DELGADILLO
PICO RIVERA	LUTZ	CAMACHO
SAN GABRIEL	HARRINGTON	DING
SOUTH GATE	AVALOS	DAVILA
VERNON	LARIOS	MERLO
WHITTIER	VINATIERI	WARNER (Chairperson)
LOS ANGELES COUNTY	HORVATH	SOLIS

CONSENT AGENDA

1. Public Comment
2. Receive and Order Filed as Follows:
 - (a) Certificate of Ms. Lindsey Horvath, Presiding Officer of the Board of Supervisors of the County of Los Angeles
 - (b) Action Appointing Ms. Hilda Solis as Alternate Director of the Board of Supervisors of the County of Los Angeles
3. Approve Minutes of Regular Meeting Held November 8, 2023 and Adjourned Regular Meeting held November 16, 2023
4. Approve September 2023 Expenses in Amount of \$73,627,801

Summary: 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 either the Joint Administration Agreement or the Joint Outfall Agreement. These Agreements provide for the joint administration, technical support and management of the operations, maintenance, and capital costs associated with all of the shared facilities for all the signatory Districts, along with the methodology for determining the proportionate costs for each participating District. District No. 2 also acts as the Administrative District for the Solid Waste System expenses which are managed pursuant to the Solid Waste Management System Agreement, the Los Angeles County Refuse Disposal Trust Fund Agreement, and a series of Joint Powers Agreements. District No. 2 also acts as the Administrative District for Stormwater Management expenses the Districts incur, and are later reimbursed for, in assisting their member cities and unincorporated Los Angeles County address stormwater compliance issues. A listing of Districts’ payments and previously

4. Contd.

approved budgets can be found on the Districts’ website at lacs.d.org/financial-documents. This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship.

	District No. 2	Joint Administration	Technical Support	Joint Outfall System	Solid Waste System	Stormwater
Operations & Maintenance	<u>\$14,742</u>	\$ 995,115	\$5,382,653	\$23,791,871	\$7,608,958	<u>\$3,290</u>
Capital Allocated Expenses:		<u>528,366</u>	<u>48,864</u>	24,143,465	180,911	
Joint Administration				4,496,820	1,702,400	
Joint Outfall Technical Support				<u>4,454,876</u>	<u>275,470</u>	
Total Expenses:	<u>\$14,742</u>	<u>\$1,523,481</u>	<u>\$5,431,517</u>	<u>\$56,887,032</u>	<u>\$9,767,739</u>	<u>\$3,290</u>

REGULAR AGENDA

1. Re: Contract with Southwest Pipeline and Trenchless Corp., in Amount of Approximately \$3,163,156, for Construction of [District 22 Trunk Sewers Group 3 Rehabilitation](#) (Project)

- (a) Report on Bids and Award and Order Executed Contract
- (b) Order Staff to Review Insurance and Surety Bonds for Performance and Payment and, if Sufficient, Order Secretary to Execute Contract Evidencing Approval of Bonds and Insurance

Summary: The Project will consist of rehabilitation of approximately 15,457 feet of existing 12- and 15-inch-diameter corroded concrete pipe and appurtenant structures that were constructed in the 1950s. The work is located within the Cities of Covina, Glendora, La Verne, San Dimas, and unincorporated area of Los Angeles County as shown on the attached maps. The bid summary/recommendation to award is attached. Staff has determined that the Project is 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 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).

2. Re: Contract with W.M. Lyles, Co., in Amount of Approximately \$21,984,080, for Construction of [Los Coyotes Water Reclamation Plant Process Air Compressor Replacement](#) (Project)

- (a) Report on Bids and Award and Order Executed Contract
- (b) Order Staff to Review Insurance and Surety Bonds for Performance and Payment and, if Sufficient, Order Secretary to Execute Contract Evidencing Approval of Bonds and Insurance

Summary: The Project will replace five existing process air compressors (PACs) with four new pre-selected high-speed turbo blowers and associated equipment to maximize efficiency and reduce energy costs. The Project will include demolition of the existing PAC buildings, construction of a new building to house the upgraded equipment, and installation of a new odor control system to provide reliable treatment of foul air that is generated during the wastewater treatment process. The bid summary/recommendation to award is attached. Staff has determined that the Project is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations (“CEQA” guidelines) Sections 15301, 15302, and 15303. 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).

3. Report on Bids and Award of Orders as Follows:

- (a) For *Wall Renovation at the Puente Hills Field Office (PHFO) and Puente Hills Materials Recovery Facility (PHMRF)* (Project)

Summary: The Project will remove and dispose of stained and damaged carpet from the office walls and refinish with paint. The renovation aims to enhance the overall aesthetics, functionality, and air quality

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of the office areas. The bid summary/recommendation to award is attached. Staff has determined that the Project is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21084 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15302. 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).

(b) For *Street Sweeping Services at Various Districts’ Facilities*

Summary: Street sweeping services are required to maintain District facilities and for compliance with existing stormwater regulations. An Invitation to Bid (ITB) was issued in August 2023 to solicit bids for one year with four annual renewals based on mutual agreement. The ITB was distributed to ten vendors and one bid was received from SCA of CA, LLC in the amount of \$661,780 per year. The ITB required bids to include prevailing wage for the first time for street sweeping, which may be the reason why only one bid was received. This service is required for compliance, so it is recommended to proceed with awarding a purchase order for one year at this time and will be rebid next year. The bid summary/recommendation to award is attached. 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).

4. Authorize Issuance of Purchase Orders as Follows:

(a) To Southern California Edison Company (SCE) in Amount of Approximately \$123,591 for Replacement of Preferred Emergency Switchgear for *Gardena Pumping Plant Facility Replacement* (Project)

Summary: The Project will consist of the complete replacement of the Gardena Pumping Plant Facility and will therefore require simultaneous operation of the new and existing pumping plant facilities for the purpose of commissioning and testing all the equipment prior to placing the new facility in service. The existing “Preferred/Emergency” (P/E) switchgear that is maintained by SCE is not designed to provide power to operate both facilities simultaneously. SCE will therefore install a new P/E switchgear that will allow the operation of both facilities simultaneously. This item is consistent with the Districts’ Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and the commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

(b) To Power-Flo Products, Inc., in Amount of Approximately \$145,000 for One Return Activated Sludge (RAS) Pump at A.K. Warren Water Resource Facility (Warren Facility)

Summary: The Secondary Treatment process at the Warren Facility uses microorganisms to treat wastewater. As part of the process, the microorganisms settle in the secondary clarifiers and are pumped back to the reactors as RAS to maintain a stable biological population in the reactors. The existing RAS pumps are over 20 years old, have exceeded their useful lives, and must be replaced. The proposed replacement pump manufactured by Morrison is of a different make and model than the existing pump manufactured by Johnston/Sulzer and was selected because it is approximately \$148,000 less expensive and requires less maintenance than a Johnston/Sulzer replacement pump. It is recommended that one Morrison replacement pump is purchased and tested for one year to ensure that it performs satisfactorily and reliably. If the Morrison pump operates reliably, approval to upgrade the remaining RAS pumps will be requested to ensure reliable operation of Secondary 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).

