

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 2
HELD AT THE OFFICE OF THE DISTRICT
VIA TELECONFERENCE

October 26, 2022
1:30 o'clock, P.M.

The Board of Directors of County Sanitation District No. 2 of Los Angeles County met in regular session via teleconference.

There were present: Jeffrey Maloney, Director from Alhambra
Ali Sajjad Taj, Alternate Director from Artesia
Ali Saleh, Alternate Director from Bell
Lisseth Flores, Alternate Director from Bell Gardens
Raymond Dunton, Director from Bellflower
Bruce Barrows, Alternate Director from Cerritos
Ivan Altamirano, Alternate Director from Commerce
Emma Sharif, Director from Compton
Blanca Pacheco, Director from Downey
Robert Garcia, Director from Long Beach
Joe Buscaino, Alternate Director from Los Angeles City
Kimberly Ann Cobos-Cawthorne, Director from Montebello
Vilma Cuellar Stallings, Director from Paramount
Tony Ding, Director from San Gabriel
Maria Davila, Alternate Director from South Gate
Leticia Lopez, Director from Vernon
Holly Mitchell, Director from Los Angeles County
Cathy Warner, Chairperson, Alternate Director from Whittier

Absent: Henry Lo, Director from Monterey Park
Rick Ramirez, Director from Norwalk
Monica Sanchez, Director from Pico Rivera

Also present: Denise Springer, Deputy Secretary to the Board
Wes Beverlin, District Counsel

CONSENT AGENDA

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Consent Agenda was approved as follows:

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 to Board on any matters.

RE: MINUTES The minutes of the regular meeting held October 12, 2022, were approved.

RE: LEGAL SERVICES
PAYMENT AND
REIMBURSEMENT OF
EXPENSES ADVANCED An invoice dated September 15, 2022 from Lewis Brisbois, Bisgaard & Smith LLP, in the amount of \$214,289.44 for professional services rendered and reimbursement of expenses advanced in various Districts' matters during the month of August 2022, was approved, and the Chief Engineer and General Manager was authorized to have a warrant drawn in full payment of the invoice, the charges to be distributed to the affected Districts.

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 County Sanitation District No. 2 of Los Angeles County 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. Remote teleconference 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), each District 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 was attached to the agenda. A recommendation was made to adopt the Resolution.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY 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 County Sanitation District No. 2 of Los Angeles County ("District") 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 District'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 District 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 District'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 severe 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 District 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 COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY 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 District 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 severe 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 District'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 District'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 County Sanitation District No. 2 of Los Angeles County this 26th day of October 2022 by the following vote:

AYES: Eighteen (18)

NOES: None

ABSTAIN: None

ABSENT: Three (3)

REGULAR AGENDA

RE: WASTEWATER MANAGEMENT
SAN JOSE CREEK WATER RECLAMATION
PLANT INTERCEPTOR SEWER
CONNECTION 2 - AWARD CONTRACT
NO. 5474 - LUCAS BUILDERS, INC.
ORDER SECRETARY TO EXECUTE

The San Jose Creek Water Reclamation Plant (WRP) Interceptor Sewer Connection 2 (Project) consists of the construction of approximately 140 feet of 36-inch-diameter vitrified clay pipe sewer and appurtenant structures to divert flow to the San Jose Creek WRP to increase recycled water production. The work is located within the City of El Monte as was shown on a map

attached to the agenda. The bid summary/recommendation to award was attached to the agenda. Staff has determined that the Project is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Sections 21080.21 and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15301. 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). The bids received at the District’s office on September 27, 2022, for construction of the Project are as follows:

<u>BIDDER</u>	TOTAL BID
Lucas Builders, Inc.	\$1,049,750.00
Aid Builders, Inc.	1,335,000.00
Charles King Company	1,363,028.00
Clarke Contracting Corporation	2,107,000.00

