

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

October 10, 2024
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: Austin Bishop, Director from Palmdale
Kathryn Barger, Alternate Director from Los Angeles County
Marvin Crist, Chairperson pro tem, Alternate Director from Lancaster

Absent: None

Also present: Kimberly S. Christensen, Secretary to the Board
Robert Ferrante, Chief Engineer and General Manager
Brant Dveirin, District Counsel

The Chairperson pro tem opened the meeting and welcomed Directors, staff, and the public. He called upon Director Bishop to lead the Pledge of Allegiance.

He advised that in accordance with the Brown Act, the Secretary would announce the amount of compensation each Director is entitled to receive per meeting. The Secretary made the announcement that in accordance with the disclosure requirements of Government Code Section 54952.3, each member of the Districts' Boards of Directors meeting today is entitled to receive compensation in the amount of \$125 for each meeting attended.

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 to Board on any matters.

RE: MINUTES
Upon motion of Director Barger, duly seconded and unanimously carried, the minutes of the regular meeting held September 12, 2024, were approved.

RE: DISTRICT EXPENSES
The following expenses for the month of July 2024, were presented and upon motion of Director Barger, duly seconded and unanimously carried, were approved:

Local District Expenses:	
Operations & Maintenance	\$1,538,085
Capital	347,272
Legal	5,228
Allocated Expenses:	
Joint Administration	205,642
Technical Support	194,466
Legal	4,312
Total Expenses	<u>\$2,295,005</u>

RE: ANNEXATION NO. 456
RESOLUTIONS AUTHORIZING
APPLICATION TO LOCAL AGENCY
FORMATION COMMISSION AND
APPROVING NEGOTIATED
EXCHANGE OF PROPERTY
TAX REVENUES - ADOPT
Annexation No. 456 consists of 151 proposed single-family homes and four proposed detention basins in the City of Palmdale. Each annexation to the District's service area requires adoption of two resolutions by the Board. The first resolution authorizes submittal of the annexation application to Local Agency Formation Commission (LAFCO), approves the California Environmental Quality Act (CEQA) document, and consents to a waiver of the

LAFCO protest hearing. The second resolution is a joint resolution with agencies that already provide services to the proposed annexation territory agreeing to the amount of property tax revenue that will be apportioned to the District in accordance with the Revenue and Taxation Code. A data sheet, map, Notice of Finding, and the CEQA document were attached to the agenda. A recommendation was made that the Board adopt a resolution for making

an application to LAFCO for annexation; review, consider and find adequate the CEQA document; and consents to a waiver of protest proceedings. Furthermore, a recommendation was made that the Board adopt a joint resolution with the County of Los Angeles, Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Palmdale, Antelope Valley - East Kern Water Agency, and Quartz Hill Water District approving and accepting the negotiated exchange of property tax revenues resulting from annexation.

Upon motion of Director Bishop, duly seconded and unanimously carried, the Board of Directors of County Sanitation District No. 14 of Los Angeles County does hereby approve the Joint Resolution of the Board of Supervisors of the County of Los Angeles, the governing bodies of the Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Palmdale, Antelope Valley - East Kern Water Agency, and Quartz Hill Water District, and this Board of Directors, approving and accepting the negotiated exchange of property tax revenues resulting from Annexation No. 456 to the District, a copy of which is on file at the Office of the District and by reference incorporated herein as though fully set forth; and the Chairperson and Secretary are authorized to execute the Joint Resolution on behalf of the District. Furthermore, the following resolution was adopted:

RESOLUTION

WHEREAS, the Board of Directors of County Sanitation District No. 14 of Los Angeles County, hereinafter referred to as "District", desires to commence proceedings for the annexation to District of certain territory, described in Exhibit "A", attached hereto and by reference incorporated as a part hereof; and

WHEREAS, said Board of Directors does hereby certify that it has reviewed and considered the environmental documents submitted for the proposed annexation and found said environmental documents to be adequate;

NOW, THEREFORE, said Board of Directors does HEREBY RESOLVE, FIND, AND DECLARE as follows:

1. Application and a proposal is hereby made to the Local Agency Formation Commission of Los Angeles County for a change of organization as follows:
 - (a) This proposal is made pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 commencing with Section 56000, Government Code, State of California.
 - (b) The nature of the proposed change of organization and the name of the District for which such change of organization is proposed are as follows:

