

MINUTES OF THE ADJOURNED REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
COUNTY SANITATION DISTRICT NO. 14  
HELD AT THE OFFICE OF THE DISTRICT  
VIA TELECONFERENCE

November 9, 2020  
9:30 o'clock, A.M.

The Board of Directors of County Sanitation District No. 14 of Los Angeles County met pursuant to adjournment at the regular meeting held October 28, 2020, in the absence of all members. The Secretary reported that a copy of the Notice of Adjournment was posted as required by law and that proper affidavits of the posting are on file in the Secretary's Office.

There were present: Steven Hofbauer, Director from Palmdale  
Kathryn Barger, 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  
Brant Dveirin, District Counsel

RE: MINUTES Upon motion of Director Barger, duly seconded and unanimously carried by a roll-call vote, the minutes of the special meeting held September 10, 2020, were approved.

RE: DISTRICT EXPENSES The following expenses for the months of August and September 2020 were presented and upon motion of Director Barger, duly seconded and unanimously carried by a roll-call vote, were approved:

Local District Expenses:	
Operations & Maintenance (O & M)	\$2,195,765.70
Capital	261,947.95
Legal	108,231.75
Allocated Expenses:	
Joint Administration	242,521.85
Technical Support	261,599.83
Joint Outfall	8,291.39
Total Expenses	<u>\$3,078,358.47</u>

RE: JOINT ADMINISTRATION INVESTMENT POLICY AND WASTEWATER FINANCIAL RESERVE POLICY - ADOPT Having sound investment, debt management, and financial reserve policies is crucial to maintaining the Districts' financial stability. Changes are being proposed to the existing investment and wastewater financial reserve policies that will improve the Districts' performance with little to no risk. No changes are being proposed for the debt management policy. In October, the Personnel Committee (comprised of the Chairpersons of all the active Districts) unanimously endorsed the recommendations. A letter summarizing the proposed policies and changes, along with copies of the policies, were attached to the agenda. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship, and to protect financial and facility assets through prudent investment and maintenance programs. A recommendation was made that the Investment Policy and Wastewater Financial Reserve Policy be approved and adopted.

The Chief Engineer and General Manager briefed the Board on the three recommended investment policy changes. First, it is recommended to increase the limit on medium-term corporate notes (MTCNs) from 20 percent to 30 percent. This would make the Districts' policies consistent with Los Angeles County and most member cities. The next two recommendations formalize current practices. It is recommended to allow deposits in bank and savings and loan association deposits. It is also recommended to allow investment in money-market funds. These funds are used for short-term (normally seven days or less) investments during gaps in availability of other longer-term investments.

He briefed the Board on the three recommended changes to the reserve policies. First, it is recommended to eliminate the use of sinking funds. Sinking funds were originally intended for funding recurring capital replacement improvement projects. Second, it is recommended to expand the use of the Natural Disaster Fund to include funding Self-Insured Retention (SIR) costs. In July, the umbrella liability was renewed and increased from \$1 million to \$5 million. The umbrella liability policy first layer is \$5 million SIR. In the event of a claim, this fund can be used, reducing the risk to an individual District, and the District could repay over time and seek relief grants from FEMA and other grants. Third, it is recommended to modify the Capital Fund. The new connection fee ordinances allow for connection fee revenue to be used for all capital projects, whereas the previous ordinances required the funds to only be used for projects that increase capacity of the Districts' facilities. This revision to the wastewater reserve policies will make the reserve policies consistent with the new ordinances. The Personnel Committee met and endorsed and approved the changes to the policies.

Upon motion of Director Barger, duly seconded and unanimously carried by a roll-call vote, the Investment Policy and Wastewater Financial Reserve Policy of County Sanitation District No. 14 of Los Angeles County were considered, approved, and adopted.

RE: POTENTIAL USE OF DISTRICT'S  
PROPERTY FOR COMMUNITY GARDEN  
DISCUSS

The Chief Engineer and General Manager reported that at the September 10, 2020, Board meeting, the Board directed staff to investigate the possibility of allowing a portion of the District's unused land and water to be used

by local non-profit organizations to establish a community garden. This matter was discussed with the primary tenant farmers, Mr. Brandon Calandri and Mr. Craig Van Dam; both were supportive.

Mr. Van Dam's land lease is only supplied with recycled water. Currently, there is no excess recycled water available at Van Dam Farms. Staff has identified a potential site at Mr. Calandri's farm near a District-owned groundwater well. However, significant development costs will be required to make the site secure, safe, and useable. This site is remote from downtown Lancaster. Another alternative would be to use land at the Lancaster Water Reclamation Plant (WRP) and use the recycled water from the plant for a community garden. The location would be more attractive to local groups due to its proximity to the 14 Freeway, and it requires far less site development. This site is safe and secure. Use of this land also eliminates the need for a three-way agreement with one or more of the local farmers. Furthermore, use of the WRP site would provide the District with the opportunity for enhanced public outreach and education with those utilizing the site for a community garden. Staff is seeking the Board's direction on this matter.