(c) To AirKinetics, Inc., (AirKinetics) in Amount of Approximately \$278,286 for Air Emissions Testing at Various Solid Waste and Wastewater Facilities

Summary: The Districts operates solid waste and wastewater facilities that utilize a wide variety of combustion equipment, such as boilers, engines, flares, and turbines, that combust landfill gas, digester gas, and natural gas. The South Coast Air Quality Management District requires testing be performed by an independent contractor to verify emissions from the equipment are compliant with local air district, state, and federal regulations. A Request for Proposals was released, and two proposals were received, with AirKinetics submitting the highest ranked proposal based on technical qualifications and cost. 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).

5. Authorize Extension of Purchase Order to Merrimac Energy Group (Merrimac) in Amount of Approximately \$3,000,000 to Furnish and Deliver Renewable Red Dyed Diesel and Unleaded Gasoline to Various Districts' Locations for One-Year Period

Summary: The Districts uses fuel for its fleet of vehicles and mobile equipment in various locations throughout our service area. To the extent possible, the Districts has committed to expanding the use of alternative fuels for its fleet to reduce greenhouse gas emissions (GHG). Currently, these efforts are reducing GHG emissions by 2,100 metric tons of CO₂ equivalent per year. In 2021, the Board awarded a purchase order to Merrimac to supply unleaded gasoline to all Districts' facilities and expand the supply of renewable diesel. The initial term of the agreement was for one year with the option to extend the agreement for two additional one-year periods. In 2022, the Board approved an extension for a second year. Merrimac has proposed to extend the agreement for a third year per the contract specifications with no change in contract pricing. Staff recommends extending the purchase order for an additional one-year period since the proposal is competitive and in the best interest of the Districts to extend at this time. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

6. Authorize One-Year Extension of Purchase Orders for Purchase of Sulfide Reducing Chemicals as Follows:
- (a) To California Water Technologies, LLC, (CWT) in Amount of Approximately \$3,995,400
 - (b) To Kemira Water Solutions, Inc., (Kemira) in Amount of Approximately \$13,235,346
 - (c) To Pencco, Inc., (Pencco) in Amount of Approximately \$19,470,880

Summary: In November 2022, an Invitation to Bid was issued for ferrous chloride and ferric sulfate (chemicals), which are primarily used to reduce sulfide concentrations in sewers and for corrosion and odor control purposes. The chemicals are also used at various wastewater treatment plants to control hydrogen sulfide generation in digester gas for air quality compliance and to enhance treatment performance. Purchase orders were awarded to the three responsive bidders for the 2023 calendar year. In accordance with the specifications, each supplier has offered to extend the contract for an additional year for 2024, the first of up to four extensions allowed in the contracts. CWT has requested to increase the ferrous chloride price by 13.7 percent for calendar year 2024. Kemira has maintained the same price for ferric sulfate and ferrous chloride for calendar year 2024. Pencco has requested to increase the ferrous chloride price by 8.7 percent for calendar year 2024. Pencco and CWT indicated the price increases are mainly due to increases in raw material costs. Proposed unit prices per dry ton for ferrous chloride are \$1,245 (CWT), \$1,087.47 (Kemira), and \$1,196 (Pencco). Proposed unit price per dry ton for ferric sulfate is \$448 (Kemira). An extension of the contracts at this time will continue to protect the Districts from potential product shortages and maintain a competitive supplier environment. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

7. Confirm Issuance of Purchase Orders as Follows:

- (a) To Clean Harbors Environmental Services, Inc., (Clean Harbors) in Amount of Approximately \$128,000 for Services of Segregation, Repacking, Transportation, and Disposal of Reactive Waste for South Gate Transfer Station (SGTS)

Summary: On June 26, 2023, a customer improperly disposed of waste leading to a series of onsite chemical reactions at the SGTS. The Fire Department's Hazardous Materials Response Team was called to contain and neutralize the chemical reaction. Subsequently, Clean Harbors was contracted to clean up and deliver the waste to a disposal facility in Rialto, CA. After ongoing reactions at that facility, the material was redirected to an alternate, out-of-state facility. Clean Harbors charged approximately \$128,000 for the cleanup, transportation and final disposal of the waste. Districts staff are working to recover costs from the customer responsible for this issue. 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).

- (b) To Steve Bubalo Construction Company, Inc., (Steve Bubalo) in Amount of Approximately \$2,600,000 for Emergency Repair of *Joint Outfall B Unit 2B Trunk Sewer Between MH B 0219 and MH H 0418*

Summary: During routine inspection, Districts' staff discovered that a section of the Joint Outfall B Unit 2B Trunk Sewer had severe corrosion visible throughout 1,300 feet of the 57-inch-diameter reinforced concrete pipe sewer. These reaches of sewer are included in the Districts' capital improvement plan for repair in the next few years but need to be repaired now on an emergency basis. Steve Bubalo was selected to perform this emergency repair work due to their qualifications, immediate availability, and

7. Contd.

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).

8. Re: Landscaping Maintenance Services for Various Districts’ Facilities

(a) Confirm Issuance of Purchase Order as Follows:

- (1) To Mike’s Gardening Services in Amount of Approximately \$33,893
- (2) To Flora Landscape Corp. in Amount of Approximately \$77,365
- (3) To Complete Landscape Care in Amount of Approximately \$88,280
- (4) To Brightview in Amount of Approximately \$109,317
- (5) To Priority Landscaping Services in Amount of Approximately \$988,326

(b) Authorize Issuance of Purchase Order to Priority Landscaping Services in Amount of Approximately \$3,658,050

Summary: Landscape services are required at Districts’ facilities to maintain existing vegetation, weed control, and to provide a clean and safe work environment. The current agreements were originally due to expire in December 2022. All service providers agreed to two 6-month extensions of the agreements without price increases, which was necessary to finalize the Request for Proposals (RFP) for new agreements. The RFP was issued and a total of four proposals were received and evaluated; Priority Landscaping Services provided the lowest cost and highest-scoring proposal. This item is for approval of two 6-month extensions of the previous agreements and a new two-year agreement for the 37 Districts’ facilities that require landscape services. This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

9. Approve Change Order No. 1 to Contract No. 5482 with Rama Grading, Inc., for Construction of *Scholl Canyon Landfill Geosynthetic Clay Liner Final Cover - Phase I* (Project); Resulting in Payment of \$585,000 for Extra Work

Summary: As part of the Project, the contractor was required to construct a geosynthetic clay layer (GCL) final cover over the existing interim final cover. After the contract was awarded and prior to construction, the District determined that a passive venting system, which was not part of the original design, was needed to prevent gas from potentially building up underneath the GCL in the event of an extended power outage. The District therefore revised the contract drawings and directed the contractor to construct a passive venting system at the Edison Arm, Windy Canyon, Ballfield, and Kidney disposal areas. 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).