The bid of Lucas Builders, Inc., was the lowest bid received and that Lucas Builders, Inc., was the lowest, regular, responsible bidder for the work, and a recommendation was made to award a contract to Lucas Builders, Inc., at the unit prices stated in its bid amounting to approximately \$1,049,750. Furthermore, a recommendation was made to order staff to review the insurance and surety bonds for performance and payment and, if sufficient, order the Secretary to execute the contract with Lucas Builders, Inc., for construction of the Project.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, Contract No. 5474 for construction of the *San Jose Creek Water Reclamation Plant Interceptor Sewer Connection 2* was awarded to the lowest, regular, responsible bidder, to wit: Lucas Builders, Inc., at the unit prices stated in its bid amounting to approximately \$1,049,750. Furthermore, the Board of Directors of County Sanitation District No. 2 of Los Angeles County ordered the staff to review the insurance and surety bonds for performance and payment and, if sufficient, ordered the Secretary to execute the contract with Lucas Builders, Inc., for construction of the Project.

RE: FACILITIES PLANNING
 HYDRAULIC MODEL OF SEWER SYSTEM
 AUTHORIZE ISSUANCE OF PURCHASE
 ORDERS TO GHS, INC., - PROFESSIONAL
 CONSULTING SERVICES
 ADS ENVIRONMENTAL SERVICES
 FLOW MONITORING SERVICES

On December 30, 2021, during a heavy rainfall event, the Districts’ 216th Street Relocation Trunk Sewer experienced a critical failure in the City of Carson causing a sanitary sewer overflow (SSO) event that impacted residents and closed local beaches. As previously reported to the Board, an independent external audit of the SSO was performed. One of the recommendations in the audit report was that the Districts develop and utilize

a hydraulic model of the sewer system. Accordingly, in June 2022, GHD was retained to prepare an implementation plan for a sewer model. To support continued development of the model, staff recommends hiring GHD to conduct a pilot study by modeling the sewer system within District No. 8, which is where the December 30, 2021, SSO occurred. GHD is uniquely qualified to conduct the pilot study based on its understanding of the Districts’ sewer system and experience with sewer model development. GHD submitted a cost-effective proposal with hourly rates similar to those charged on other competitively selected projects. To properly configure the pilot study model, approximately 18 months of continuous sewer flow monitoring data is needed. Proposals were solicited and received from two qualified flow monitoring firms. ADS submitted the lowest cost proposal and was selected to provide the flow monitoring services based on their past performance and proposed approach to the work. This item is consistent with the Districts’ Guiding Principles of commitment to continual improvement; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue purchase orders to GHD, Inc., to provide professional consulting services for hydraulic model of sewer system pilot study and to ADS Environmental Services, to provide flow monitoring services for hydraulic model of sewer system, at a cost of approximately \$1,700,000.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue purchase orders to GHD, Inc., to provide professional consulting services for hydraulic model of sewer system pilot study, at a cost of approximately \$300,000, and to ADS Environmental Services to provide flow monitoring services for hydraulic model for sewer system, at a cost of approximately \$1,700,000.

RE: FACILITIES PLANNING
 TECHNICAL FIELD SERVICES AND
 REPORTING FOR REMEDIATION OF
 FORMER FLETCHER OIL AND REFINING
 COMPANY SITE - AUTHORIZE ISSUANCE
 OF PURCHASE ORDER TO LEYMASTER
 ENVIRONMENTAL CONSULTING, LLC

In 2000, the Districts purchased the 36-acre Fletcher Oil and Refining Company (FORCO) site located adjacent to the Joint Water Pollution Control Plant to accommodate potential future plant expansion. Due to the historical oil refinery operations, the property contains petroleum hydrocarbon contamination in the soil and groundwater, and remediation efforts for the site are on-going. Leymaster has provided remediation

