

To be held in person and via teleconference per Brown Act, Section 54953(b)&(c), at the:

<p><b>OFFICE OF THE DISTRICT</b> 1955 Workman Mill Road Whittier, CA 90601</p>	and	<p><b>KENNETH HAHN HALL OF ADMINISTRATION*</b> 500 West Temple Street, Room 856 Los Angeles, CA 90012</p>
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*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. You may find further information at: <http://www.lacsd.org/agendas>*

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

MONDAY	November 18, 2024	At 1:30 P.M.
<b>Governing Body</b>	<b>Director</b>	<b>Alternate</b>
ALHAMBRA	PEREZ	LEE
ARTESIA	LIMA	TAJ
BELL	SALEH	F. FLORES
BELL GARDENS	G. GOMEZ	BARCENA
BELLFLOWER	KOOPS	DUNTON
CERRITOS	SOLANKI	BARROWS
COMMERCE	ARGUMEDO	ALTAMIRANO
COMPTON	SHARIF	-----
DOWNEY	TRUJILLO	SOSA
LONG BEACH	RICHARDSON	SARO
LOS ANGELES CITY	KREKORIAN	MC OSKER
MONTEBELLO	PERALTA	MELENDEZ
MONTEREY PARK	WONG	-----
NORWALK	RIOS	RAMIREZ
PARAMOUNT	DELGADILLO	AGUAYO
PICO RIVERA	LARA	CAMACHO
SAN GABRIEL	J. WU	DING
SOUTH GATE	HURTADO	DAVILA
VERNON	MERLO	YBARRA
WHITTIER	VINATIERI	WARNER (Chairperson)
LOS ANGELES COUNTY	HORVATH	SOLIS*

**CONSENT AGENDA**

1. Public Comment

**REGULAR AGENDA**

1. Re: Contract with Steve P. Rados, Inc., in Amount of Approximately \$52,390,000, for Construction of [Gardena Pumping Plant Facility 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
  - (c) Adopt Resolution of Board of Directors of County Sanitation District No. 2 of County of Los Angeles Establishing its Intention to be Reimbursed for Expenditures Related to Project

Summary: The Gardena Pumping Plant consists of two functionally separate pump stations located on the same property which were constructed in 1928 and 1960, respectively. The pumping plant structures and associated equipment are at the end of their useful life and require replacement. The proposed Project will replace the existing pumping plant facility and will include construction of a new building, installation of pumping and electrical equipment, power service and distribution systems, control systems and other features to address safety, reliability, and maintenance concerns. The work is located within the City of Gardena as shown on the attached map. The bid summary/recommendation to award is attached. To comply with the

1. Contd.

California Environmental Quality Act, a Mitigated Negative Declaration (MND) was approved for the Project by the Board on June 19, 2019, and the Board approved an addendum to the MND on May 24, 2023. The attached resolution declares the Districts' intent to seek reimbursement for certain expenditures if bonds are issued for this Project. The resolution action does not commit the District to issue bonds, it identifies the intended use of bond proceeds and expands the time frame for when expenditures could be reimbursed. 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. Authorize Issuance of Purchase Order to Carollo Engineers, Inc., (Carollo) in Amount of Approximately \$274,990 for Joint Outfall System (JOS) Rate Study

Summary: In 2022, the Districts in the JOS adopted four-year service charge rate ordinances through fiscal year 2025-26. These Districts will be considering new rates beginning with fiscal year 2026-27. To facilitate this process, the Districts prepared and released a Request for Proposals (RFP) to consulting firms with expertise in cost-of-service studies. The scope of work in the RFP is to conduct a comprehensive cost-of-service analysis and evaluate alternative rate packages beginning with fiscal year 2026-27. Three proposals were received, and Carollo was determined to be the most technically and cost-effective qualified firm. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

3. Approve Change Order No. 4 to Contract No. 5469 with Tetra Tech BAS, Inc., for *Equipment Design and Procurement Agreement for Modification of the Joint Water Pollution Control Plant Biogas Conditioning System* (Project); Resulting in Payment of \$140,530 for Extra Work

Summary: As part of the Project, the contractor was required to design, fabricate, and install equipment to increase renewable natural gas storage at the Biogas Conditioning System at the A.K. Warren Water Resource Facility. The contract documents for the Project included provisions allowing the contractor to submit adjustments to their initial cost proposal to account for any previously unidentified costs resulting from the final design requirements. The contractor's final design included additional materials, grading, modifications to the site layout, and instrumentation, which were not included in the initial scope but were essential for successful completion. 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).