10. Approve and Order Executed [*First Amendment to Agreement for Purchase and Sale of Recycled Water*](#) (Amendment) with Water Replenishment District of Southern California (WRD)

Summary: The existing *Agreement for Purchase and Sale of Recycled Water (Agreement)* was executed in 2013 and allows the sale of recycled water from the San Jose Creek, Pomona, Whittier Narrows, and Los Coyotes Water Reclamation Plants (WRPs) to WRD to supply current and future groundwater recharge projects, including the Montebello Forebay Groundwater Recharge Project (MFGRP), Albert Robles Center (ARC) Advanced Water Treatment Facility, and Leo J. Vander Lans Advanced Treatment Facility (LVL). In order to provide flexibility to maximize use of recycled water, the *Amendment* will combine the currently separate allotments for tertiary recycled water into a single allotment of up to 73,000 acre-feet per year (AFY) from the San Jose Creek, Pomona, and Whittier Narrows WRPs. The *Amendment* will remove the 10,000 AFY allotment from the Los Coyotes WRP, which has remained unused and will be addressed in a future agreement, as necessary. The *Amendment* will also revise recycled water pricing terms to lower the rate that is charged for recycled water delivered to ARC due to the higher than expected cost to operate the facility, which was unexpected at the time of signing the original agreement. The *Amendment* will also simplify the calculation of the price charged for recycled water being directly recharged and streamline processes for invoicing and payment and update recycled water quality requirements to reflect applicable regulations. Staff has determined that approval of the *Amendment* 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. The *Amendment* is consistent with the Districts’

10. Contd.

Guiding Principles to provide reliable and responsible services with safety first; to maximize use of our assets and resources (recycled water, recyclables, and energy); and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

11. Re: Food Waste Slurry at A.K. Warren Water Resource Facility (Warren Facility)

- (a) Approve Template Agreement (Agreement) for Delivery and Acceptance of Food Waste Slurry at Warren Facility
- (b) Authorize Districts' Chief Engineer and General Manager to Execute Future Template Agreements for Delivery and Acceptance of Food Waste Slurry at Warren Facility with Same Pricing, Terms, and Conditions

Summary: The Districts operates a food waste recycling program at the Warren Facility. Processed food waste slurry is received and co-digested with wastewater sludge to generate renewable natural gas. Twelve companies currently deliver food waste slurry to the Warren Facility under a combination of yearly and multi-year agreements. The Agreement is an annual template that allows companies to deliver food waste slurry to the Warren Facility until December 31, 2024. The Agreement has similar terms to the current contract with a processing fee of \$29.70 per ton, which is an increase of 2.4 percent based on the Consumer Price Index for Los Angeles-Riverside-Orange County. Additionally, the Agreement requires a security deposit or bond to ensure payment for delivered slurry. Board authority is requested for the Districts' Chief Engineer and General Manager to execute future Agreements and all related documents regarding delivery and acceptance of food waste slurry at the Warren Facility. To comply with the California Environmental Quality Act, a Mitigated Negative Declaration was approved for the project by the Board on February 28, 2018. This item is consistent with the Districts' Guiding Principle to provide leadership in our industry through innovation, compliance, and cost effectiveness.

12. Re: Joint Outfall System Recycled Water Rates

- (a) Hold Public Hearing on Proposed Recycled Water Rate Master Ordinance and Proposed Recycled Water Rate Ordinance
- (b) Adopt *An Ordinance Prescribing Rates for Recycled Water Produced by or Through the Joint Outfall System and Providing for the Collection of Such Charges* (**required two-thirds vote – 14 affirmative votes**)
- (c) Adopt *An Ordinance Prescribing Recycled Water Rates for the Joint Outfall System* and Find that Adoption of Ordinance is Exempt from California Environmental Quality Act (CEQA) Pursuant California Public Resources Code Section 21080(b)(8) and Title 14 of the California Code of Regulations Section 15273(**required two-thirds vote – 14 affirmative votes**)

Summary: As part of the continuing effort to ensure the Districts follows best practices as it relates to financial matters, implementation of new Recycled Water Rate Ordinances is recommended. 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 describing the recommended Board action was provided to the Directors prior to the introduction of the Ordinances on November 8, 2023. The letter and the proposed Ordinances accompany the agenda. Staff has determined that the activities described herein are exempt or otherwise not subject to the provisions of CEQA pursuant to California Public Resources Code Section 21080(b)(8) and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15273. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

13. Re: Approve Formation of an Education Foundation Focused on Education Interests Related to Our Mission

- (a) Adopt Resolution of the Board of Directors of County Sanitation District No. 2 of Los Angeles County Authorizing the Formation of a Nonprofit Education Focused on Education About Water and Solid Waste Issues, Environmental Responsibility and Inspiring Future Sanitation Workers (Resolution)
- (b) Approve Nonprofit's Articles of Incorporation
- (c) Authorize Chief Engineer and General Manager to be Sole Incorporator of Nonprofit and Take All Actions and Execute All Documents Necessary to Consummate Formation of Foundation

Summary: One of the goals of the Districts is to educate people in its service area about water and solid waste to encourage more environmentally responsible behavior and potentially inspire future sanitation workers. In October 2023, the Personnel Committee, comprised of the Chairpersons of all active Districts, unanimously endorsed the concept to initiate the formation of an education foundation that will educate the public regarding clean water, wastewater and sanitation in Los Angeles County and its importance to public health and the environment. As described in the attached letter, the goal of the

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foundation will be to expand Districts' education programs and activities in the service area. In order to initiate the process of creating this tax-exempt nonprofit, federal and state filings are required.

Adjourn to Monday, December 18, 2023, 1:30 p.m., at the Office of the District, 1955 Workman Mill Road, Whittier

