

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 22
HELD AT THE OFFICE OF THE DISTRICT;
AND AT THE KENNETH HAHN HALL OF ADMINISTRATION
VIA TELECONFERENCE

June 26, 2024
1:30 o'clock, P.M.

The Board of Directors of County Sanitation District No. 22 of Los Angeles County met in regular session both in person and via teleconference.

There were present: April Verlato, Director from Arcadia
Robert Gonzales, Director from Azusa
Richard Barakat, Alternate Director from Bradbury
Vinh Truong, Director from Duarte
Mendell Thompson, Director from Glendora
Albert Ambriz, Director from Irwindale
Tim Hepburn, Director from La Verne
Becky Shevlin, Director from Monrovia
Emmett Badar, Director from San Dimas
Nancy Tragarz, Director from Walnut
Brian Tabatabai, Director from West Covina
Lindsey Horvath, Director from Los Angeles County, via teleconference

Absent: Emmanuel Estrada, Director from Baldwin Park
John King, Director from Covina

Also present: Kimberly S. Christensen, Secretary to the Board
Kelly Alhadef-Black, District Counsel

Upon motion of Director Barakat, duly seconded and unanimously carried by a roll-call vote, Director Truong was elected Chairperson pro tem.

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 Hepburn, duly seconded and unanimously carried by a roll-call vote, the minutes of the regular meeting held May 22, 2024, were approved.

RE: DISTRICT EXPENSES
The following expenses for the month of March 2024, were presented and upon motion of Director Hepburn, duly seconded and unanimously carried by a roll-call vote, were approved:

Local District Expenses:

Operations & Maintenance	<u>\$4,828</u>
Total Expenses	<u>\$4,828</u>

RE: INVESTMENT POLICY
ADOPT
As part of the continuing effort to ensure the Districts follow best practices as it relates to financial matters, revisions to the Investment Policy (Policy) are being recommended. The Policy establishes the practices under which the Districts invest reserves until such time as they are needed to meet expenses and identifies what types of investments are allowable. Proposed revisions would grant permission to invest in shared investment pools comprised of other California public agencies. A letter summarizing the proposed changes was attached to the agenda. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to adopt the Policy.

The Assistant Chief Engineer and Assistant General Manager introduced Mr. Matt Eaton, Deputy Assistant Chief Engineer and Department Head of Financial Management, to provide a brief presentation regarding Policy revisions.

Mr. Eaton stated that one uniform Policy is adopted by every District. The Policy sets the objectives of the investment program, which include safety of the principal, liquidity, and the market rate of the return. The Policy defines the types of investments that are allowed.

The current Policy allows investment with the County's Pooled Surplus Investment Funds (PSIF). The proposed change would allow investment in other similar shared investment pools comprised solely of California public agencies. These investment pools could provide for potentially greater returns depending on market conditions and would reduce overall risk due to added diversification.

Two new potential investments were shown on a slide. The California Asset Management Program (CAMP) Pool consists of \$18.4 billion in assets. The CAMP Pool was established in 1989 and has an S&P rating of AAAM. California Cooperative Liquid Assets Securities System (CLASS) consists of \$407 million in assets. CLASS was established in 2022 and has an S&P rating of AAAM. The pools were formed by government entities and operate under Joint Power Agreements.

In May, the Personnel Committee endorsed the revisions to the Policy. The Policy will be presented to individual Boards for approval in June and July. In August, staff will begin process of establishing accounts with the new pools and will include them as part of the Districts' investment strategy.

Upon motion of Director Hepburn, duly seconded and unanimously carried by a roll-call vote, the Investment Policy was adopted.

RE: APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2024-25
ESTABLISH AND ADOPT

The Assistant Chief Engineer and Assistant General Manager stated that all agendas include an item to establish the appropriations limit on the proceeds of taxes, adopt the final operating budget, request the tax levy, and authorize appropriations per the operating budget. The Joint Outfall System (JOS) is in a good financial position and reserves are at target. The Capital Improvement Program (attached to the agenda), which was developed by the Financial Management Department, provides a brief overview of the JOS, the Districts' mission and core values, budget objective, major projects (including The Clearwater Project, Sewer Rehabilitation, Pure Water Southern California Program, Seismic Resiliency Program, and Emerging Regulatory Concerns). She advised that the Capital Improvement Plan will cost approximately \$318 million.