The annexation of the territory described in Exhibit "A" hereof to County Sanitation District No. 14 of Los Angeles County.
 - (c) The names of all other affected counties, Districts, or cities are as follows:

Counties: None
Districts: None
Cities: Lancaster and Palmdale
 - (d) The territory is uninhabited. A description of the exterior boundaries of such territory is set forth in Exhibit "A" hereof.
 - (e) It is desired that the proposed annexation provide for and be made subject to the following terms and conditions:
 - (1) The retention by District of the deposited sum of \$15,000.00 as the fee required by the Board of Directors for said annexation.
 - (2) The negotiated exchange of property tax revenues between affected agencies resulting from said annexation to District.
 - (f) The reasons for this proposal are as follows:

- (1) The District is empowered to and is engaged in providing sewerage facilities which can best serve the territory proposed to be annexed with sewage disposal service. Based on the information provided by the property owners, the District's sewerage facilities have or, in accordance with current policy, will have adequate capacity to collect, treat, and dispose of the wastewater anticipated to be generated on the subject property. Actual sewer hook-up will not be allowed until payment of the connection fee and shall be subject to all circumstances then existent including the availability of capacity. Disposal of the treated wastewater will be in accordance with waste discharge permits issued by the appropriate California Regional Water Quality Control Board.
 - (2) Said territory is proposed to be developed, and the property owners have requested in writing that the territory be provided with sewage disposal service.
 - (3) Said territory must be annexed to District before sewage disposal service is provided.
 - (g) This proposal is consistent with the sphere of influence of the District.
 - (h) In accordance with the requirements of California Health & Safety Code Section 4830, the territory subject to this annexation will benefit from the annexation.
 - (i) It is hereby requested that proceedings be taken for the change of organization proposed, according to the terms and conditions stated above and in a manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
2. Said District consents to waiver of protest proceedings pursuant to Section 56663 of the Government Code.
 3. The Clerk of the District is hereby authorized and directed to file a certified copy of this resolution with the Executive Officer of the Local Agency Formation Commission of Los Angeles County.

RE: ANNEXATION NO. 457
 RESOLUTIONS AUTHORIZING
 APPLICATION TO LOCAL AGENCY
 FORMATION COMMISSION AND
 APPROVING NEGOTIATED
 EXCHANGE OF PROPERTY
 TAX REVENUES - ADOPT

Annexation No. 457 consists of 109 proposed single-family homes within the City of Lancaster. Each annexation to the District's service area requires adoption of two resolutions by the Board. The first resolution authorizes submittal of the annexation application to Local Agency Formation Commission (LAFCO), approves the California Environmental Quality Act (CEQA) document, and consents to a waiver of the LAFCO protest hearing. The second

resolution is a joint resolution with agencies that already provide services to the proposed annexation territory agreeing to the amount of property tax revenue that will be apportioned to the District in accordance with the Revenue and Taxation Code. A data sheet, map, Notice of Finding, and the CEQA document were attached to the agenda. A recommendation was made that the Board adopt a resolutions for making an application to LAFCO for annexation; review, consider and find adequate the CEQA document; and consent to a waiver of protest proceedings. Furthermore, a recommendation was made that the Board adopt a joint resolution with the County of Los Angeles, Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Lancaster, and Antelope Valley - East Kern Water Agency, approving and accepting the negotiated exchange of property tax revenues resulting from annexation.

Upon motion of Director Bishop, duly seconded and unanimously carried, the Board of Directors of County Sanitation District No. 14 of Los Angeles County does hereby approve the Joint Resolution of the Board of Supervisors of the County of Los Angeles, the governing bodies of the Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Lancaster, and Antelope Valley - East Kern Water Agency, and this Board of Directors, approving and accepting the negotiated exchange of property tax revenues resulting from Annexation No. 457 to the District, a copy of which is on file at the Office of the District and by reference incorporated herein as though fully set forth; and the Chairperson and Secretary are authorized to execute the Joint Resolution on behalf of the District. Furthermore, the following resolution was adopted:

RESOLUTION

WHEREAS, the Board of Directors of County Sanitation District No. 14 of Los Angeles County, hereinafter referred to as "District", desires to commence proceedings for the annexation to District of certain territory, described in Exhibit "A", attached hereto and by reference incorporated as a part hereof; and

WHEREAS, said Board of Directors does hereby certify that it has reviewed and considered the environmental documents submitted for the proposed annexation and found said environmental documents to be adequate;