services at the FORCO site since 2009. Additional field work is necessary to provide the data to design the next phase of the remediation system and enhance the operation of the existing system. Leymaster has agreed to provide the required services at the same rates as negotiated in 2009 on a previous phase of the project, and its rates are lower than those provided by other consulting companies previously doing work at the site. Retaining Leymaster to perform the work is the most cost-effective approach for obtaining the necessary services. The proposed purchase order will cover a period of approximately one year. Staff has determined that the activities described herein are exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21084 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Sections 15301 and 15306. This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue a purchase order to Leymaster Environmental Consulting, LLC, for technical field services and reporting for remediation of former Fletcher Oil and Refining Company Site, at a cost of approximately \$140,000.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue a purchase order to Leymaster Environmental Consulting, LLC, for technical services and reporting for remediation for former Fletcher Oil and Refining Company site, at a cost of approximately \$140,000.

RE: FACILITIES PLANNING
RENEWAL OF CLOUD HOSTING
SERVICES FOR E-BUSINESS SUITE
WORK ASSET MANAGEMENT BUSINESS
APPLICATIONS - AUTHORIZE
ISSUANCE OF PURCHASE ORDER TO
ORACLE AMERICA, INC.

The Board previously approved a purchase order to Oracle to provide cloud hosting services for the E-Business Suite (EBS) and Work and Asset Management (WAM) business applications, which are used Districts-wide to manage human and financial resources and operational assets. Using Oracle to provide cloud hosting services is the most cost-effective approach to ensure compatibility with, and support of, the existing EBS and

WAM systems. The Districts will only pay for actual usage under this renewal, and the total cost is based on average usage from the previous year plus a reserve to cover expected expansions and usage fluctuations. This item is consistent with the Districts’ Guiding Principles to provide reliable and responsible services with safety first; and commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue a purchase order to Oracle America, Inc., for renewal of cloud hosting services for E-business suite and WAM business applications, at a cost of approximately \$700,000.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue a purchase order to Oracle America, Inc., for renewal of cloud hosting services for E-business suite and Work Asset Management business applications, at a cost of approximately \$700,000.

RE: SOLID WASTE MANAGEMENT
PUENTE HILLS NATIVE HABITAT
PRESERVATION AUTHORITY - APPOINTMENT
OF ALTERNATE DIRECTOR TO AUTHORITY
BOARD

The creation and funding of the Authority, which is responsible for acquiring and preserving native habitat in the Puente/Whittier Hills area, was a requirement of the conditional use permit for the Puente Hills Landfill. The Districts is one of four organizations which appoint Directors to the Authority who receive no compensation.

The Districts provides staff support to the Authority; therefore, the Board previously appointed the Chief Engineer and General Manager as Director and the Assistant Chief Engineer and Assistant General Manager as Alternate Director. The proposed action will allow for additional flexibility in providing for continued Districts’ participation in the Authority’s activities. This item is consistent with the Districts’ Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). A recommendation was made to appoint the Solid Waste Department Head as an Alternate Director to the Puente Hills Native Habitat Preservation Authority.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Board of Directors of County Sanitation District No. 2 of Los Angeles County approved the action to appoint the Solid Waste Department Head as an Alternate Director to the Puente Hills Native Habitat Preservation Authority.

RE: FINANCIAL MANAGEMENT
SURCHARGE PROCESSING
GISG GROUP INCORPORATED
AUTHORITY TO SETTLE CONNECTION
FEE OBLIGATION AND SECURE
COLLECTION

GISG Group Incorporated does not dispute the connection fee amount due; however, it has claimed that it is not in a financial position to submit payment in full and has expressed a willingness to pay the balance in monthly installments. This authorization includes any amounts otherwise due and any additional amounts that become due prior to institution of litigation or settlement. This

item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to authorize a settlement of the industrial wastewater connection fee obligations of GISG Group Incorporated in the principal sum of \$69,503.64, plus penalty and interest, and authorize the Chief Engineer and General Manager and District Counsel to take all appropriate steps to secure the collection of all past due amounts, including authority to institute litigation, stipulate to judgment, and execute a settlement agreement that provides for payment of indebtedness on periodic basis.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, settlement of the industrial wastewater connection fee obligation due from GISG Group Incorporated, in the principal sum of \$69,503.64, plus penalty and interest, was authorized; and the Chief Engineer and General Manager and District Counsel were authorized to take all the appropriate steps to secure collection of all past due amounts now due together with any amounts that may later become due, including the authority to institute litigation, stipulate to judgment, and execute a settlement agreement that provide for a payment of indebtedness on a periodic basis.

