

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 29
HELD AT THE OFFICE OF THE DISTRICT

October 10, 2018
1:30 o'clock, P.M.

The Board of Directors of County Sanitation District No. 29 of Los Angeles County met in regular session.

There were present: Larry Forester, Director from Signal Hill
Edward H. J. Wilson, Director from Signal Hill
Lori Y. Woods, Director from Signal Hill
Tina Hansen, Chairperson, Director from Signal Hill

Absent: Robert D. Copeland, Director from Signal Hill

Also present: Kimberly S. Christensen, Secretary to the Board

RE: MINUTES Upon motion of Director Forester, duly seconded and
held September 12, 2018, were approved. unanimously carried, the minutes of the regular meeting

RE: DISTRICT EXPENSES The following expenses for the month of July 2018 were
seconded and unanimously carried, were approved: presented and upon motion of Director Forester, duly

Local District Expenses:	
Operations & Maintenance (O & M)	\$ 29,394.82
Allocated Expenses:	
Joint Administration	8,951.19
Technical Support	10,177.73
Joint Outfall	<u>61,608.94</u>
Total Expenses	<u>\$110,132.68</u>

RE: RESOLUTION PLEDGING NET REVENUES TO REPAYMENT OF STATE REVOLVING FUND FINANCING AGREEMENT FOR JOINT WATER POLLUTION CONTROL PLANT EFFLUENT OUTFALL TUNNEL PROJECT - ADOPT

A proposed *Resolution Pledging Net Revenues to Repayment of State Revolving Fund Financing Agreement for Joint Water Pollution Control Plant Effluent Outfall Tunnel Project* (Clearwater Project) was presented. The Clearwater Project involves the construction of a new effluent tunnel from the Joint Water Pollution Control Plant in the City of Carson to

the existing ocean outfalls at White Point. The new tunnel will allow for inspection of the existing tunnels, provide redundancy for critical wastewater infrastructure, ensure capacity for future growth, and convey peak storm flows. Funding for the Clearwater Project will come from a number of sources, including the State Revolving Fund (SRF) program under which the State Water Resources Control Board can provide low interest loans for wastewater infrastructure projects. As part of the application process for an SRF loan, each District receiving funding must adopt a resolution dedicating net revenues to repayment of the SRF loan. In the state's 2018 Intended Use Plan, \$127 million has been identified as being available for the Clearwater Project, although more SRF funding may become available in the future. This item does not commit the Districts to a loan but is only part of the lengthy application process. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A copy of the proposed Resolution was attached to the agenda. A recommendation was made to adopt the Resolution.

Upon motion of Director Forester, duly seconded and unanimously carried, the following Resolution was adopted:

RESOLUTION
PLEDGING NET REVENUES TO REPAYMENT OF
STATE REVOLVING FUND FINANCING AGREEMENT FOR
JOINT WATER POLLUTION CONTROL PLANT
EFFLUENT OUTFALL TUNNEL PROJECT

The Board of Directors of County Sanitation District No. 29 of Los Angeles County (“District”), resolves as follows:

1. The District hereby dedicates and pledges all of the Joint Outfall System’s Net Revenues to the repayment of any Clean Water State Revolving Fund (“CWSRF”) financing agreement for the District’s Joint Water Pollution Control Plant Effluent Outfall Tunnel Project (“Project”). Such pledge, and the lien created thereby, is junior and subordinate to the pledge of, and lien on the Joint Outfall System’s Net Revenues for the payment of its Senior Obligations, and is on parity with the pledge of, and lien on the Joint Outfall System’s Net Revenues for the payment of the Joint Outfall System’s Subordinate Obligations.
2. The District shall collect the Net Revenues and maintain its operating fund at levels sufficient to meet the District’s obligations under the financing agreement until the District has satisfied its repayment obligation, unless a modification or change is approved in writing by the State Water Resources Control Board (“State Board”).
3. So long as any financing agreement for the Project is outstanding, this pledge constitutes a lien in favor of the State Board on the Net Revenues without any further action necessary by the State Board or the District.

Capitalized undefined terms used herein have the meanings ascribed thereto in the Joint Acquisition Agreements, dated as of July 1, 2011 and July 1, 2013, by and among the County Sanitation Districts of Los Angeles County named therein and the Los Angeles County Sanitation Districts Financing Authority.

RE: JOINT ADMINISTRATION
INVESTMENT POLICY AND
WASTEWATER FINANCIAL
RESERVE POLICY - ADOPT

Prior to meeting in regular session, the Investment Policy, Debt Management Policy, and Wastewater Financial Reserve Policy were discussed with all District Boards as recorded in the Status Report presented on this date. Having sound investment, debt

management, and financial reserve policies is crucial to maintaining the Districts’ financial stability. Changes are being proposed to the existing investment and wastewater financial reserve policies that will improve the Districts’ performance with little to no risk. No changes are being proposed for the debt management policy. In September, the Personnel Committee (comprised of the Chairs of all the active Districts) unanimously endorsed the recommendations. A letter summarizing the proposed policies and changes, along with copies of the policies, was attached to the agenda. This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship, and to protect financial and facility assets through prudent investment and maintenance programs. A recommendation was made that the Investment Policy and Wastewater Financial Reserve Policy be approved and adopted.

Upon motion of Director Forester, duly seconded and unanimously carried, the Investment Policy and Wastewater Financial Reserve Policy of County Sanitation District No. 29 of Los Angeles County were considered, approved, and adopted. Furthermore, the delegation of authority to the District Treasurer (Chief Engineer and General Manager) to invest and reinvest District funds or to sell or exchange securities was renewed for a one-year period.

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

ATTEST:

KIMBERLY S. CHRISTENSEN
Secretary

TINA HANSEN
Chairperson

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