

MINUTES OF THE SPECIAL MEETING OF THE
PERSONNEL COMMITTEE OF THE
COUNTY SANITATION DISTRICTS
OF LOS ANGELES COUNTY
VIA TELECONFERENCE

September 28, 2022
11:00 o'clock, A.M.

Pursuant to the call of the Chairperson and upon written notice of the Secretary setting the time and place of a special meeting and mailed to each Director at least 24 hours before the meeting, a special meeting of the Personnel Committee of the County Sanitation Districts of Los Angeles County was held at the Joint Administration Office, 1955 Workman Mill Road, Whittier, California, on September 28, 2022, at 11:00 a.m., via teleconference, for the purpose of:

1. Public Comment
2. Approve Minutes of Special Meeting Held May 25, 2022
3. Approve *Resolution of the Board of Directors of the Personnel Committee 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*
4. Re: Financial Matters:
 - (a) Investment, Debt Management, and Financial Reserve Policies
 - (b) Purchasing Policy
 - (c) Districts' Annexation Fee Ordinances
5. Re: Update on Implementation of Recommendations resulting from Audit of Sewer Maintenance, Operations, and Rehabilitation
6. CLOSED SESSION – *Conference with Legal Counsel Pursuant to Government Code Section 54956.9(d)(2) - Potential Litigation - California Regional Water Quality Board – Los Angeles Region, Administrative Civil Liability Complaint relating to SSO Event ID No. 878549*
7. 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*

There were present: Bill Brand, South Bay Cities and District No. 5
Ali Saleh, District No. 1
Raymond Dunton, District No. 3
Lauren Meister, District No. 4
Janice Hahn, District No. 9
Richard Barakat, District No. 15
Kathryn Barger, District No. 17
Ali Sajjad Taj, District Nos. 18 and 19
Steve Hofbauer, District No. 20
Cory Moss, District No. 21
Margaret E. Finlay, District No. 22
Leticia Lopez, District No. 23
Michael T. Davitt, District No. 28
Keir Jones, District No. 29
Cathy Warner, Chairperson, District No. 2

Absent: Joseph Buscaino, Districts Nos. 8 and 16
R. Rex Parris, District No. 14
Holly J. Mitchell, District No. 27 and Newhall Ranch
Laurene Weste, Santa Clarita Valley

Also present: Robert Ferrante, Chief Engineer and General Manager
Wesley Beverlin, Committee Counsel
Kimberly S. Christensen, Secretary of the Committee

RE: PUBLIC COMMENTS 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 matters not listed on the agenda.

RE: MINUTES Upon motion of Director Moss, duly seconded and carried by a roll-call vote, the minutes of the special meeting held on May 25, 2022, were approved.

RE: RESOLUTION 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 - ADOPT

A proposed *Resolution of the Board of Directors of the Personnel Committee 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* was presented. The Governor’s two executive orders (N-29-20 & N-08-21), under which the agency has been conducting its 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 (Government Code section 54953(e)), at their first next meeting, each District must adopt, by majority vote, an initial resolution making certain findings about the continuing COVID state of emergency and health and safety risks of conducting their board meeting in person. By statute, this Resolution and its referenced findings, are only legally valid for 30 days. A copy of the proposed Resolution was attached to the agenda. A recommendation was made to adopt the Resolution.

Upon motion of Director Moss, duly seconded and unanimously carried by a roll-call vote, , the following Resolution was adopted:

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PERSONNEL COMMITTEE
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 Personnel Committee (“Committee”) is committed to preserving and nurturing public access and participation in meetings of the District’s Board of Directors and committees; and

WHEREAS, all meetings of the Committee’s Board of Directors 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 District’s Board of Directors 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 Board of Directors of the Committee 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 County of Los Angeles Department of Public Health Order of the Health Officer issued March 3, 2022 (the “County Order”) includes recommendations that all persons within the jurisdiction of the County of Los Angeles public health agency always practice required and recommended infection control measures when among others, especially in an indoor setting; and