RE: FINANCIAL MANAGEMENT
SURCHARGE PROCESSING - SIERRA
CHEESE MANUFACTURING CO, INC.
AUTHORITY TO SETTLE SURCHARGE
OBLIGATION AND SECURE COLLECTION

Sierra Cheese Manufacturing Co., Inc., does not dispute the surcharge amount due; however, it has claimed that it is not in a financial position to submit payment in full and has expressed a willingness to pay the balance in monthly installments. This authorization includes any amounts otherwise due and any additional amounts that

become due prior to institution of litigation or settlement. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to authorize a settlement of industrial wastewater surcharge obligations of Sierra Cheese Manufacturing Co., Inc., in the principal sum of \$121,144.97, plus penalty and interest, and authorize Chief Engineer and General Manager and District Counsel to take all appropriate steps to secure the collection of all past due amounts, including authority to institute litigation, stipulate to judgment, and execute a settlement agreement that provides for payment of indebtedness on a periodic basis.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, settlement of the industrial wastewater surcharge obligation due from Sierra Cheese Manufacturing, Co., Inc., in the principal sum of \$121,144.97, plus penalty and interest, was authorized; and the Chief Engineer and General Manager and District Counsel were authorized to take all the appropriate steps to secure collection of all past due amounts now due together with any amounts that may later become due, including the authority to institute litigation, stipulate to judgment, and execute a settlement agreement that provide for a payment of the indebtedness on a periodic basis.

RE: TECHNICAL SERVICES
SETTLEMENT AGREEMENT
CALIFORNIA COUNTRY CLUB
RECYCLED WATER COSTS
CONTRACT NO. 4576A - APPROVE

California Country Club (CCC) has utilized recycled water from the San Jose Creek East Water Reclamation Plant to irrigate 120-acres of golf course property since 1978. Per CCC's current recycled water agreement with the Districts, CCC is responsible to pay the annual costs of recycled water usage within 45 days of the invoice

date. A delay in billings by the Districts occurred for FY 2017-2018, 2018-2019, 2019-2020, and 2020-2021. The delays in billing were largely due to the complexity of the recycled water billing process, which relies upon supplemental information from CCC. Upon the final determination of costs due, CCC was invoiced for total outstanding costs for FY 17-18 through FY 20-21 in the amount of \$789,553.32. Upon receipt of the invoice, CCC requested a payment plan that allows periodic payments over time. The proposed settlement agreement would allow CCC to pay the full amount of outstanding costs in eight payments over a 24-month period beginning on October 31, 2022. Staff recommends approval of this payment plan in recognition of CCC's long-standing use of recycled water and delays associated with complexity of recycled water billing that staff is in the process of revising. Staff has determined that the approval of the Settlement Agreement does not constitute a "Project" under CEQA pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15378. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to maximize use of our assets and resources (recycled water, recyclables, and energy). A recommendation was made to

approve and order executed a *Settlement Agreement* with California County Club for payment of recycled water costs for fiscal years 2017-2018, 2018-2019, 2019-2020, and 2020-2021.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Board of Directors of County Sanitation District No. 2 of Los Angeles County found and determined that it would be to the advantage of the District to enter into a *Settlement Agreement* with the California County Club providing for payment of recycled water costs for fiscal years 2017-2018, 2018-2019, 2019-2020, and 2020-2021, as set forth in the *Settlement Agreement* and under terms and conditions contained therein. All terms and conditions of the *Settlement Agreement*, Contract No. 4576A, dated October 26, 2022, were accepted and approved, and the Chairperson and Secretary were authorized to execute the *Settlement Agreement* on behalf of the District.

