

Call, Notice, and Agenda

SPECIAL MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 34

To be held at the OFFICE OF THE DISTRICT  
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/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 |      | December 19, 2022       |        | At 1:30 P.M. |
| BOWMAN | EICH | DAVITT<br>(Chairperson) | GUNTER | WALKER       |

At the call of the Chairperson, a special meeting of the Board of Directors of County Sanitation District No. 34 of Los Angeles County will be held at the above time and place for the purpose of:

1. Public Comment
2. Approve Minutes of Adjourned Regular Meeting Held September 28, 2022
3. Approve July, August, and September 2022 Expenses in Amount of \$1,543.83

Summary: Local District expenses represent costs incurred for operations, maintenance, and capital projects that are the sole responsibility of the individual District. Allocated expenses represent the District’s proportionate share of expenses made by District No. 2, the Administrative District, on its behalf pursuant to the Joint Administration Agreement. This Agreement provides for the joint administration and technical support for all of the signatory Districts along with the methodology for determining the proportionate costs for each District. A listing of Districts’ payments and previously approved budgets can be found on the Districts’ website at [lacsd.org/financial-documents](http://lacsd.org/financial-documents). This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

|                      |                   |
|----------------------|-------------------|
| Allocated Expenses:  |                   |
| Joint Administration | <u>\$1,543.83</u> |
| Total Expenses       | <u>\$1,543.83</u> |

4. Approve *Resolution of the Board of Directors of County Sanitation District No. 34 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*

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), 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 is attached to the agenda.

5. Adopt Policies as Follows:
  - (a) [Purchasing Policy](#)
  - (b) [Investment Policy](#)
  - (c) [Debt Management Policy](#)
  - (d) [Wastewater Financial Reserve Policy](#)
  - (e) [Joint Outfall System Financial Reserve Policy](#)

Summary: As part of the continuing effort to ensure the Districts follows best practices as it relates to financial matters, revisions to certain policies are being recommended. First, sound Investment, Debt Management, and Financial Reserve Policies are crucial to maintaining the Districts’ financial stability,

5. Contd.

and changes are being proposed to the existing policies to ensure consistency across the Districts, ensure transparency in Districts’ finances, and improve the Districts’ investment performance. Second, the Districts’ Purchasing Policy establishes rules for purchase of materials, supplies, equipment, services, and construction projects. Proposed revisions to the policy clarify certain provisions, ensure current practices are incorporated into the policy, and add provisions for related business practices. In October 2022, the Personnel Committee, comprised of the Chairs of all of the active Districts, unanimously endorsed the proposed revisions. A letter summarizing these proposed changes is attached. Links to the policies showing proposed revisions can be found on the posted agenda on the Districts’ website (www.lacsd.org). This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to plan for both short-term and long-term needs to minimize the need for significant rate increases.

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 BOARD OF DIRECTORS OF THE COUNTY SANITATION  
DISTRICT NO. 34 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. 34 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 September 22, 2022 (the “County Order”) includes recommendations for the protection of person with elevated risk factors for severe health outcomes due to COVID-19 infection; 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. 34 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 the County Sanitation District No. 34 of Los Angeles County this 19<sup>th</sup> day of December 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Chairperson



November 9, 2022

Boards of Directors  
Los Angeles County Sanitation Districts

Directors:

### **Financial Policies**

The agenda for upcoming meetings of the Boards of Directors contains an item regarding proposed revisions to several District policies.

#### **FINANCIAL POLICIES**

Financial policies form the cornerstone of the Districts' financial practices and are intended to provide guidance when preparing budgets, adopting rates, and developing long-term capital programs. Use of the policies helps create financial stability, allowing us to provide the vital services in a cost-effective manner, weather periods of economic downturn without having to impose significant rate increases, and construct capital projects in a timely fashion despite fluctuations in costs from year to year. Revisions to the financial policies are recommended that will ensure consistency across the Districts, ensure transparency in Districts' finances, and improve the Districts' investment performance. These revisions were endorsed by the Personnel Committee on October 26, 2022.

One administrative change is consolidation of each of the individual Districts' Investment, Debt Management and Wastewater Financial Reserve policies into common policies adopted by all of the Districts. With few exceptions, the existing individual District policies are identical to each other. Consolidating the policies will streamline the adoption of the policies and improve transparency.

Other recommended revisions to the financial policies are as follows:

#### **Investment Policy**

- Addition of state issued bonds (all 50 states) and local agencies (within California only) as permitted investments.
- Clarification that downgraded securities are treated as "A" rated policies for the purposes of limit testing, eliminating the need to sell securities at a loss when they are downgraded.
- Removal of a provision allowing Investments between the Districts' Solid Waste System and the Joint Outfall System for the Clearwater Tunnel Project. Alternative financing has been secured for the Clearwater Tunnel and this provision is no longer needed.
- Reduction of audits for compliance with investment limits from quarterly to semi-annually.

#### **Debt Management Policy**

- Addition of a provision for federal low-interest loans through the Water Infrastructure Finance and Innovation Act or WIFIA.
- Removal of two debt instruments that are no longer applicable.
  - CIF debt is no longer applicable due to changes in the most recently adopted connection fee ordinances

- As mentioned above, a debt agreement between the Districts' Solid Waste System and the Joint Outfall System for the Clearwater Tunnel Project is no longer needed.
- Addition of a provision to encourage participation and selection of disadvantaged businesses for underwriting services.

#### Financial Reserve Policies

- Update of uses of the Natural Disaster and Self-Insured Retention Fund to include not only deductible and self-insure retention costs, but also costs above the Districts' insured limits. This is recommended to expand this fund's coverage for costs above the Districts' insured limits, in addition to covering the deductible and self-insured retention layers.
- Inclusion of all Joint Administration Funds to ensure all funds are covered under the Wastewater Policy.
- Addition of Rate Stabilization Fund to the Wastewater Policy, which is currently tracked but not held as a separate fund.
- Addition of Fee-in-Lieu and Puente Hills Landfill Park Settlement related funds in the Solid Waste Policy.

#### **PURCHASING POLICY**

Revisions are also recommended for the Purchasing Policy, which establishes rules for purchase of materials, supplies, equipment, services, and construction projects. Most of the revisions clarify and improve wording.

#### Purchasing Policy

- Authorizes the Purchasing Agent to procure temporary property rights up to \$100,000 to accommodate construction of District's projects.
- Clarifies reporting responsibilities to the Board on any action taken with emergency authority: requires a report at the next Board meeting and approval by the Board when the work is complete.
- Increases authority to settle or reject claims up to \$100,000 from the current authority of \$5,000.
- Adds a provision to allow issuance of orders and contracts without Board approval when there is an urgent need, and the Board is not expected to meet. Ratification by the Board is required at the next meeting.

#### **CONCLUSION**

The proposed Policies will be presented to each Board for adoption over the next several months. You may find the link to the policies on the posted agenda on the Districts' website ([www.lacsd.org](http://www.lacsd.org)), or you may contact Kim Christensen at [kchristensen@lacsd.org](mailto:kchristensen@lacsd.org), for hard copies to be mailed directly to you. If approved, the new Policies will take effect after adoption by all of the Boards.

Very truly yours,



Robert C. Ferrante

RCF:MAE