NOW, THEREFORE, said Board of Directors does HEREBY RESOLVE, FIND, AND DECLARE as follows:

1. Application and a proposal is hereby made to the Local Agency Formation Commission of Los Angeles County for a change of organization as follows:
 - (a) This proposal is made pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 commencing with Section 56000, Government Code, State of California.
 - (b) The nature of the proposed change of organization and the name of the District for which such change of organization is proposed are as follows:

The annexation of the territory described in Exhibit "A" hereof to County Sanitation District No. 14 of Los Angeles County.
 - (c) The names of all other affected counties, Districts, or cities are as follows:

Counties: None

Districts: None

Cities: Lancaster and Palmdale
 - (d) The territory is uninhabited. A description of the exterior boundaries of such territory is set forth in Exhibit "A" hereof.
 - (e) It is desired that the proposed annexation provide for and be made subject to the following terms and conditions:
 - (1) The retention by District of the deposited sum of \$10,300.00 as the fee required by the Board of Directors for said annexation.
 - (2) The negotiated exchange of property tax revenues between affected agencies resulting from said annexation to District.
 - (f) The reasons for this proposal are as follows:
 - (1) The District is empowered to and is engaged in providing sewerage facilities which can best serve the territory proposed to be annexed with sewage disposal service. Based on the information provided by the property owners, the District's sewerage facilities have or, in accordance with current policy, will have adequate capacity to collect, treat, and dispose of the wastewater anticipated to be generated on the subject property. Actual sewer hook-up will not be allowed until payment of the connection fee and shall be subject to all circumstances then existent including the availability of capacity. Disposal of the treated wastewater will be in accordance with waste discharge permits issued by the appropriate California Regional Water Quality Control Board.
 - (2) Said territory is proposed to be developed, and the property owners have requested in writing that the territory be provided with sewage disposal service.
 - (3) Said territory must be annexed to District before sewage disposal service is provided.
 - (g) This proposal is consistent with the sphere of influence of the District.
 - (h) In accordance with the requirements of California Health & Safety Code Section 4830, the territory subject to this annexation will benefit from the annexation.

- (i) It is hereby requested that proceedings be taken for the change of organization proposed, according to the terms and conditions stated above and in a manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
- 2. Said District consents to waiver of protest proceedings pursuant to Section 56663 of the Government Code.
- 3. The Clerk of the District is hereby authorized and directed to file a certified copy of this resolution with the Executive Officer of the Local Agency Formation Commission of Los Angeles County.

RE: ANNEXATION NO. 458
 RESOLUTIONS AUTHORIZING
 APPLICATION TO LOCAL AGENCY
 FORMATION COMMISSION AND
 APPROVING NEGOTIATED
 EXCHANGE OF PROPERTY
 TAX REVENUES - ADOPT

Annexation No. 458 consists of one proposed recreational vehicle storage facility and one proposed self-storage facility within the City of Lancaster. Each annexation to the District's service area requires adoption of two resolutions by the Board. The first resolution authorizes submittal of the annexation application to Local Agency Formation Commission (LAFCO), approves the California Environmental Quality Act (CEQA) document, and consents to a

waiver of the LAFCO protest hearing. The second resolution is a joint resolution with agencies that already provide services to the proposed annexation territory agreeing to the amount of property tax revenue that will be apportioned to the District in accordance with the Revenue and Taxation Code. A data sheet, map, Notice of Finding, and CEQA document were attached to the agenda. A recommendation was made that the Board adopt a resolution for making an application to LAFCO for annexation; review, consider and find adequate the CEQA document for annexation; and consent to a waiver of protest proceedings. Furthermore, a recommendation was made that the Board adopt a joint resolution with the County of Los Angeles, Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Lancaster, and Antelope Valley - East Kern Water Agency, approving and accepting the negotiated exchange of property tax revenues resulting from annexation.