WHEREAS, the Committee’s Board of Directors 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 individuals with underlying health conditions that make them susceptible to sever COVID-19 illness and individuals who are not and cannot be vaccinated, that COVID-19 infection remains a significant health hazard to all residents, 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 Board of Directors of the Committee does hereby find that the District 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 District shall comply with the requirements to provide the public with access to, and an opportunity to comment at all meetings of the District’s legislative bodies in accordance with the requirements of the Brown Act Section 54953(e)(2); and

WHEREAS, the District 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, THE BOARD OF DIRECTORS OF THE PERSONNEL COMMITTEE 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 Board of Directors of the Committee does hereby proclaim that a local emergency now exists throughout the territory of the District and, as described in the County Order, recommendations from health officers include ongoing masking, and social distancing practices especially for indoor settings and particularly for individuals who, due to vaccine status or underlying health conditions, continue to be at risk for sever illness, and COVID-19 infection remains a significant health hazard to all residents of the District.

Section 3. Ratification of Governor’s Proclamation of a State of Emergency. The Committee’s Board of Directors 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 Chief Engineer and General Manager, 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 30 days after the date of this resolution, or such time that the Committee’s Board of Directors 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 District may continue to teleconference without compliance with the requirements of the Brown Act Section 54953(b)(3).

PASSED AND ADOPTED by the Board of Directors of the Personnel Committee this 28th day of September 2022 by the following vote:

AYES: Seventeen (17)

NOES: None

ABSTAIN: None

ABSENT: Six (6)

RE: FINANCIAL MATTERS
DISCUSS

The Chief Engineer and General Manager advised that revisions to the Districts' financial policies and annexation fee ordinances are being presented for consideration

by the Personnel Committee prior to going to the Districts' Boards of Directors for consideration and adoption. A letter summarizing proposed changes, including the policies with redline edits, were attached to the agenda. He introduced Mr. Matt Eaton, Head of the Financial Management Department, who gave a presentation on the matter.

Mr. Eaton showed a brief slide presentation regarding changes that are being recommended to financial policies, the purchasing policy, and the annexation fee ordinance. The Districts has three financial policies: Investment, Debt Management, and Financial Reserves; and a Purchasing Policy. The Financial Reserves Policy has three separate policies: Wastewater, Solid Waste, and Joint Outfall System (JOS). The JOS consists of 17 Districts (Districts Nos. 1, 2, 3, 5, 8, 15, 16, 17, 18, 19, 21, 22, 23, 28, 29, 34, and South Bay Cities Sanitation District) that financially operate as one.

Key changes to the financial policies are as follows:

Investment Policy

- Consolidation of individual District policies into one single policy like the Purchasing Policy
- Addition of state-issued bonds (all 50 states) and local agencies (within California only) as permitted investments
- Clarification that downgraded securities count as "A" for the purposes of limit testing
- Removed Investments between the Districts' Solid Waste System and the Joint Outfall System for the Clearwater Tunnel Project
- Audits for compliance with investment limits reduced from quarterly to semi-annual

Debt Management Policy

- Consolidation of individual District policies into one single policy like the Purchasing Policy
- Added specific provision for federal low-interest WIFIA Debt
- Removed Districts' Debt Instruments
 - CIF Debt – no longer applicable
 - Debt agreement between the Districts' Solid Waste System and the Joint Outfall System for the Clearwater Tunnel Project – no longer needed

Financial Reserve Policy

- Consolidation of individual District policies into one single policy like the Purchasing Policy
- Update of uses of the Natural Disaster and Self-Insured Retention Fund – It is recommended to expand coverage below (costs up to \$5 million) and beyond maximum coverage.
- Addition of rate stabilization fund (Wastewater Policy)
- Addition of Fee-in-Lieu and related funds (Solid Waste Policy)
- Addition of funds related to the Puente Hills Landfill Park Settlement (Solid Waste Policy)

Purchasing Policy

- Clarifications and cleanup in several areas
- Authorizes the Purchasing Agent to procure temporary property rights up to \$100,000 to accommodate construction of Districts' projects
- Clarifies reporting responsibilities to the Board on any action taken with emergency authority
- Adds authority to settle/reject claims up to \$100,000
- Adds language to ratify items when the Board goes dark

The existing Annexation Fee Ordinance specifies an acreage-based fee for a property owner to annex to the District's service area. Acreage-based fees can lead to inequities since the cost to process an annexation is similar regardless of size. It was recommended that the annexation fee be changed to a fixed fee of \$2,000, regardless of the acreage of the property; \$2,000 is sufficient to cover direct staff costs to process an annexation. He indicated that in order to build or connect a facility on the property, a connection fee is also required which is proportional to the size and sewer loadings of the facility.

