

Notice and Agenda

SPECIAL MEETING – COMMISSION OF THE LOS ANGELES COUNTY SANITATION DISTRICTS  
FINANCING AUTHORITY

To be held at the JOINT ADMINISTRATION OFFICE  
1955 Workman Mill Road, Whittier, California

*In response to concerns about the Novel Coronavirus (COVID-19), and in accordance with the provisions of California Government Code Section 54953(e), Directors will attend these meetings via teleconference. To join the meeting, click <https://us02web.zoom.us/j/3397206095> or enter the Meeting ID 339 720 6095 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

WEDNESDAY	January 26, 2022	At 11:00 A.M.
	District(s)	Commissioner
	SBC, 5	FUREY
	1	SALEH
	2	WARNER
	3	SANTA INES
	4	MEISTER
	8, 16	BUSCAINO
	9	HAHN
	14	PARRIS
	15	BARAKAT
	17	BARGER
	18, 19	TAJ
	20	HOFBAUER
	21	MOSS
	22	FINLAY (Commission Chair)
	23	DAVIS
	27, NR	MITCHELL
	28	DAVITT
	29	JONES
	SCV	WESTE

At the call of the Chairperson, a special meeting of the Board of Directors of the County Sanitation District Financing Authority of Los Angeles County will be held at the above time and place for the purpose of:

1. Public Comment
2. Approved Minutes of Special Meeting Held July 28, 2021
3. Approve *Resolution of the Commission of the Los Angeles County Sanitation District Financing Authority Proclaiming a Local Emergency, Ratifying the Proclamation of a State of Emergency on March 4, 2020 by California Governor and Authorizing Remote Teleconference Meetings of the Legislative Body*

Summary: Remote teleconferenced meetings, during the continued existence of the Governor's proclaimed state of COVID-19 emergency, will be conducted under the provisions of AB 361 which added California Government Code Section 54953(e), to the Brown Act. Under the provisions of AB 361 and Government Code Section 54953(e), the Commission must adopt, by majority vote, a resolution making certain findings about the continuing COVID state of emergency and health and safety risks of conducting their meeting in person. By statute, this Resolution and its referenced findings, are only legally valid for 30 days. The Resolution is attached to the agenda.

4. Re: Proposed Refunding of Joint Outfall System (JOS) Clean Water State Revolving Fund Loans

Summary: In order to finance the Clearwater Tunnel Project, the Districts applied for low-cost loans from the State Water Resources Control Board's Clean Water State Revolving Fund (SRF) and the US

## 4. Contd.

Environmental Protection Agency's Water Infrastructure Finance and Innovation Act program. In order to finalize these two loans, 42 existing SRF loans to the JOS Districts must be refunded either by paying off with cash reserves or through the issuance of bonds. A letter describing this proposal is attached to the agenda.

**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.

RESOLUTION OF THE COMMISSION OF THE LOS ANGELES COUNTY  
SANITATION DISTRICTS FINANCING AUTHORITY PROCLAIMING A LOCAL EMERGENCY,  
RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY ON MARCH 4, 2020  
BY CALIFORNIA GOVERNOR AND AUTHORIZING REMOTE TELECONFERENCE  
MEETINGS OF THE LEGISLATIVE BODY

WHEREAS, the Los Angeles County Sanitation District Financing Authority (“Authority”) is committed to preserving and nurturing public access and participation in meetings of the Authority; and

WHEREAS, all meetings of the Authority are open and public, pursuant to the requirements of the Ralph M. Brown Act (California Government Code Sections 54950-54963) (the “Brown Act”), so that any member of the public may attend, participate, observe and watch the Authority conduct business; and

WHEREAS, the Brown Act, Section 54953(e), allows for conducting and participating in meetings by members of a legislative body, without compliance with the requirements of the Brown Act Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition under the Brown Act Section 54953(e) is the declaration of a state of emergency by the Governor pursuant to California Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within California caused by the conditions outlined and described in California Government Code Section 8558; and

WHEREAS, a proclamation of a state of emergency is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological, or human-induced disasters; and

WHEREAS, it is further required that the state or local officials have imposed or recommended measures to promote social distancing, or the Authority have held a meeting where it considered and determined that meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, such conditions now exist in the District as Governor Newsom declared a State of Emergency on March 4, 2020 as a result of the threat of COVID-19; and

WHEREAS, the Centers for Disease Prevention and Control, in its publication “How to Protect Yourself & Others” updated August 13, 2021, have recommended social distancing practices, including staying 6 feet away from others and avoiding crowds and poorly ventilated spaces in order to protect individuals and others from COVID-19; and