RE: FACILITIES PLANNING
GUARANTY OF PERFORMANCE AND
INDEMNIFICATION AGREEMENT
UNION PACIFIC RAILROAD COMPANY
CONTRACT NO. 5475 - APPROVE

In 2012, the Districts entered into an Industry Track Agreement (ITA) with Union Pacific Railroad Company (UPRR) for construction, operation, and maintenance of rail improvements in UPRR right-of-way to serve the Puente Hills Intermodal Facility. Construction of the rail improvements, which were completed in July 2022,

required the Districts to acquire permanent property rights such as easements from other parties along the rail alignment. The ITA required the Districts to enter into a Property Assembly Agreement (PAA), which was executed in November 2020, to transfer these property rights to UPRR. As allowed by the PAA, UPRR has refused certain maintenance and repair obligations and indemnities in 3 of the 14 property rights to be transferred. In order to complete the transfer of the property rights, UPRR requires that the Districts enter into the proposed Agreement to retain the obligations and indemnities for these three property rights. The long-term impact and cost of these considerations, which includes maintenance and repair of retaining walls and walkways and work to accommodate future improvements to the 60 Freeway, is anticipated to be minor. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to approve and order executed a *Guaranty of Performance and Indemnification Agreement* with UPRR.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Board of Directors of County Sanitation District No. 2 of Los Angeles County found and determined that it would be to the advantage of the District to enter into a *Guaranty of Performance and Indemnification Agreement* with Union Pacific Railroad Company providing for the transfer of property rights for waste-by-rail system, as set forth in the Agreement and under terms and conditions contained therein. All terms and conditions of the *Guaranty of Performance and Indemnification Agreement*, Contract No. 5475, dated October 26, 2022, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District.

RE: SOLID WASTE MANAGEMENT
TERMINATION AGREEMENT AND
RELEASE OF WASTE DISPOSAL AND
PROCESSING AGREEMENT - CR&R,
INC. - CONTRACT NO. 5292B - APPROVE
AUTHORIZE CHIEF ENGINEER AND
GENERAL MANAGER TO EXECUTE AND
APPROVE DOCUMENTS

Market conditions and economic factors have resulted in a sustained drop of incoming material at Downey Area Recycling and Transfer Station (DART) and of the recyclables to the sorting line at the Puente Hills Materials Recovery Facility (PHMRF). In order to maximize productive use of these assets and generate additional revenue, staff solicited proposals from waste haulers to lease these facilities. Based on an evaluation of the proposals received, staff recommended, and the

Board approved, to lease DART and the recyclables sorting line at the PHMRF to Arakelian Enterprises, Inc., (Athens) effective August 1, 2022. Since the Districts will no longer operate DART, the existing Waste Disposal and Processing Agreement (WDPA) with CR&R must be terminated since DART was the primary facility utilized by the company. Staff recommends that the Board authorize the Chief Engineer to execute future amendments and terminations affected by the Athens lease. Staff has determined that approval of the termination agreement does 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. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to approve and order executed a *Termination Agreement and Release* of the WDPA with CR&R, Inc.; and authorize the Chief Engineer and General Manager to execute future amendments or termination agreements of WDPAs with other companies related to lease of Districts' facilities to Athens.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, a *Termination Agreement of Release* of the Waste Disposal and Processing Agreement (WDPA) entered into with CR&R, Inc., Contract No. 5292, dated June 24, 2020, as amended June 22, 2022 (Contract No. 5292A), providing for the termination of operations, as set forth therein, was approved. All the terms and conditions of the *Termination*

Agreement and Release, Contract No. 5292B, dated October 26, 2022, were accepted and approved. Furthermore, the Chief Engineer and General Manager was authorized to execute future amendments or termination agreements of WDPAs with other companies related to lease of Districts' facilities to Arakelian Enterprises, Inc.

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

CATHY WARNER
Chairperson

ATTEST:

DENISE SPRINGER
Deputy Secretary

/drs