In response to the Chairperson, Mr. Eaton stated that the connection fee was recently restructured to decrease it by about half in most Districts.

Mr. Eaton continued his presentation by discussion of the next steps. Today, staff is recommending that the Personnel Committee give concurrence or direction on the proposed changes. On October 26, the Personnel Committee will meet again to review the final policies and annexation fee ordinance. From November 2022 to March 2023, individual District's will consider approval of the financial policies and introduction and adoption of the annexation fee ordinance.

At this time, Mr. Eaton concluded his presentation and opened up the meeting for questions.

In response to the Chairperson, Mr. Eaton stated that the changes to the financial policies and annexation fee ordinance have no effect on Proposition 218 or costs.

In response to Director Hahn, Mr. Eaton stated that language to encourage underwriting firms that are disadvantaged or are minority or women-owned are not in the Investment Policy, although the language is included in the Purchasing Policy. He advised that it would be appropriate to add the language into the Debt Management Policy.

The Chief Engineer and General Manager agreed that it would be a good idea to add language to the Debt Management Policy. A Request for Proposals (RFP) is scheduled to be issued and it is expected several on-call firms will be selected. He stated that underwriting work can be split 80/20 percent.

Director Hahn stated that she would like to see more split.

Mr. Eaton stated that the RFP would create a pool of underwriters that can be awarded work when needed.

Director Hahn asked if the language can be added to the Debt Management Policy to be reviewed and approved at the next meeting.

The Chief Engineer and General Manager agreed to add the language to the Debt Management Policy.

The Chairperson stated that she was in support of Director Hahn's suggestion. She asked if the splitting of underwriting would affect the rates.

Mr. Eaton advised that there would be no impact on rates and only highly qualified underwriters would be selected. The RFP will go out to the open market.

The Chief Engineer and General Manager stated that the language related to encouraging disadvantaged and minority and women-owned underwriters would be included in the Debt Management Policy. If Directors have additional comments, they may send them to him or Mr. Eaton.

RE: UPDATE ON IMPLEMENTATION OF
RECOMMENDATIONS RESULTING FROM
AUDIT OF SEWER MAINTENANCE,
OPERATIONS, AND REHABILITATION
DISCUSS

The Chief Engineer and General Manager reminded the Directors of the large sewer spill that occurred on December 30, 2021. In January, the Districts hired GHD to conduct a third-party audit on the agency's emergency response and make recommendations on the sewer maintenance program and procedures. In January, he presented details about the spill and emergency response to the Boards. In May, he discussed GHD's audit results and key recommendations. Today's presentation will provide an update on actions taken by the Districts to address these recommendations. The Districts has implemented several changes to prevent future spills and mitigate failures in sewers and related structures. Districts' staff can identify and prioritize sewer maintenance/repairs. He advised that all three repairs on the Carson sewer are now complete. The sewer is now completely rehabilitated and ready to get us through the next rainy season and serve the Districts for 50 years or more.

GHD's recommendations can be grouped into the three areas. They include accelerating needed sewer rehabilitation, new equipment to assess sewer conditions, and new processes to prioritize the most critical work based on condition and risk.

In regard to accelerating sewer rehabilitation, he stated that the first priority to repair the failed sewer is completed. Six other emergency repair projects were initiated since January and have been completed at a cost of \$13 million. A "risk of failure factor" has been added to sewer condition assessments when prioritizing sewer rehabilitation. On-call consultants will be hired to supplement the Districts' in-house routine work which will allow Sewer Design Section staff to focus on more complex and urgent repairs. The Districts is also looking at staffing needs in design, construction management, and sewer maintenance to manage this surge in work.