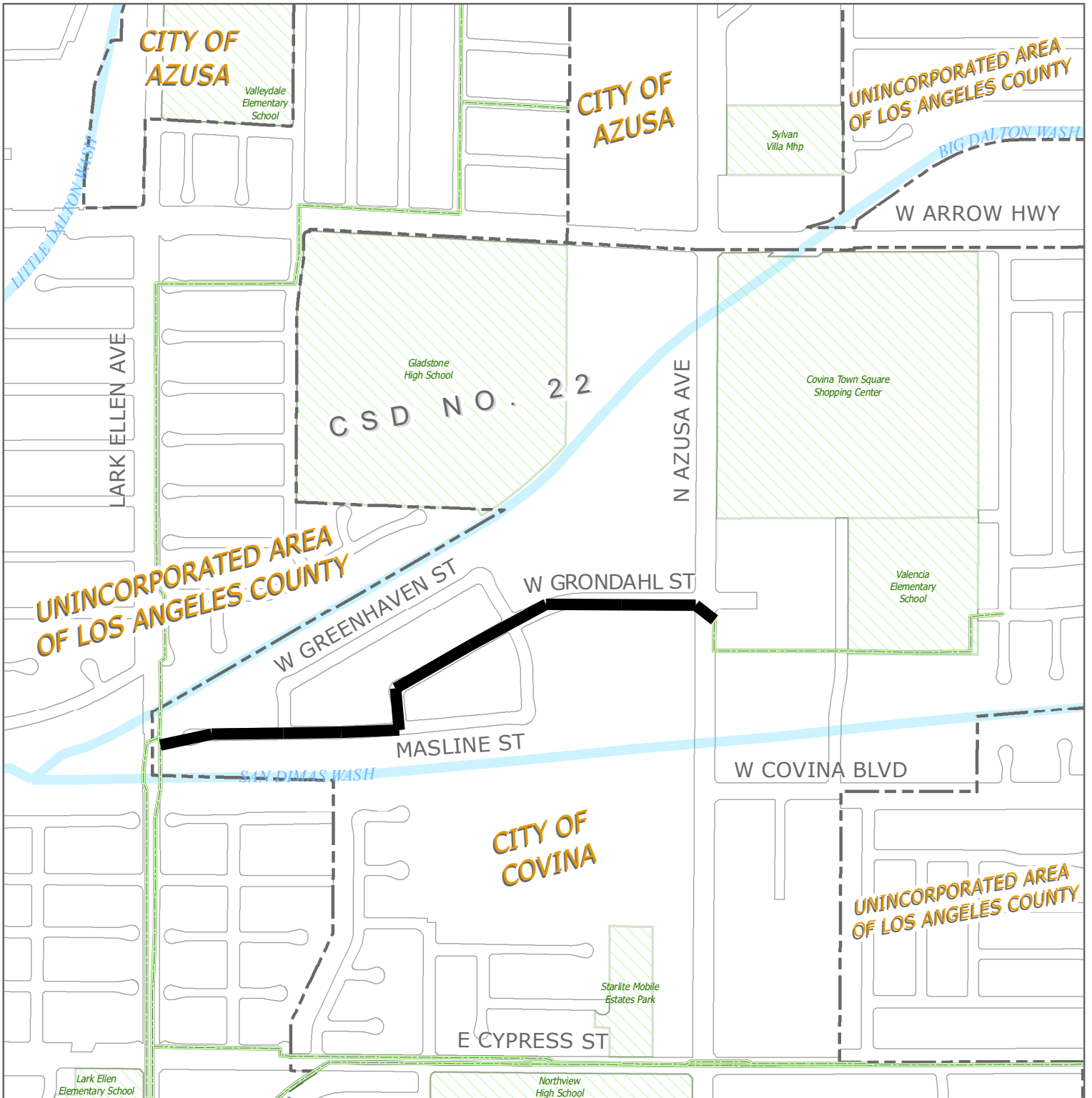
Status Report: Prior to or during the meeting session, the Chief Engineer and General Manager may update the Directors on various matters concerning the Districts that may be of current interest to the Directors.

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 of 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).

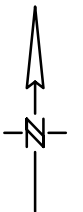
Document Requests: Links to supporting documents are available online at the time of posting. Agendas and supporting documents or other writings that will be distributed to Board members in connection with matters subject to discussion or consideration at this meeting that are not exempt from disclosure 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.

DISTRICT 22 TRUNK SEWERS GROUP 3 REHABILITATION

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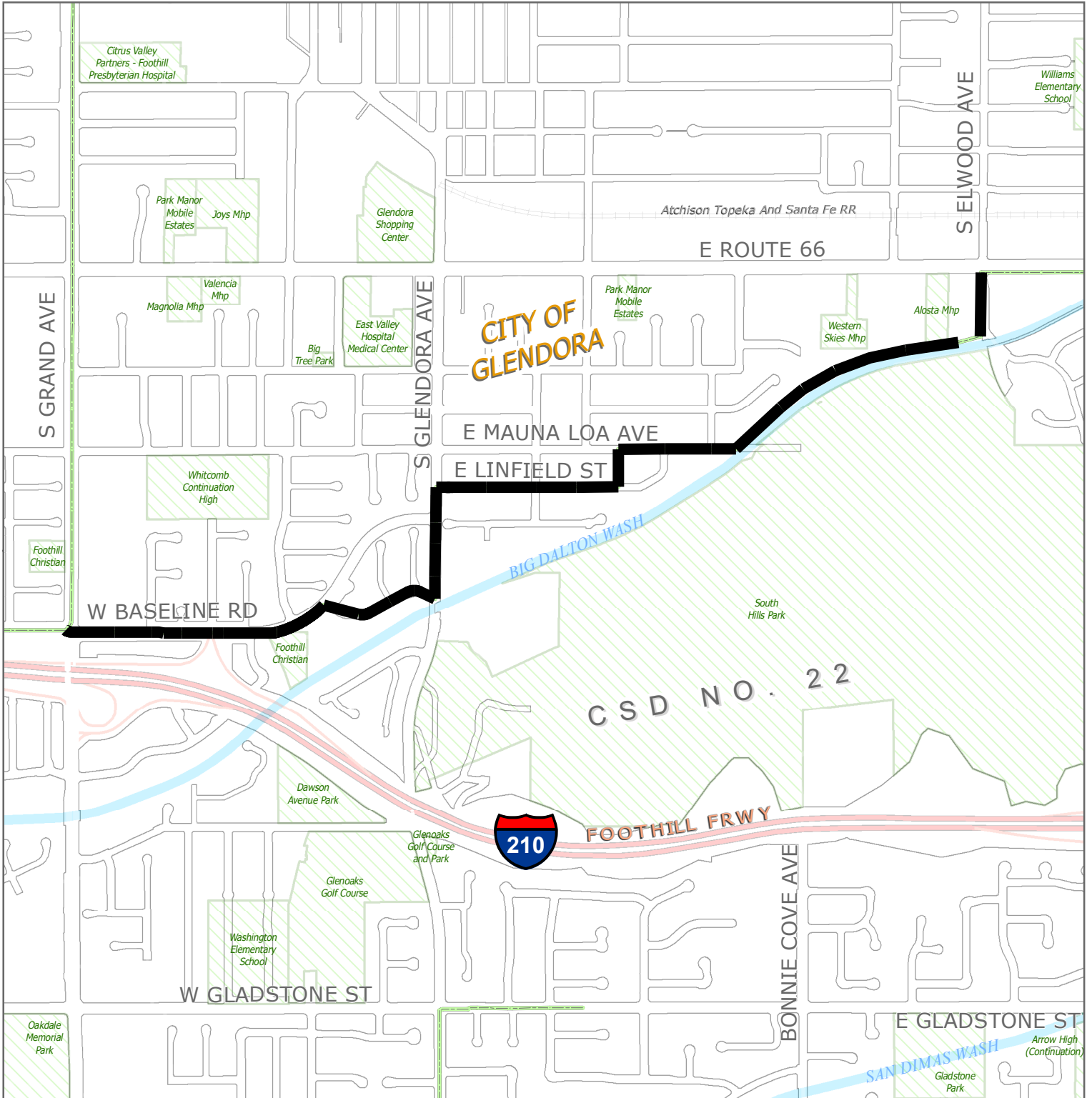