Upon motion of Director Bishop, duly seconded and unanimously carried, the Board of Directors of County Sanitation District No. 14 of Los Angeles County does hereby approve the Joint Resolution of the Board of Supervisors of the County of Los Angeles, the governing bodies of the Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Lancaster, and Antelope Valley - East Kern Water Agency, and this Board of Directors, approving and accepting the negotiated exchange of property tax revenues resulting from Annexation No. 458 to the District, a copy of which is on file at the Office of the District and by reference incorporated herein as though fully set forth; and the Chairperson and Secretary are authorized to execute the Joint Resolution on behalf of the District. Furthermore, the following resolution was adopted:

RESOLUTION

WHEREAS, the Board of Directors of County Sanitation District no. 14 of Los Angeles County, hereinafter referred to as "District", desires to commence proceedings for the annexation to District of certain territory, described in Exhibit "A", attached hereto and by reference incorporated as a part hereof; and

WHEREAS, said Board of Directors does hereby certify that it has reviewed and considered the environmental documents submitted for the proposed annexation and found said environmental documents to be adequate;

NOW, THEREFORE, said Board of Directors does HEREBY RESOLVE, FIND, AND DECLARE as follows:

- 1. Application and a proposal is hereby made to the Local Agency Formation Commission of Los Angeles County for a change of organization as follows:
 - (a) This proposal is made pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 commencing with Section 56000, Government Code, State of California.
 - (b) The nature of the proposed change of organization and the name of the District for which such change of organization is proposed are as follows:

The annexation of the territory described in Exhibit "A" hereof to County Sanitation District No. 14 of Los Angeles County.

- (c) The names of all other affected counties, Districts, or cities are as follows:
 - Counties: None
 - Districts: None
 - Cities: Lancaster and Palmdale
- (d) The territory is uninhabited. A description of the exterior boundaries of such territory is set forth in Exhibit "A" hereof.
- (e) It is desired that the proposed annexation provide for and be made subject to the following terms and conditions:
 - (1) The retention by District of the deposited sum of \$10,000.00 as the fee required by the Board of Directors for said annexation.
 - (2) The negotiated exchange of property tax revenues between affected agencies resulting from said annexation to District.
- (f) The reasons for this proposal are as follows:
 - (1) The District is empowered to and is engaged in providing sewerage facilities which can best serve the territory proposed to be annexed with sewage disposal service. Based on the information provided by the property owners, the District's sewerage facilities have or, in accordance with current policy, will have adequate capacity to collect, treat, and dispose of the wastewater anticipated to be generated on the subject property. Actual sewer hook-up will not be allowed until payment of the connection fee and shall be subject to all circumstances then existent including the availability of capacity. Disposal of the treated wastewater will be in accordance with waste discharge permits issued by the appropriate California Regional Water Quality Control Board.
 - (2) Said territory is proposed to be developed, and the property owners have requested in writing that the territory be provided with sewage disposal service.
 - (3) Said territory must be annexed to District before sewage disposal service is provided.
- (g) This proposal is consistent with the sphere of influence of the District.
- (h) In accordance with the requirements of California Health & Safety Code Section 4830, the territory subject to this annexation will benefit from the annexation.
- (i) It is hereby requested that proceedings be taken for the change of organization proposed, according to the terms and conditions stated above and in a manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

2. Said District consents to waiver of protest proceedings pursuant to Section 56663 of the Government Code.

3. The Clerk of the District is hereby authorized and directed to file a certified copy of this resolution with the Executive Officer of the Local Agency Formation Commission of Los Angeles County.

RE: CITY OF LANCASTER PROPOSAL TO ANNEX TERRITORY IN UNINCORPORATED COUNTY OF LOS ANGELES INCLUDING LANCASTER WATER RECLAMATION PLANT DISCUSS

The Chief Engineer and General Manager advised that the City of Lancaster (City) is proposing to annex approximately 7,000 acres of unincorporated County of Los Angeles (County) territory located north of the City. Most of the land is outside of the District's service area and is primarily undeveloped with scattered rural residences,

mobile home parks, and industrial uses. The area to be annexed includes the Lancaster Water Reclamation Plant (WRP), which, following the annexation, will be in the jurisdiction of the City. As part of the annexation process, District staff was previously advised the City has also requested that the Local Agency Formation Commission for the County also annex all the land into the District's service area.

Showing a map, he advised that District staff does not have any concerns about Lancaster WRP changing jurisdiction from County to City provided that the City does not permit construction of incompatible uses (schools, homes) adjacent or near the WRP. Staff also checked with the County Supervisor's office and they have no concerns either.

Although the agenda summary stated that the City wants this entire area to also be annexed to the District No. 14 service area as part of this process, staff has now received clarification from the City that they only in fact want two specific developments, as was shown on a map, to be annexed to District No. 14 in order to expedite the development process.

The Chair pro tem asked Ms. Larissa De La Cruz, Assistant City Manager, if she had anything to add. She indicated District staff gave a good summary.