A letter discussing the 2024-25 fiscal year budget matters accompanied the agenda. The Government Code requires the governing body of each local jurisdiction to establish, by resolution, an appropriations limit for each fiscal year. The documentation used in the determination of the appropriations limits must be available 15 days prior to this action being taken. The method by which the Districts' appropriations limits were calculated has been available to the public at the Districts' Joint Administration Office since May 15, 2024, and was provided to the Directors with the letter of May 30, 2024, mailed with the agenda. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to plan for both short-term and long-term needs to minimize the need for significant rate increases.

The appropriations limit for fiscal year 2024-25 has been determined by adjusting the previous fiscal year's limits using the factors specified in the Government Code. The appropriations limit has also been adjusted to include mandated costs, all in accordance with the procedures outlined in Article XIII B of the Constitution and Section 7910 of the Government Code. A recommendation was made that, in order to comply with legal requirements, this Board adopt an appropriations limit of \$18,474,154 for fiscal year 2024-25.

Upon motion of Director Hepburn, duly seconded and unanimously carried by a roll-call vote, the following resolution was adopted:

BE IT RESOLVED, that pursuant to Section 7910 of the Government Code of the State of California, the Board of Directors of County Sanitation District No. 22 of Los Angeles County does hereby establish and adopt an appropriations limit of \$18,474,154 for fiscal year 2024-25, utilizing the population change and the change in the personal per capita income.

RE: BUDGET 2024-25
OPERATING FUND

In a letter dated May 30, 2024, to the Board, matters were discussed pertaining to the budget for the 2024-25 fiscal year. A sewerage system final budget for the 2024-25 fiscal year was presented and a recommendation was made that the budget be adopted.

Upon motion of Director Hepburn, duly seconded and unanimously carried by a roll-call vote, the sewerage system final budget for 2024-25 was approved, adopted, and ordered filed.

RE: TAX LEVY
OPERATING FUND

Data for the tax levy necessary for the Operating Fund was presented and a recommendation was made that the tax levy be requested in accordance therewith.

Upon motion of Director Hepburn, duly seconded and unanimously carried by a roll-call vote, the following resolution was adopted:

BE IT HEREBY DETERMINED, RESOLVED, AND ORDERED AS FOLLOWS:

That pursuant to the provisions of Article 6, Section 4815 of the County Sanitation District Act (Chapter 3, Part 3, Division V, of the Health & Safety Code of the State of California), the Board of Directors of County Sanitation District No. 22 of Los Angeles County does hereby find and declare that the sum of \$6,462,000 is and will be the amount necessary to maintain, operate, extend, or repair any work or improvements of the District for the collection, treatment, and disposal of sewage, and to defray all other expenses incidental to the exercise of any of the District's powers, except the amounts necessary to acquire, construct, maintain, and operate a refuse transfer or disposal system, or both, and any other expenses incidental to the operation of the system during the ensuing year and prior to the annual levy of taxes for the fiscal year 2025-26, and the Board of Supervisors of Los Angeles County is hereby requested to cause to be levied and collected at the same time and in the same manner as the next general tax levy for the County a tax upon the real property in the District, in an amount sufficient to raise the required amount, to wit: \$6,462,000, to be paid into the County Treasury to the credit of the Operating Fund of the District.

The Secretary is hereby instructed to furnish a copy of this resolution and statement to the Board of Supervisors of Los Angeles County at least fifteen (15) days before the first day of September 2024.

RE: APPROPRIATIONS
OPERATING FUND 2024-25

Upon motion of Director Hepburn, duly seconded and unanimously carried by a roll-call vote, the appropriations from the Operating Fund for fiscal year 2024-25 were ordered made as shown in the Operating Fund Final Wastewater Budget that was attached to the agenda.

Upon motion of Director Gonzales, duly seconded and unanimously carried, the meeting was adjourned.

VINH TRUONG
Chairperson pro tem

ATTEST:

KIMBERLY S. CHRISTENSEN
Secretary

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