PROJECT ROUTE

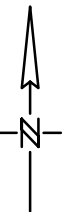


DISTRICT 22 TRUNK SEWERS GROUP 3 REHABILITATION

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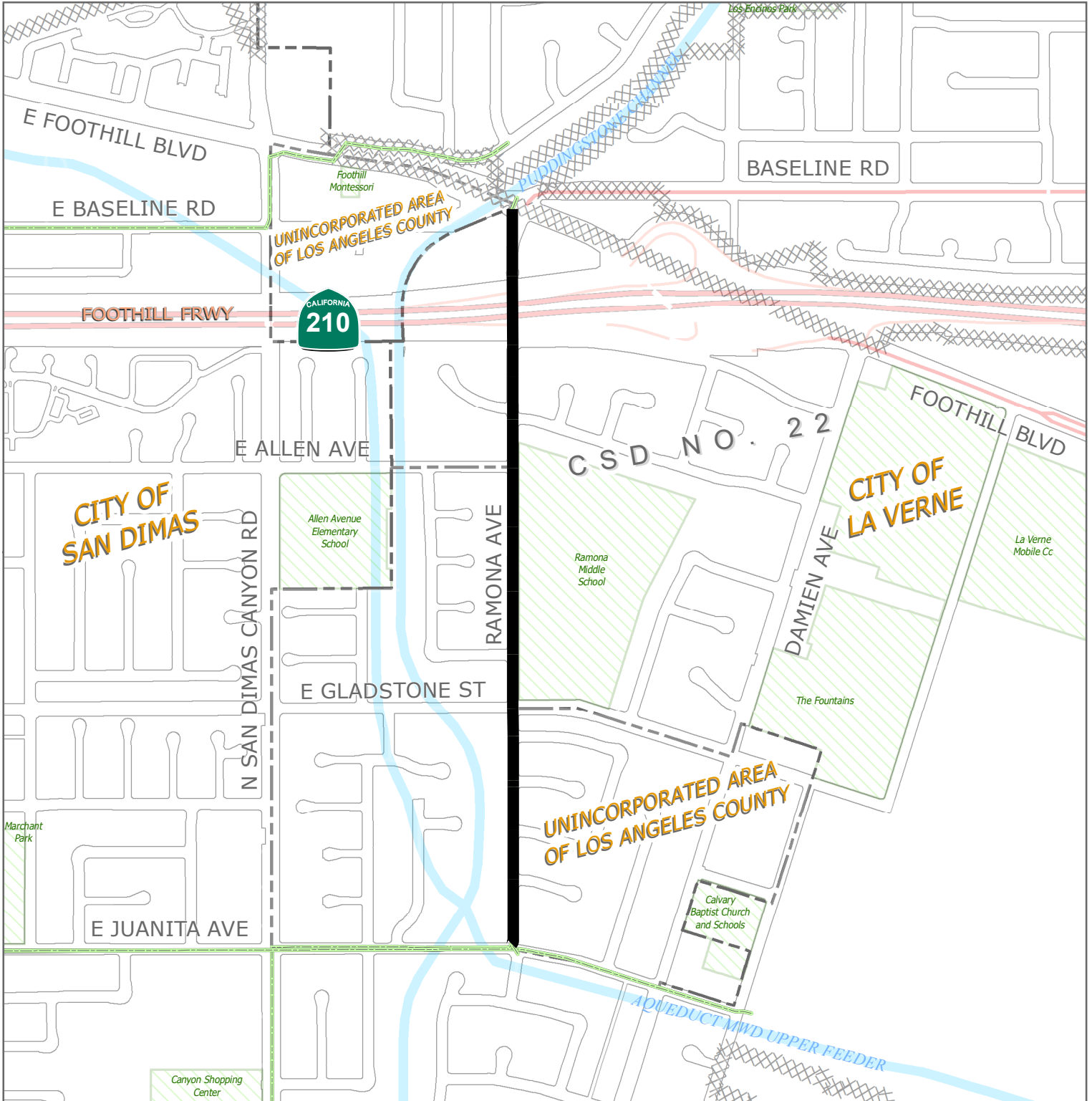


 PROJECT ROUTE



DISTRICT 22 TRUNK SEWERS GROUP 3 REHABILITATION

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TO: BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. R-1(a)

FOR BOARD MEETING December 13, 2023

BIDS were received at the District Office on October 24, 2023

FOR DISTRICT 22 TRUNK SEWERS GROUP 3 REHABILITATION

No. of Bids Received: 3

<u>BIDDER</u>	<u>TOTAL BID</u>
Southwest Pipeline and Trenchless Corp.	<u>\$3,163,156.00</u>
Insituform Technologies, LLC.	<u>\$4,196,505.00</u>
Nu Line Technologies, LLC.	<u>\$4,385,918.00</u>

RECOMMENDATION:

Award contract to Southwest Pipeline and Trenchless Corp., low bidder, in the amount of approximately \$3,163,156.00.

Engineer's Estimate: \$3,100,000



Robert C. Ferrante
Chief Engineer and
General Manager

TO: BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. 2(a)

FOR BOARD MEETING DECEMBER 13, 2023

BIDS were received at the District Office on November 7, 2023

FOR LOS COYOTES WATER RECLAMATION PLANT PROCESS AIR COMPRESSOR REPLACEMENT

No. of Bids Received: 3

<u>BIDDER</u>	<u>TOTAL BID</u>
W.M. Lyles, Co.	<u>\$21,984,080.00</u>
Metro Builders and Engineers Group, Ltd.	<u>\$23,633,511.00</u>
Steve P. Rados, Inc.	<u>\$26,692,900.00</u>

RECOMMENDATION:

Award contract to W.M. Lyles, Co., low, responsive bidder, in the amount of approximately \$21,984,080.

Engineer's Estimate: \$24,300,000



Robert C. Ferrante
Chief Engineer and
General Manager

TO: BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. 3(a)

FOR BOARD MEETING DECEMBER 13, 2023

BIDS were received at the District Office on Thursday, October 19, 2023 at 11:00 a.m.

FOR WALL RENOVATION AT THE PUENTE HILLS FIELD OFFICE (PHFO) AND PUENTE HILLS MATERIALS RECOVERY FACILITY (PHMRF)

No. of Bids Received: 2

<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
3M Construction Corporation	<u>\$218,730.00</u>
B&C Construction	\$295,000.00

RECOMMENDATION:

Award purchase order to 3M Construction Corporation, the lowest, responsive, and responsible bidder, in the amount of approximately \$218,730.00 for wall renovation at the Puente Hills Field Office and the Puente Hills Material Recovery Facility.

Engineer's Estimate: \$300,000.00



Robert C. Ferrante
Chief Engineer and
General Manager

TO: BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. 3(b)

FOR BOARD MEETING DECEMBER 13, 2023

BIDS were received at the District Office on Friday, September 29, 2023 at 11:00 a.m.

FOR STREET SWEEPING SERVICES AT VARIOUS DISTRICTS' FACILITIES

No. of Bids Received: 1

<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
SCA of CA, LLC.	<u>\$661,780.00</u>

RECOMMENDATION:

Award purchase order to SCA of CA, LLC., the sole bidder, in the amount of approximately \$661,780.00 for street sweeping services at various Districts' facilities.

Engineer's Estimate: \$500,000.00



Robert C. Ferrante
Chief Engineer and
General Manager



November 2, 2023

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

Directors:

Joint Outfall System Recycled Water Rate Ordinances

The agenda for the November 8, 2023, Board meeting, contains an item regarding Joint Outfall System (JOS) Recycled Water Rate Ordinances. As part of the continuing effort to ensure the Districts follow best practices, implementation of new Recycled Water Rate Ordinances for the Joint Outfall System are being recommended.

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” uses¹. 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.

There are several challenges with the current pricing formulas in the contracts. 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 as some contracts and pricing formulas have been in place since the 1990s.

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, in the future, 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 contract. 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.

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

The Personnel Committee concurred with the proposed Ordinances at their September 27, 2023, meeting.