The Chief Engineer and General Manager advised that the tax sharing resolutions for these annexations will still be brought before the Board in the future for approval and no action is required at this time.

RE: CITY OF LANCASTER PROPOSAL TO ACQUIRE THROUGH EMINENT DOMAIN DISTRICT PROPERTY AT LANCASTER WATER RECLAMATION PLANT EASTERN AGRICULTURAL SITE - DISCUSS

The Chief Engineer and General Manager introduced Mr. Ray Tremblay, Department Head of Facilities Planning.

Using a PowerPoint presentation, Mr. Tremblay advised that the District owns approximately 4,710 acres of land at the Lancaster Water Reclamation Plant (WRP) Eastern Agricultural Site (EAS) and leases 2,880 acres to High Desert Dairy–Van Dam, LLC, (Van Dam) for cultivation of fodder crops using recycled water from the Lancaster WRP that is not used for municipal reuse purposes. The District acquired the land approximately 15 years ago both from willing sellers and via eminent domain in order to implement the Lancaster WRP 2020 Facilities Plan, which called for management of the recycled water via agricultural reuse on land controlled by the District until municipal reuse utilizes all the water. Among the remaining 1,830 acres, the District leases 1,149 acres to Calandri Farms, LLC, (Calandri) for cultivation of vegetable crops using groundwater in order to maximize productive use of the land until needed for agricultural reuse. The City of Lancaster (City) has expressed interest in acquiring through eminent domain the approximately 1,830 acres not yet used by the District for recycled water management in order to develop a solar-to-hydrogen project. Due to water conservation and the anticipated increase in municipal reuse in the future, it is possible the District will not need to use the remaining 1,830 acres for agricultural reuse. Provided the City agrees to indemnify the District, manage all recycled water in excess of what the District can utilize at the 2,880-acre reuse site, and pay fair market value compensation for the land, any improvements thereon and the value of the Calandri lease, staff recommends negotiating an agreement that will permit the City to acquire fee title to the 1,830 acres via eminent domain, which the District will not oppose. In addition to the agreement conditions described, the City would also need to work with District staff and Calandri to modify the lease with the District. If the terms of the proposed agreement are acceptable, an agreement with the City would be presented to the Board at a future meeting for consideration and approval.

Mr. Tremblay advised that the next steps are to prepare the agreement with the City, which will act as a "roadmap" to complete this transaction with the anticipated schedule to present the agreement to the Board for approval in the next few months; complete the appraisal of the property in early 2025; and then the City completes the eminent domain process by mid-2025.

In response to the Chairperson pro tem, Mr. Tremblay noted that the farmer grows hay on the agricultural lease in managing the recycled water until the City uses it.

The Chairperson pro tem called up Mr. Jason Caudle, Chief Executive Officer of Lancaster Energy to the podium. Mr. Caudle indicated that the City is very positive about hydrogen and that hydrogen demand exceeds production. Lancaster Energy has determined that large scale solar in the Antelope Valley is the perfect solution to generate hydrogen due to all of the area's sunshine. The challenge is obtaining large-scale properties and this site fits the need. He is anticipating that the 1,700 acres of solar would yield 22,000 tons of hydrogen per year. This part of Los Angeles County could produce up to 44,000 tons of hydrogen per year, equivalent to Los Angeles/Long Beach Port needs for hydrogen as vehicle fuel. The Antelope Valley has a unique and valuable opportunity, and the Mayor and Vice Mayor of the City are in support of this initiative and this project is integral to this goal.

In response to the Chairperson pro tem, Mr. Caudle responded that he is absolutely in agreement with the proposed course of action. He also advised that he does not have any concerns with managing recycled water in the future. He stated that the recycled water can be used for purple pipe or to make hydrogen.

In response to Director Barger, the Chief Engineer and General Manager advised that she does not have potential conflicts of interest related to the future Calandri lease amendment at this time because the Board item is for discussion only.

In response to Director Barger, the Chief Engineer and General Manager reviewed that the land was acquired for the management of recycled water amounts based on population growth and flow predictions from 20 years ago. Since the Districts acquired the land by eminent domain for a specific purpose, the land cannot be used for anything else. If another agency has a higher and better use for the land, the District will not oppose the City's condemnation for its use.

The meeting was adjourned by the Chairperson pro tem.

MARVIN CRIST
Chairperson pro tem

ATTEST:

KIMBERLY S. CHRISTENSEN
Secretary

/ee