

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 8
HELD AT THE OFFICE OF THE DISTRICT
VIA TELECONFERENCE

July 14, 2021
1:30 o'clock, P.M.

The Board of Directors of County Sanitation District No. 8 of Los Angeles County met in regular session via teleconference.

There were present: Lula Davis-Holmes, Director from Carson
Robert Garcia, Director from Long Beach
Hilda Solis, Director from Los Angeles County
Joe Buscaino, Chairperson, Alternate Director from Los Angeles City

Absent: Aja Brown, Director from Compton

Also present: Kimberly S. Christensen, Secretary to the Board
Wes Beverlin, District Counsel

RE: PUBLIC COMMENT The Chairperson 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 Solis, duly seconded and unanimously carried by a roll-call vote, the minutes of the regular meeting held June 9, 2021, were approved.

RE: DISTRICT EXPENSES The following expenses for the month of April 2021 were presented and upon motion of Director Solis, duly seconded and unanimously carried by a roll-call vote, were approved:

Local District Expenses:	
Operations & Maintenance (O & M)	\$ 100,505.54
Capital	558,584.67
Allocated Expenses:	
Joint Administration	175,984.79
Technical Support	314,119.42
Joint Outfall	759,684.94
Total Expenses	<u>\$1,908,879.36</u>

RE: FACILITIES PLANNING - WILMINGTON ATHLETIC COMPLEX - TERMINATE LEASE WILMINGTON JAYCEES FOUNDATION, INC. INTERIM LICENSE AGREEMENT - FRIENDS OF WILMINGTON SPORTS COMPLEX AUTHORIZE CHIEF ENGINEER AND GENERAL MANAGER TO EXECUTE AND ENTER INTO NEGOTIATIONS WITH CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS ON LONG-TERM LEASE

The Board of Directors of County Sanitation District No. 8 of Los Angeles County met in joint session with the Board of Directors of County Sanitation District No. 2 of Los Angeles County regarding the Wilmington Athletic Complex (WAC) located adjacent to the Joint Water Pollution Control Plant (JWPCP) on approximately 18-acres of Districts' property in the Wilmington neighborhood of the City of Los Angeles. In the 1960s, the Districts purchased the vacant land to act as buffer for JWPCP and support potential plant expansion. Starting in 1975, the Districts entered into a series of agreements with

the Jaycees, a local non-profit organization, to develop sports fields and ancillary improvements on the property and to organize sporting activities for the benefit of the local community. On March 10, 2021, Districts' staff reported to the Board concerns regarding the Jaycees' inability to satisfactorily operate and maintain the WAC, as well as their failure to construct certain necessary improvements. In response, the Board directed staff to reduce the term of the Lease with the Jaycees to month-to-month and initiate a process to select a new long-term operator. Staff will report on the proposals received and an alternative approach to the site operation from the City of Los Angeles' Department of Recreation and Parks. Staff has determined that these actions do not constitute a "Project" under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15378. As fee title holder

of the WAC, District No. 8 must approve the actions and District No. 2, as the administrative District, must approve the actions by District No. 8. This item is consistent with the Districts' Guiding Principle to protect financial and facility assets through prudent investment and maintenance programs.

The Chairperson announced this was the time for any questions or comments by members of the public. The Secretary stated that had she received one written comment, which was emailed to the Directors and posted on the Districts' website, and two requests to address the Board. The following individuals addressed the Board:

Mr. Dave Behar, representing the Wilmington Jaycees Foundation, Inc., (Jaycees) urged the Boards to vote in opposition of terminating the lease and accepting the lease with the City of Los Angeles Department of Recreation and Parks, which he claimed has not been seen by the public. He stated that the community wants to hear about the proposal for their own public comment. He stated that he was looking at a potential lawsuit with 14 counts that is to be filed against the City and County of Los Angeles. The challenge will extend to the Board members. He stated that he was looking at legal claims for obstruction, trademark infringement, discrimination, restraint of trade, fraud, misconduct, conflict of interest, unfair competition, identity theft, abuse of power, etc. He stated that Director Buscaino is being investigated federally in multiple instances, some associated with this. Not only were the Jaycees' hands cuffed because of COVID-19, the City has been wanting to take the property for a long time. The fact that they want to take control will become public.

There are other solutions to explore to make this a place for kids and youth. He urged the Boards to continue the lease with the Jaycees and the Vince Ferragamo Foundation. He stated that they are pursuing grant funding.

Mr. Charles Nelson, Joint Water Pollution Control Plant (JWPCP) Community Advisory Committee (CAC) Vice-Chair, stated that he supports staff's recommendation to terminate the lease with the Jaycees. The CAC has had discussions with Mr. Behar for some time. There are issues with integrity, transparency, and disclosure. He stated that this is about developing the sports fields and improving the facility on behalf of the community. He advised that he recently toured the facility. Plenty of time has passed to deal with the issues in a manner that is conducive to benefitting the community. On behalf of the CAC, he stated that it is in the best interest of delivering well deserved services to bring others in to give them a chance to improve the property. The Jaycees have had enough time..