If approved, the new Ordinances would take effect on January 1, 2024, and staff will begin efforts to amend existing contracts and incorporate these ordinances in future contracts.

Very truly yours,

A handwritten signature in cursive script that reads "Robert C. Ferrante".

Robert C. Ferrante

RCF:MAE:av

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:

January 1, 2024	July 1, 2024	July 1, 2025
\$160.46	\$167.46	\$172.48

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

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

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.

PART 2 – DEFINITIONS

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.

PART 3 – CHARGES

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.

PART 4 – COLLECTION OF RECYCLED WATER CHARGES

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



December 8, 2023

Boards of Directors
Los Angeles County Sanitation Districts

Directors:

Formation of Non-Profit Foundation

The agenda for the upcoming meeting of the Boards of Directors contains an item regarding the potential formation of a Districts' sponsored non-profit foundation that will educate the public regarding clean water, wastewater and sanitation in Los Angeles County and work to inspire future sanitation workers. On October 25, 2023, the Personnel Committee, comprised of the Chairpersons of all active Districts, held a meeting where those Directors present unanimously endorsed the concept to initiate the formation of a non-profit foundation with a goal to expand the Districts' education programs and activities in our service area and with the ability to accept outside funding. This foundation would have its own governance and board of directors as described below:

Purpose: Provide educational opportunities to the local community regarding clean water, wastewater and sanitation in Los Angeles County, the importance of these issues to public health, the environment and long-term regional resource sustainability, and encouraging more people to consider working in clean water and sanitation related fields. The potential name of the non-profit is Clean Water Works Education Foundation.

Board Members: Minimum three Districts' Board Members. *Propose to start with District No. 2 Chair (represents service area in the vicinity of the San Jose Creek Water Reclamation Plant and Puente Hills Materials Recovery Facility), District No. 8 Chair (represents service area in the vicinity of the A.K. Warren Water Resource Facility) and the Chief Engineer and General Manager.*

The attached resolution and non-profit Articles of Incorporation are required to start the formation process. An incorporator of the nonprofit to take all actions and execute all documents necessary to consummate formation of the foundation also needs to be identified. Once the foundation is formed, there is also the potential for the Districts to provide the initial funding and staff resources for the foundation. If approved, the Chief Engineer and General Manager will provide updates to the Board on the progress of the formation and in the future will seek the Board's approval for agreements for funding and staffing resources to support the foundation.

Very truly yours,

Robert C. Ferrante

**RESOLUTION OF THE BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY
AUTHORIZING THE FORMATION OF A NONPROFIT FOUNDATION FOCUSED ON
EDUCATION ABOUT WATER AND SOLID WASTE ISSUES, ENVIRONMENTAL
RESPONSIBILITY AND INSPIRING FUTURE SANITATION WORKERS**

WHEREAS, County Sanitation District No. 2 of Los Angeles County (the “**District**”) and 23 other County Sanitation Districts of Los Angeles County, each organized and existing under the provisions of the County Sanitation District Act, California Health and Safety Code Section 4700 et seq., make up the Los Angeles County Sanitation Districts (“**Sanitation Districts**”); and

WHEREAS, the District is empowered to act as the administrative district for the Sanitation Districts, including on matters concerning public education and community outreach efforts including efforts to recruit, and provide education and training opportunities for members of the public as a potential entry into employment in clean water fields; and

WHEREAS, District staff have been exploring the possibility of forming a non-profit foundation or similar entity for the purpose of educating the public regarding clean water, wastewater and sanitation in Los Angeles County, the importance of these issues to public health, the environment and long term regional resource sustainability, and encouraging more people to consider working in clean water and sanitation related fields; and

WHEREAS, on October 25, 2023, at a regularly-scheduled meeting, the District’s Personnel Committee, comprised of the Chairpersons of all active Sanitation Districts, met, discussed and, those Directors present, unanimously endorsed the concept of forming a non-profit educational foundation to further the education and outreach goals of the Sanitation Districts; and

WHEREAS, District’s staff have drafted preliminary articles of incorporation (the “Articles”) forming the _____ (the “Foundation”). A copy of the Articles is included as Exhibit “A” to this resolution and incorporated herein by reference.

NOW, THEREFORE, the Board of Directors of the District hereby finds and resolves as follows:

Section 1. The above recitals are true, correct and are specifically incorporated in and made a substantive part of this Resolution.

Section 2. The Board of Directors of the District hereby authorizes the Chief Engineer and General Manager or his designee to take all necessary steps including, without limitation, filing the necessary formation documents, to form the Foundation. The purpose of the Foundation is to educate the public regarding clean water, wastewater and sanitation in Los Angeles County, the importance of these issues to public health, the environment and long-term regional resource sustainability and to encourage future sanitation workers.

Section 3. The Board of Directors of the District hereby approves the Articles as the formation document for the Foundation.

Section 4. The Board of Directors of the District hereby authorizes the Chief Engineer and General Manager, the Chairperson of the board of directors of the District, and the Chairperson of the board of directors of County Sanitation District No. 8 of Los Angeles County to serve as the initial members of the board of directors of the Foundation, and each such person, individually or collectively are further authorized to sign all forms and applications and take all steps necessary to complete the formation of the Foundation including, without limitation, filing the Articles with the State of California.

Section 5. The Board of Directors of the District authorizes the expenditure of up to \$20,000 for the initial expenses to form the Foundation.

PASSED AND ADOPTED by the District's Board of Directors at its meeting on _____, 2023.

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By: _____
Chairperson, Board of Directors

ATTEST:

By: _____
Secretary to the Board

**ARTICLES OF INCORPORATION
OF
[NONPROFIT NAME]**

These Articles of Incorporation of a Nonprofit Public Benefit Corporation are submitted for filing for the purpose of creating and incorporating a public benefit corporation pursuant to the applicable provisions of the Nonprofit Public Benefit Corporation Law of the State of California.

**ARTICLE I
CORPORATE NAME**

The name of the nonprofit is [NONPROFIT NAME] (the "**Corporation**").

**ARTICLE II
PURPOSE**

This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The specific purposes of this Corporation are to provide educational opportunities to the local community regarding wastewater, clean water and sanitation in Los Angeles County and its importance to public health and the environment as well as to the region's sustainability.

**ARTICLE III
BUSINESS ADDRESSES**

The initial street and mailing address of the Corporation is 1955 Workman Road, Whittier, CA 90601.

**ARTICLE IV
SERVICE OF PROCESS**

[The name and street address of the Corporation's initial agent for service of process is [NAME OF INDIVIDUAL, STREET ADDRESS, CITY], CA, [ZIP CODE].

OR

The name of the Corporation's initial agent for service of process is [NAME OF CALIFORNIA REGISTERED CORPORATE AGENT], a corporation incorporated under the laws of [STATE OF INCORPORATION].]

**ARTICLE V
MEMBERS**

The Corporation shall not have members.

**ARTICLE VI
ADDITIONAL STATEMENTS**

The following language relates to the Corporation's tax exempt status and is not a statement of purposes and powers. Consequently, this language does not expand or alter the Corporation's purposes or powers set forth in Article II hereof:

(a) This Corporation is organized and operated exclusively for the purposes set forth in Article II hereof within the meaning of Section 501(c)(3) of the Internal Revenue Code.