4. Authorize Payment to Aon Risk Insurance Services West, Inc., (Aon) as Follows:

(a) For All-Risk Insurance and Earthquake and Flood Coverage for One-Year Period at Annual Premium of \$1,237,018 for Puente Hills Gas-to-Energy Facility (PERG) and A.K. Warren Water Resource Facility Total Energy Facility (TEF)

Summary: Aon, the Districts' insurance broker, solicited quotes for all-risk insurance covering property damage, business interruption, boiler and machinery, extra expense, earthquake, and flood for PERG and the TEF, the Districts' two largest energy generation facilities. The current carrier, Starr Surplus Lines Insurance Company (Starr), which previously shared coverage with ACE American Insurance Company, submitted the only quote, now assuming 100 percent of the risk, at \$1,174,664, plus \$62,354 for engineering fees, a 10 percent increase over last year's premium. Fourteen other carriers declined due to underwriting limitations related to the nature of these operations. The increase was driven by a new appraisal for the facilities which increased their value by 16 percent, combined with a decrease in the premium per insured value of 6 percent. Coverage includes a primary limit of \$100,000,000 per occurrence with sub-limits of \$10,000,000 each for earthquake and flood, \$11,461,629 for PERG business interruption, \$10,000,000 for extra expense at the TEF \$5,000,000 for other locations, and \$25,000,000 for boiler and machinery. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

(b) For Districts' On-Road Vehicle Fleet Liability Insurance Coverage in Amount of \$1,567,917 for One-Year Period

Summary: Aon, the Districts' insurance broker, supports the Districts in obtaining liability insurance coverage for on-road vehicles. Travelers Property Casualty Company (Travelers) offered a rate of \$2,246 per vehicle, up from \$1,823 last year, representing a 23 percent increase. This increase is in line with market conditions and recent claims against the Districts yet remains competitive based on fleet size. Other carriers typically decline quoting coverage due to fleet size, prior losses, or other concerns, or have

4. Contd.

provided pricing significantly higher than Travelers. Travelers is willing to provide coverage at a reasonable market rate in part because it also provides the Districts property insurance. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

5. Authorize Chief Engineer and General Manager to Execute *Water Banking and Exchange Agreement (Agreement)* with Tulare Lake Basin Water Storage District (TLBWSD) and Rosedale-Rio Bravo Water Storage District (RRBWSD) for Tulare Lake Compost Facility (TLC)

Summary: In July 2023, the Board authorized the Chief Engineer and General Manager to execute a Hold Harmless Agreement with TLBWSD to facilitate TLBWSD entering into water storage agreements on behalf of the Districts to store excess water in wet years to support farming activities in dry years. In September 2023, the Board approved a Water Banking and Exchange Agreement with RRBWSD to bank TLC water in RRBWSD facilities. The Districts has fully utilized its water banking rights under the existing agreement and a new agreement is needed to store additional water if it becomes available from the State in 2025. Under the proposed Agreement, the Districts may deliver up to 10,000 acre-feet of excess State Project water to RRBWSD facilities, and RRBWSD will return one half of the amount stored, less operating losses, when requested by the Districts. The Districts would be responsible for the cost of conveyance, which is estimated to be \$1,400,000 over the ten-year term of the Agreement, depending on the amounts stored and recovered. The draft Agreement is attached and is in final form except for the dates for the Agreement term, which RRBWSD is confirming with the State. To ensure the Agreement is in place before winter, it is recommended that the Board authorize the Chief Engineer and General Manager to execute the Agreement once those dates are ascertained. TLBWSD and RRBWSD, in their capacities as lead agencies for purposes of water banking transactions such as this one, have determined that the Agreement 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 and 15061(b)(3). This item is consistent with the Districts' Guiding Principle to plan for both short-term and long-term needs to minimize the need for significant rate increases.