The Chief Engineer and General Manager gave a brief presentation to update the Boards on the WAC in addition to the summary that was on the agenda. He stated that the Boards recently held a closed session meeting to discuss this matter.

Since the property is not currently needed for plant operations, the land is being leased in the interim. The lease agreements always consider the Districts' objectives, including use should be compatible and not interfere with the plant's operations; use should benefit the local community; and the site should be operated so that it is a financially self-sustaining sports complex (mostly soccer, baseball, and softball fields). The Jaycees have not met their maintenance and capital improvement responsibilities in the lease agreement. They have not provided an adequate level of service. The facility is deteriorated, as shown in photos at a previous meeting.

In March 2021, the Boards gave direction for staff to modify the term of the lease to month-to-month, allowing the Districts to terminate upon a 30-day notice and to solicit proposals for a new long-term operator. The Chief Engineer and General Manager reported that the Districts received three proposals from KIX Soccer Center, Friends of the Wilmington Sports Complex, (FWSC) and Vince Ferragamo Foundation. The proposals from KIX and Ferragamo were incomplete or not consistent with the Districts' vision. FWSC objected to the Districts' standard lease terms.

Districts' staff held previous discussions with the City of Los Angeles (City) to convert the property to a City-leased facility, run as a park and sports field with City programming. The City plan had merit, similar to the recent proposal in which the Districts leased ten acres to the city of Carson to expand Carriage Crest Park. The Districts feels that it is in the best interest for host cities to operate those facilities and benefit the local community consistent with the Districts' vision for the site. Unfortunately, the City's plan was derailed in April 2020 due to COVID-19 and funding issues. Recently, the Districts received a revised proposal from the City, which is sponsored by the 15th District (Councilmember Joe Buscaino) to partner with a non-profit to assist with operation and funding for capital improvements. A letter was received from Michael Shull, General Manager of the City of Los Angeles Department of Recreation and Parks, indicating the City's interest in leasing the site pending his Board of

Commissioners approval. While the Districts works with the City to obtain a long-term lease agreement, it is recommended that FSWC, the highest- rated proposer from the RFP process, would conduct interim operation and maintenance under a license agreement. FSWC will help with immediate improvement of facilities as well as fundraising for more extensive improvements. This allows sufficient time (approximately six months) for the Districts and City to prepare and execute a long-term lease.

He called upon Director Buscaino to speak on the matter.

Director Buscaino stated that we are at a critical point with the WAC. The fields have had no significant investment in the last 15 years, as discussed in the last meeting. He recognized the Jaycees Foundation for being part of the fabric of the Wilmington community for decade. We owe it to the youth and community of Wilmington to make the WAC better. The Jaycees have not been able to make the significant investments to deliver and fulfill their obligations in the lease agreement with the Districts. Now there is a \$4 million commitment from a non-profit to help deliver a sports complex that the community of Wilmington has been requesting and deserves. As previously mentioned by Mr. Ferrante, under the direction of Mike Shull, the City expressed interest in a lease prior to the pandemic. Now the city council and the Mayor are in favor of making a significant investment in parks programming and infrastructure. This falls in line with what is needed at the WAC under the direction of Mike Schull. Also, there is a potential partnership with the LA 28 Olympic Committee and the International Olympic Committee (IOC) for funding in preparations for the 2028 Olympics. Having all this in place would allow improvements to move forward. The WAC sits directly across from the Wilmington Boys and Girls Club which would partner with the City Department of Recreation and Parks and FSWC. He encouraged Directors to support staff recommendations with the knowledge that there is a risk of losing \$4 million investment and funding and giving the community access to the park. He thanked the Chief Engineer and General Manager, Districts' staff, and Chairperson Warner for their guidance and support.

The Chief Engineer and General Manager reviewed staff's recommendation to close the RFP process and inform all proposers they were not selected. The final lease with the City would be brought back to the Board for consideration in approximately six months.

Upon motion of Director Solis, duly seconded and unanimously carried by a roll-call vote, the Chief Engineer and General Manager, on behalf of the District, was authorized to take necessary actions to terminate the lease with the Wilmington Jaycees Foundation, Inc.; and execute an Interim License Agreement with Friends of Wilmington Sports Complex and to take all necessary steps to facilitate a change in the facility operator. Furthermore, the Board directed the Chief Engineer and General Manager to enter into negotiations with the City of Los Angeles Department of Recreation and Parks on a long-term lease.

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

JOE BUSCAINO
Chairperson

ATTEST:

KIMBERLY S. CHRISTENSEN
Secretary

/ak