(b) No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this Corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

(c) The property of this Corporation is irrevocably dedicated to the purposes in Article II hereof which are charitable and educational purposes meeting the requirements of Revenue and Taxation Code section 214, and no part of the net income or assets of this Corporation shall ever inure to the benefit of any director, officer, or member thereof or to the benefit of any private person.

(d) Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on:

(i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code; or

(ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

**ARTICLE VII
DISSOLUTION**

Upon the dissolution or winding up of this Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable, educational, and/or religious purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, or under California Revenue and Taxation Code Section 23701d, or to County Sanitation District No. 2 of Los Angeles County, a governmental entity.

**ARTICLE VIII
DURATION**

The duration of the Corporation shall be perpetual.

**ARTICLE IX
INITIAL DIRECTORS**

The initial directors elected as a member of the Board of Directors of the Corporation, to serve until the next annual meeting of the Corporation or until their earlier death, resignation, or removal, or otherwise until their successor is duly elected and qualified in accordance with the Corporation's bylaws are:

Robert Ferrante

Cathy Warner

Lula Davis-Holmes

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the directors have signed these Articles of Incorporation as of this [DAY] day of [MONTH], [YEAR]:

Robert Ferrante, Director

Cathy Warner, Director

Lula Davis-Holmes, Director

Acknowledgment

The undersigned declare that they are the persons who have executed these Articles of Incorporation and declare that this instrument is their act and deed.

Robert Ferrante, Director

Cathy Warner, Director

Lula Davis-Holmes, Director

**BYLAWS
OF
[NONPROFIT NAME]**

ARTICLE I: NAME AND PURPOSE

Section 1.1. Name. The name of the organization shall be **[NONPROFIT NAME]**, hereafter referred to as the "Foundation".

Section 1.2. Purpose. The purpose of the Foundation shall be to provide educational opportunities to the local community regarding wastewater, clean water and sanitation in Los Angeles County and its importance to public health and the environment as well as to the region's sustainability. The Foundation shall operate as a non-profit organization, with all proceeds and assets being used to support the educational goals of the organization. The Foundation is organized exclusively for charitable, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, including, but not limited to, promoting the treatment of water and wastewater, clean water issues, use of recycled water and resource recovery.

Section 1.3. Office. The principal office of the Foundation shall be initially located at 1955 Workman Mill Road, Whittier CA 90601. The Board of Directors is granted full power and authority to change said principal office from one location to another.

ARTICLE II STATUTORY MEMBERS

Section 2.1 Statutory Members. The Foundation shall have no statutory members. Statutory members may be added in the future and would require an amendment to these bylaws.

Section 2.2 Associated Persons. Nothing in this Article II shall be construed as limiting the right of the Foundation to refer to persons associated with it as "members" even though such persons are not members, and no such reference shall constitute anyone a member, within the meaning of Section 5056 of the Nonprofit Corporation Law of the State of California, as amended (the "Nonprofit Corporation Law"). The Foundation may confer by amendment of the Articles of Incorporation ("Articles") or these bylaws some or all of the rights of a member, as set forth in the Nonprofit Corporation Law, upon any person or persons; provided, however, that no such person or persons shall be a member within the meaning of said section 5056 unless such person(s) is given the right, pursuant to a specific provision of the Articles and/or bylaws, to vote for the election of a Director or Directors, to vote on a disposition of all or substantially all of the assets of the Foundation, to vote on a merger or dissolution of the Foundation, and/or to vote on changes to the Articles and/or bylaws.

Section 2.3 Actions by Members. Any action which would otherwise require a vote of members shall require only a vote of the Directors, and no meeting of members shall be required, any provision of the Articles or bylaws to the contrary notwithstanding. All rights which would otherwise vest in the members shall vest in the Directors.

ARTICLE III: BOARD OF DIRECTORS

Section 3.1. Powers. Subject to any limitations stated in the Articles, these bylaws, and the Nonprofit Corporation Law, and subject to the duties of Directors as prescribed by the Nonprofit Corporation Law, all corporate powers shall be exercised by, or under the direction of, and the business and affairs of the Foundation shall be managed by, the Board of Directors. The Board of Directors shall have full power and authority over the management and affairs of the Foundation, including, but not limited to, the power to adopt policies, approve the budget, and hire staff. The individual Directors shall act only as members of the Board of Directors, and the individual Directors shall have no power as such.

Section 3.2. Composition. The Board of Directors shall consist of no less than three (3) nor more than fifteen (15), provided that the minimum or maximum number, or both, may be increased or decreased from time to time by resolution of the Board of Directors, but such action by the Board of Directors shall require a vote of a majority of the entire Board of Directors, and no decrease shall shorten the term of any director then in office. The exact number of authorized Directors shall be fixed, within the limits set forth in this Section, by resolution of the Board of Directors. Any natural person over the age of 18 years old may be a member of the board of directors. At a minimum, one board seat shall be held by the Chairperson of the board of directors of County Sanitation District No. 2 of Los Angeles County ("District 2"), which board seat shall be ex officio, one board seat shall be held by the Chief Engineer and General Manager of District 2, or his or her designee, which board seat shall be ex officio, and one board seat shall be held by a member of the board of directors of any sanitation district that is part of the County Sanitation Districts of Los Angeles whom is also a member of the Personnel Committee of such Sanitation Districts.

Section 3.3. Terms; Election; Removal; and Resignation. Directors shall serve a term of three (3) years, or until their successors are elected and qualified. A person shall be nominated to the Board of Directors by a Director and elected by a majority of the Board at the annual meeting. Newly created directorships resulting from an increase in the authorized number of Directors, and vacancies occurring for any reason, including any vacancy occurring by reason of the death, resignation, or removal of a director, may be filled at any meeting of the Board of Directors by the vote of the majority of the Directors then in office, although less than a quorum, or by a sole remaining Director. Each Director so elected shall serve until the end of the term of the vacant position and until such director's successor is elected and qualified. Any Director may be removed at any time by a majority of the entire Board of Directors at a regular or special meeting called for that purpose. Any Director may resign from the Board of Directors at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Foundation, except if such resignation would leave the Foundation without a duly elected Director. Unless otherwise specified in the notice, the resignation shall take effect at the time of receipt by the Board of Directors or such officer. The acceptance of such resignation shall not be necessary to make it effective. No resignations shall discharge any accrued obligation or duty of a Director.

Section 3.4. Meetings. The Board of Directors shall an annual meeting at a time and place determined by the Board of Directors, at which meeting the Board of Directors shall elect Directors, appoint officers, and transact any other business as shall come before the meeting. Regular meetings of the Board of Directors shall be held at such times and places as may be fixed

by resolution by the Board of Directors or as specified in the notice of the meeting. Special meetings of the Board of Directors may be held at any time upon the call of any Officer or any two (2) Directors, in each case at such time and place as shall be fixed by the person or persons calling the meeting, as specified in the notice thereof. Notice shall be given for each meeting, which shall state the time and place where the meeting is to be held, and any other information required by these bylaws or by applicable law.