In response to the Chairperson pro tem, the Chief Engineer and General Manager stated that Mr. Van Dam could accommodate plots of one to two acres on the corners of the land irrigated with center pivots, but there is no water available. Mr. Calandri is not utilizing all the land in his leasehold. He would be willing to make available one to two acres at the property adjacent to existing groundwater wells. The District has adequate quantities of available groundwater for a community garden. There is also an equivalent amount of land, if not more, available at the WRP that could use the recycled water from the plant. There would be enough recycled water to use for a community garden at the WRP.

The Chairperson pro tem stated that all of the sites should be reviewed. Board members can visit each site with the non-profit organizations to determine which site is more advantageous for a community garden.

Director Hofbauer stated that the Palmdale WRP area can also be included to provide an additional option.

The Chief Engineer and General Manager stated that a similar opportunity for a community garden at the Palmdale WRP can be discussed with the Board of Directors of District No. 20 at a future meeting.

The Chief Engineer and General Manager stated that it would be a good idea for the Directors to visit the two available sites for a community garden in District No. 14 with non-profit organizations, and that the two available sites are (1) on property leased by the District to Calandri Farms near 90th Street East and Avenue G; or (2) on the District's Lancaster WRP property near Avenue D and the 14 Freeway. The property leased by the District to Mr. Van Dam is not a viable site because he is currently utilizing all of the recycled water and there are no groundwater wells to use at this site.

The Chairperson pro tem restated that only Calandri Farms would provide ground water or the treatment plant recycled water onsite use are the only options.

In response to the Chairperson pro tem, the Chief Engineer and General Manager stated that if a site is identified, the District has approximately 200 AF of unallocated groundwater available.

Mr. Ray Tremblay, Head of Facilities Planning Department, stated that the Chief Engineer and General Manager is correct. At 2.5 AF of water per user, there is more than enough groundwater available for multiple users at the selected site.

In response to the Chairperson pro tem, the Chief Engineer and General Manager stated that the District identified two sites, Calandri Farms and the Lancaster WRP. He encouraged the Directors to visit these sites with non-profit organizations for a community garden. The Districts could supply groundwater up to 10 AF in 2.5 increments for community gardens with non-profits at that location if directed by the Board.

Director Barger asked which non-profit entities would be involved.

The Chairperson pro tem stated that he had discussions with Jay Duke, CEO of the Antelope Valley Boys and Girls Club and the Lancaster West Rotary. The Board should approve each non-profit organization going forward.

Director Hofbauer stated that a Request for Proposal (RFP) may be necessary if there are a lot of non-profits. Each non-profit may not have the capacity to implement a project so they can submit a proposal on their plan. This would be something that the Board can use in the decision-making process.

Director Barger stated that the RFP would have to go through legal review and process.

The Chairperson pro tem stated that an RFP is not necessary if a test program is developed with some non-profits to go through a legal process in order to move forward.

Director Barger stated she was okay with it.

The Chief Engineer and General Manager stated that District's staff prefers the WRP site. The WRP location is safe and secure. There would be a good opportunity to provide education and tours for the public. Any potential liability would be reduced under the District's control. The Calandri site was identified, however, and Mr. Calandri is willing to work with the District.

The Chairperson pro tem stated that his only concern is how often the non-profit would need to go out to the site with equipment to do the work. He asked if the Board could approve.

The Board gave consensus direction to allow Board members to contact and give tours to non-profit organizations who may be interested in using a portion of District's unused land at either the Lancaster WRP, Calandri Farms, or Van Dam Farms (no water is available at this present time at Van Dam Farms) and allow use of available recycled water or groundwater to establish a community garden with a maximum amount of 10 acre-feet total and up to 2.5 acre-feet per non-profit entity.

The Chief Engineer and General Manager stated that Directors can coordinate directly with him or with District's staff to visit the Lancaster WRP site. It would be beneficial to have a District staff member present during the site visits.

In response to the Chairperson pro tem, the Chief Engineer and General Manager reported to the Board that Mr. Calandri recently submitted an application to Antelope Valley Groundwater Basin Watermaster to transfer 2,850 AF of annual groundwater rights that were leased to him by the District for 2021-2028 to V Lions Operations. V Lions conducts pistachio farming. Mr. Calandri plans to exercise the extension options of his lease with the District through 2028 as previously approved by the Board. Mr. Calandri plans on farming approximately 200 acres of onions using his own groundwater rights on the leasehold in 2021.

The Chairperson pro tem stated he is aware of this matter and farmers are shuffling water around the valley. They are trying to find a way to continue to operate. Director Barger indicated her concurrence.

In response to the Chairperson pro tem, the Chief Engineer and General Manager stated that this a report to the Board and no action is needed.

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

MARVIN CRIST  
Chairperson pro tem

ATTEST:

KIMBERLY S. CHRISTENSEN  
Secretary/

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