6. Re: Tulare Lake Compost Facility

- (a) CLOSED SESSION – *Conference with Legal Counsel Pursuant to Government Code Section 54956.9(d)(1) Three Existing Cases* – Westlake Farms, Inc. v. County Sanitation District No. 2, San Luis Obispo County Superior Court Case No. 16CV-0244; Ceil Howe Jr. v. County Sanitation District No. 2, San Luis Obispo County Superior Court Case No. 16CV-0283; and County Sanitation District No. 2 v. Westlake Farms et al., Court of Appeal, Second Appellate District, Case No. B322095
- (b) CLOSED SESSION - *Conference with Legal Counsel Pursuant to Government Code Section 54956.9(d)(1) One Existing Case* – Sandridge Partners, L.P. v. County Sanitation District No. 2, Kings County Superior Court Case No. 23CU-0484
- (c) CLOSED SESSION - *Conference with Legal Counsel Pursuant to Government Code Section 54956.9(d)(1) One Existing Case* – Sandridge Partners, L.P. v. Michael Sullivan and Tulare Lake Reclamation District No. 761, Kings County Superior Court Case No. 24CU-0240
- (d) CLOSED SESSION - *Conference with Legal Counsel Pursuant to Government Code Section 54956.9(d)(1) One Existing Case* – County Sanitation District No. 2 v. Sandridge Partners, L.P., Kings County Superior Court Case No. 24CU-0310

Summary: The Chief Engineer and General Manager and District Counsel will discuss these matters in closed session.

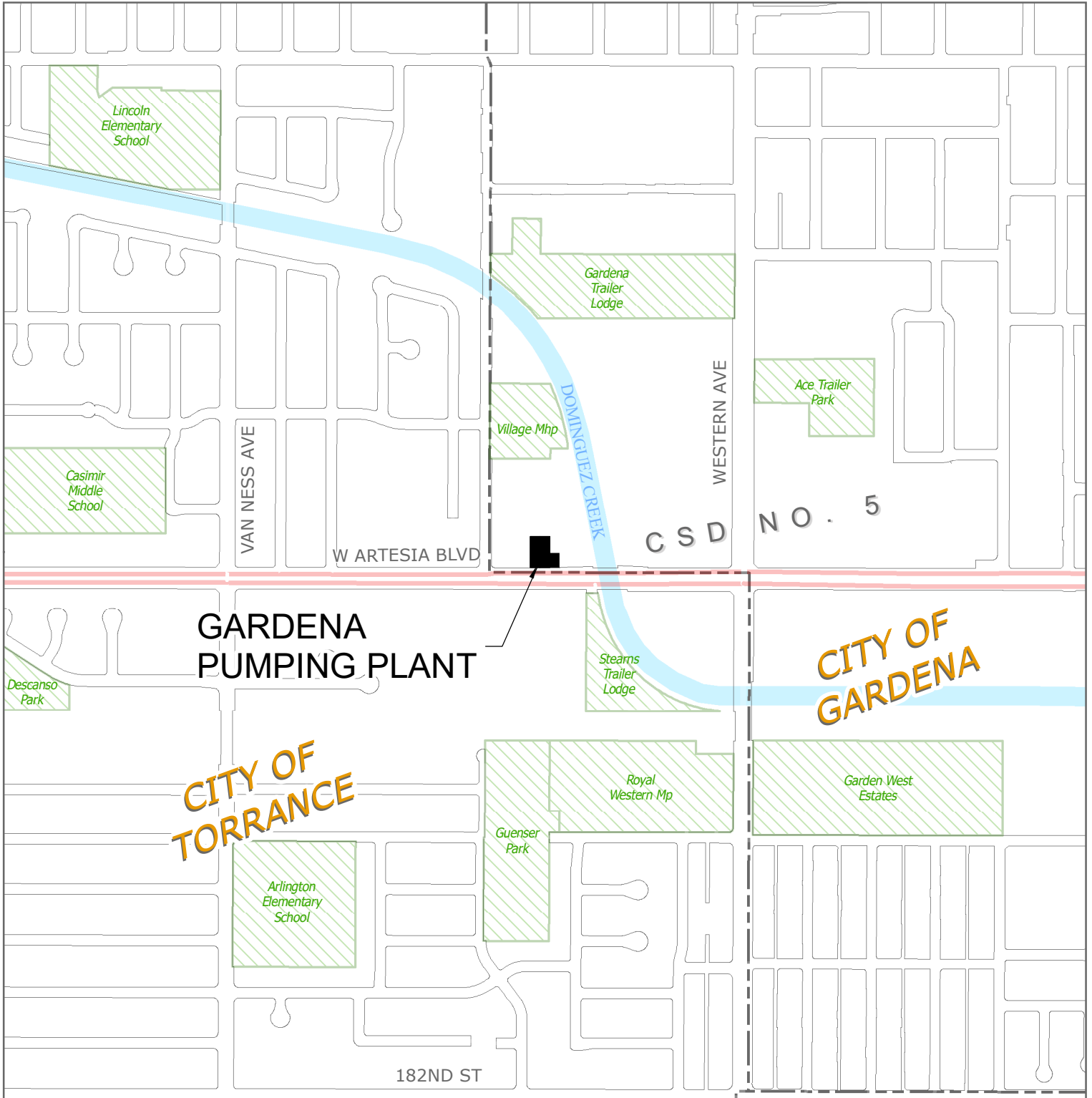
Adjourn

**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.

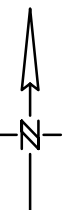
# GARDENA PUMPING PLANT FACILITY REPLACEMENT



DMS# 7234311

 PROJECT LOCATION

Agenda Item No. R-1(a)