WHEREAS, the County of Los Angeles Department of Public Health Order of the Health Officer issued September 17, 2021 (the “County Order”) includes a finding that the existing community transmission of COVID-19 in Los Angeles County remains high and continues to present a high risk of infection and harm to the health of those who are not and cannot be vaccinated against COVID-19 especially when there is an absence of capacity limits and physical distancing requirements for both indoor and outdoor settings. The County Order further finds that COVID-19 infection remains a significant health hazard to all residents; and

WHEREAS, the Authority does hereby find that the ongoing and significant risks associated with COVID-19 infection, especially in the absence of capacity limits and physical distancing requirements for indoor activities, on those who are not and cannot be vaccinated, and that COVID-19 infection remains a significant health hazard to all residents, has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of a state of emergency by the Governor of the State of California, and further, ratify the County Order findings related to the ongoing health hazards of COVID-19; and

WHEREAS, as a consequence of the declared state of emergency and the local emergency, the Commission of the Authority does hereby find that the Authority shall continue to conduct its meetings in accordance with the provisions and requirements of the Brown Act Section 54953(e), and that the legislative bodies of the Districts shall comply with the requirements to provide the public with access to, and an opportunity to comment at all meetings of the Districts legislative bodies in accordance with the requirements of the Brown Act Section 54953(e)(2); and

WHEREAS, the Authority will continue its practice of live streaming its meetings via the Zoom software platform which allows members of the public to observe and participate in the meetings via video or call-in options, and will continue to offer members of the public an opportunity to make oral comments during the meetings and/or submit written comments before the meetings.

NOW, THEREFORE, BY THE COMMISSION OF THE LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true, correct, and are incorporated in this Resolution by reference.

Section 2. Proclamation of Local Emergency. The Commission of the Authority does hereby proclaim that a local emergency now exists throughout the territory of the District and, as described in the County Order, there remains evidence of sustained and high community transmission rates of COVID-19 resulting in high risks of infection and harm to the health of those who are not and cannot be vaccinated against COVID-19, especially when there is an absence of capacity limits and physical distancing requirements for both indoor and outdoor settings, and COVID-19 infection remains a significant health hazard to all residents of the Districts.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Commission hereby ratifies the Governor of the State of California's Proclamation of a State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The President of the Authority, staff and legislative bodies are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, without limitation, conducting open and public meetings in accordance with the Brown Act Section 54953(e) and all other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) 30 days after the date of this resolution, or such time that the Authority's Commission adopts a subsequent resolution in accordance with the Brown Act Section 54953(e)(3) to extend the time during which the legislative bodies of the Commission may continue to teleconference without compliance with the requirements of the Brown Act Section 54953(b)(3).

PASSED AND ADOPTED by the Commission of the Authority this 26<sup>th</sup> day of January 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Chairperson



January 21, 2022

Board of Commissioners  
Los Angeles County Sanitation Districts  
Financing Authority

Commissioners:

**Proposed Refunding of Joint Outfall System (JOS) Clean Water State Revolving Fund (SRF) Loans**

In order to finance the Clearwater Tunnel Project, the Districts applied for low-cost loans from the State Water Resources Control Board's (State Board's) SRF program and the US Environmental Protection Agency's Water Infrastructure Finance and Innovation Act (WIFIA) program. Both agencies have approved partial funding for the project based on the initial applications (approximately \$127 million and \$440 million, respectively). Since the approval of the applications, Districts staff and legal counsel have been working with both agencies to finalize loan agreements.

One of the more challenging aspects of this process has been revising agreements for 42 existing JOS SRF loans to ensure consistency with the new loans' requirements. Revising the agreements will require at least 6 months of additional work by Districts' bond counsel and State Board legal staff.

On November 15, 2021, the federal government passed an infrastructure funding package that included strict Buy American (BA) requirements that apply to projects funded by both WIFIA and SRF. The BA requirements would be applicable to projects with loan agreements finalized after May 14, 2022 regardless of their construction status. Because construction has already begun on the tunnel project, it is impossible to comply with the stricter BA requirements, and therefore the WIFIA and SRF loan agreements must be finalized by May 14 to obtain this financing.

However, it is not possible to revise the existing JOS SRF loan agreements in time to meet the May 14 deadline. As a result, Districts' staff is recommending paying off or refunding all of the existing JOS SRF Loans. Staff recommends using cash reserves to pay off all loans with a remaining term of less than 2 years, low balances, or that have pre-paid interest (35 loans for a total of \$56.2 million). The remaining 7 SRF loans (\$103.6M) would be refunded with revenue bonds. These actions allow the Districts to move forward with finalizing the WIFIA and SRF loans for the Tunnel project, which will save approximately \$3 million per year compared to market-rate bond financing.

This matter will be on the agenda for the January 26, 2022 Commission meeting and will be discussed with the Commissioners.

Very truly yours,

Robert Ferrante

RF:av