Section 3.5. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. Any act approved by a majority of the Directors present at a duly held meeting at which a quorum is present is the act of the Board of Directors, unless the Nonprofit Corporation Law, the Articles of Incorporation, or these bylaws require a greater number. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors leaving less than a quorum, if any action is approved by at least a majority of the Directors who constitute the required quorum for the meeting, or such greater number as required by the Nonprofit Corporation Law, the Articles of Incorporation, or these bylaws.

Section 3.6. Compensation. Directors shall not receive any compensation for their services, but may be reimbursed for reasonable expenses incurred on behalf of the Foundation.

ARTICLE IV: OFFICERS

Section 4.1. Officers. The officers of the Foundation shall be a President, a Secretary, a Treasurer, and such officers as the Board of Directors may determine. One person may hold, and perform the duties of, more than one office, except that the same person may not concurrently hold the offices of President and Secretary or Treasurer.

Section 4.2. Election. The officers shall be elected by the Board of Directors at the first meeting of the Board following the annual meeting of the Foundation. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by a vote of a majority of the Directors present at a duly held meeting at which a quorum is present, subject to the rights, if any, of an officer under any contract of employment. Any officer may resign at any time by giving 14 days written notice to the Board of Directors. Unless otherwise specified in the notice, the resignation shall take effect at the time of receipt by the Board of Directors. The acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Foundation under any contract to which the officer is a party. A vacancy in any office arising from any cause shall be filled for the unexpired portion of the term by the Board of Directors at the next regular or special meeting of the Board of Directors.

Section 4.3. Terms. Officers shall serve a term of one (1) year, or until their successors are elected and qualified.

Section 4.4. Duties.

(a) President: The President shall preside at all meetings of the Foundation and of the Board of Directors, shall have the general powers and duties of supervision and

management of the Foundation, and shall perform such other duties as may be prescribed by the Board.

(b) Secretary: The Secretary shall keep the minutes of all meetings of the Foundation and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board.

(c) Treasurer: The Treasurer shall have custody of all funds and securities of the Foundation, shall keep accurate books of account, and shall perform such other duties as may be prescribed by the Board.

ARTICLE V: COMMITTEES

Section 5.1. Committees. The Board of Directors may create such committees as it deems necessary to carry out the work of the Foundation.

Section 5.2. Committee Chairs. Each committee shall have a chairperson who shall be appointed by the President with the approval of the Board of Directors.

Section 5.3. Committee Reports. Each committee shall report to the Board of Directors at least once per year.

Section 5.4 Audit Committee. If required by Section 6.3 or by applicable law, the Foundation shall appoint an Audit Committee, whether standing or appointed by the Board of Directors from time to time, and shall not include paid or unpaid staff or employees of the Foundation, including, if staff members or employees, the President, or the Treasurer. If there is a finance committee, members of the finance committee shall constitute less than 50% of the membership of the Audit Committee and the chairperson of the Audit Committee shall not be a member of the finance committee. Subject to the supervision of the Board of Directors, the Audit Committee shall:

- (a) Make recommendations to the Board of Directors on the retention and termination of the CPA;
- (b) Negotiate the CPA's compensation, on behalf of the Board of Directors;
- (c) Confer with the CPA to satisfy the Audit Committee members that the financial affairs of the Corporation are in order;
- (d) Review and determine whether to accept the audit; and
- (e) Approve non-audit services by the CPA and ensure such services conform to the standards for auditor independence set forth in the United States Comptroller General's Yellow Book or as prescribed by the Attorney General.

ARTICLE VI: BOOKS AND REPORTS

Section 6.1 Books and Records. The Foundation shall keep or cause to be kept adequate and correct books and records of account and minutes of the proceedings of the Board of Directors and committees of the Board of Directors.

Section 6.2 Annual Reports. The Annual Report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Foundation that such statements were prepared without audit from the books and records of the Foundation. Except as otherwise provided below in these bylaws, the Board of Directors shall cause an annual report (the "Annual Report") to be sent to the Directors not later than one hundred twenty days after the close of the Foundation's fiscal year, which fiscal year shall be the calendar year unless otherwise provide by the Board of Directors. The Annual Report shall state in appropriate detail the following:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the Foundation, both unrestricted and restricted to particular purposes, during the fiscal year;
- (d) The expenses or disbursements of the Foundation, for both general and restricted purposes, during the fiscal year; and
- (e) Any information required by Section 6322 of the Nonprofit Corporation Law.

Section 6.3 Nonprofit Integrity Act. In any fiscal year in which the Foundation receives or accrues gross revenues of two million dollars or more (excluding grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received), the Board of Directors shall:

- (a) Prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public account (the "CPA") in conformity with generally accepted auditing standards;
- (b) Make the audit available to the Attorney General and to the public within nine (9) months after the close of the fiscal year to which the statements relate;
- (c) Make the audited financial statements available to the public on the same basis that the Internal Revenue Service Form 990 is required to be made available; and
- (d) Appoint an Audit Committee.

ARTICLE VII GRANTS- CONTRACTS- LOANS

Section 7.1 Grants. The making of grants and contributions, and otherwise rendering financial assistance for the purposes of the Foundation, may be authorized by the Board of Directors. The Board of Directors may authorize any officer or officers, agent or agents, in the name of and on behalf of the Corporation, to make any such grants, contributions, or assistance.

Section 7.2 Execution of Contracts. The Board of Directors may authorize any officer, employee, or agent, in the name and on behalf of the Foundation, to enter into any contract or execute and satisfy any instrument, and any such authority may be general or confined to specific instances or otherwise limited. In the absence of any action by the Board of Directors to the contrary, the President shall be authorized to execute such instruments on behalf of the Foundation.

Section 7.3 Loans. The President or any other officer, employee, or agent authorized by these bylaws or by the Board of Directors may effect loans and advances at any time for the Foundation from any bank, -trust company, or other institution or from any firm, corporation, or individual and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other certificates or evidences of indebtedness of the Foundation, and when authorized by the Board of Directors so to do, may pledge and hypothecate or transfer assets of the Foundation as security for any such loans or advances. Such authority conferred by the Board of Directors may be general or confined to specific instances or otherwise limited.

Section 7.4 Checks, Drafts, Etc. All checks, drafts, and other orders for the payment of money out of the funds of the Foundation and all notes or other evidences of indebtedness of the Foundation shall be signed on behalf of the Foundation in such manner as shall from time to time be- determined by resolution of the Board of Directors.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 8.1 Indemnification. The Directors and officers shall be indemnified and held harmless to the extent and in the manner permitted in California Nonprofit Corporation Law.

Section 8.2 Insurance. The Foundation shall have power to purchase and maintain insurance on behalf of any agent of the Foundation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Foundation would have the power to indemnify the agent against such liability under the provisions of this section; provided, however, that the Foundation shall have no power to purchase and maintain such insurance to indemnify any agent of the Foundation for a violation of Section 5233 of the Nonprofit Corporation Law (relating to self-dealing transactions).

ARTICLE IX: AMENDMENTS

Section 9.1. Amendments. These bylaws may be amended at any meeting of the Foundation by a two-thirds vote of the entire Board of Directors, provided that notice of the proposed amendment has been given to the members at least thirty (30) days prior to the meeting.

These bylaws were adopted by the Board of Directors on [DATE].