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

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

FOR BOARD MEETING November 18, 2024

BIDS were received at the District Office on October 22, 2024

FOR GARDENA PUMPING PLANT FACILITY REPLACEMENT

No. of Bids Received: 3

<u>BIDDER</u>	<u>TOTAL BID</u>
Steve P. Rados, Inc.	<u>\$52,390,000.00</u>
Shimmick Construction Company, Inc.	\$56,650,000.00
Kiewit Infrastructure West Co.	\$56,798,400.00

RECOMMENDATION:

Award contract to Steve P. Rados, Inc., low bidder, in the amount of approximately \$52,390,000.00.

Engineer's Estimate: \$58,000,000.



Robert C. Ferrante  
Chief Engineer and  
General Manager

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
COUNTY SANITATION DISTRICT NO. 2 OF THE COUNTY  
OF LOS ANGELES ESTABLISHING ITS INTENTION TO BE  
REIMBURSED FOR EXPENDITURES RELATED TO THE  
GARDENA PUMPING PLANT FACILITY REPLACEMENT**

**WHEREAS**, the County Sanitation District Nos. 1, 2, 3, 5, 8, 15, 16, 17, 18, 19, 21, 22, 23, 28, 29 and 34 of Los Angeles County and South Bay Cities Sanitation District of Los Angeles County (collectively the “JOS Districts”) have entered into that certain Joint Outfall Agreement dated July 1, 2022 (the “Agreement”) for the purposes of constructing, operating and maintaining a common sewage system, known as the Joint Outfall System, which consists of a system of sewers, pumps plants, treatment plants and other facilities as one unit (the “Joint Outfall System”); and

**WHEREAS**, pursuant to the Agreement, Sanitation District No. 2 of the Los Angeles County (the “District”) has been appointed as the Agent on behalf of the JOS Districts, for amongst other things, the acquisition, construction, operation and maintenance of the Joint Outfall System, including the financing of any facilities thereto; and

**WHEREAS**, the District desires to finance the costs of the planning, design and construction of the Gardena Pumping Plant Facility Replacement (the “Project”) to improve the Joint Outfall System; and

**WHEREAS**, the District intends to finance the Project with moneys (the “Project Funds”) through the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”); and

**WHEREAS**, prior to the issuance of the Obligations, the District desires to incur certain capital expenditures (“Expenditures”) with respect to the Project from available monies of the Joint Outfall System; and

**WHEREAS**, the District has determined that those moneys to be advanced on and after the date hereof to pay for the Expenditures are available only for a temporary period, and it is necessary to reimburse the District for the Expenditures from the proceeds of the Obligations.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED  
BY THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 2 OF LOS  
ANGELES COUNTY AS FOLLOWS:**

**Section 1.** The District hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations from the Project Funds.

**Section 2.** The reasonably expected maximum principal amount of the Project Funds is \$62,868,000.

**Section 3.** This Resolution is being adopted no later than 60 days after the date on which the District will expend the moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

**Section 4.** Each of the District expenditures will be a type properly chargeable to a capital account under general federal income tax principles.

**Section 5.** To the best of our knowledge, the District is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

**Section 6.** This Resolution is adopted as an official intent of the District in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

**Section 7.** All the recitals in this Resolution are true and correct and the District so finds, determines and represents.

**ADOPTED** this \_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Chairperson of the Board of Directors

**ATTEST:**

\_\_\_\_\_  
Secretary to the Board of Directors

**CERTIFICATION**

I, \_\_\_\_\_, Secretary to the Board of Directors of County Sanitation District No. 2 of the County of Los Angeles, certify that the foregoing resolution was adopted by the Board of Directors at a regular meeting held on the \_\_\_\_ day of \_\_\_\_, 20\_\_, by the following vote of the Directors:

**AYES:** Director(s)

**NOES:** Director(s)

**ABSENT:** Director(s)

**ABSTAIN:** Director(s)

**IN WITNESS WHEREOF**, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Secretary to the Board of Directors