New high-definition (HD) cameras and additional lighting are being tested for improved sewer condition assessments. A new scanner has been added to view the manhole structures. He showed a scan looking down a manhole. New laser technology has been added to better assess the condition of the highest-risk sewers (adding the ability to view thickness of the pipe) and prioritize rehabilitation projects.

He discussed new processes that are being implemented. Staff has been trained on national manhole inspection rating standards which will improve consistency in ratings. Better practices were created for tracking high-risk sewers. These include using the new equipment previously discussed and conducting post-storm closed-circuit television inspections for the highest-risk sewers to monitor their condition. Rehabilitation projects would be accelerated to prevent another sewer collapse, when necessary. Staff is working on the development of a hydraulic sewer model, which would allow us to quickly view the sewer system to make assessments. These preparations are a work in progress that require significant work and time. The Districts is committed to inspect 25,000 manholes within the next five years. The oldest manholes will be prioritized.

Currently, over 60 percent of GHD's recommendations have been implemented. The Districts expects to be 90 percent complete by the end of this year. In 2023 and moving forward, ongoing efforts will focus on the hydraulic sewer model, the manhole inspection and rehabilitation program, and managing the surge of sewer rehabilitation projects.

He stated that he plans to share this presentation with the Regional Board which is considering fines for the spill. An update on the agency's progress will be posted on the Districts' website and shared with the city of Carson at the end of the year.

At this time, he concluded his presentation and opened up the meeting for questions.

Director Finlay thanked the Chief Engineer and General Manager for a good presentation. She stated that the equipment and new processes look state of the art. She asked if other agencies are doing the same thing.

In response to Director Finlay, the Chief Engineer and General Manager stated that the Districts' system is near top performing. The Districts made significant investments in monitoring equipment 15-20 years ago. The HD cameras are state-of-the-art technology. The Districts' goal is to continue to assess processes and equipment every 3-5 years. Risk processes were included in the Districts' sewer maintenance program, but not formalized when the sewer system is the most vulnerable. The wastewater system is staffed 24 hours a day. The sewer system is spread throughout a vast and open area. There is a lot that can happen and the Districts needs to do its best to assess and maintain to avoid incidents.

RE: TECHNICAL SERVICES - CALIFORNIA
REGIONAL WATER QUALITY BOARD
LOS ANGELES REGION, ADMINISTRATIVE
CIVIL LIABILITY COMPLAINT RELATING
TO SSO EVENT ID NO. 878549 - CONFERENCE
WITH LEGAL COUNSEL - POTENTIAL
LITIGATION - DISCUSS

This matter was related to pending and ongoing discussions with the Los Angeles Regional Water Quality Board regarding a sewer spill that occurred December 2021 and discharged to the Dominguez Channel.

District Counsel advised that it would be in the interest of the Committee to meet in closed session pursuant to Section 54956.9(d)(2) of the California Government

Code Conference with Legal Counsel-Potential Litigation to confer on the matter of Administrative Civil Liability complaint relating to SSO Event ID No. 878549 (SSO number was corrected after posting of the agenda).

The Chairperson took the Personnel Committee of the County Sanitation Districts of Los Angeles County into closed session at 11:39 a.m. pursuant to Section 54956.9(d)(2) of the California Government Code *Conference with Legal Counsel- Potential Litigation* to confer on the matter referred by District Counsel.

After completion of the discussion, the meeting reconvened in regular session at 12:41 p.m. District Counsel advised that no action was taken that requires disclosure pursuant to Government Code Section 54957.1.

RE: TECHNICAL SERVICES - 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 - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION DISCUSS

District Counsel advised that it would be in the interest of the Committee to meet in closed session pursuant to Section 54956.9(d)(1) of the California Government Code *Conference with Legal Counsel-Existing Litigation* to confer on the matters of 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.

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The meeting was adjourned by the Chairperson.

CATHY WARNER
Chairperson

ATTEST:

KIMBERLY S. CHRISTENSEN
Secretary

/ee