

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
COUNTY SANITATION DISTRICT NO. 18  
HELD AT THE OFFICE OF THE DISTRICT  
VIA TELECONFERENCE

May 28, 2025  
1:30 o'clock, P.M.

The Board of Directors of County Sanitation District No. 18 of Los Angeles County met in regular session both in person and via teleconference.

There were present: Ray Dunton, Director from Bellflower  
Frank Yokoyama, Director from Cerritos  
Dorothy Pemberton, Alternate Director from Downey  
Cory C. Moss, Director from Industry  
Carol Engelhardt, Alternate Director from La Habra Heights  
Steve DeRuse, Alternate Director from La Mirada  
Rick Ramirez, Alternate Director from Norwalk  
John Garcia, Director from Pico Rivera  
William Rounds, Director from Santa Fe Springs  
Cathy Warner, Alternate Director from Whittier  
Ali Sajjad Taj, Chairperson, Director from Artesia, via AB2449 teleconference

Absent: Kathryn Barger, Director from Los Angeles County

Also present: Kimberly S. Christensen, Secretary to the Board  
Robert Ferrante, Chief Engineer and General Manager  
Jessica Lienau, District Counsel

In response to the Secretary, Director Taj stated that he was attending remotely in accordance with AB2449 – Just Cause/Illness, and no other persons were present.

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 Upon motion of Director DeRuse, duly seconded and carried by a roll-call vote, the minutes of the regular meeting held April 23, 2025, were approved.

RE: DISTRICT EXPENSES The following expenses for the month of February 2025, were presented and upon motion of Director DeRuse, duly seconded and unanimously carried by a roll-call vote, were approved:

Local District Expenses:  
Operations & Maintenance \$11,738  
Total Expenses \$11,738

RE: SERVICE CHARGE PROGRAM HOLD PUBLIC HEARING ON SERVICECHARGE REPORT AND COLLECTION ON TAX ROLL The Chief Engineer and General Manager announced that today the Board would hold a public hearing, and the proposed rate increases associated with the wastewater service charge and the collection of the service charge on the property tax roll were presented.

Holding a public hearing and then adopting the Service Charge Report is required each year to collect the wastewater service charge on the property tax roll. The current service charge rate per single-family home is \$15.92 per month (\$191 per year). The rate for fiscal year 2025-26, as previously adopted by the Board of Directors, is \$16.17 per month (\$194 per year). 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.

In accordance with Section 5473 of the Health and Safety Code of the State of California, the *County Sanitation District No. 18 Service Charge Report for Fiscal Year 2025-26*, was filed on March 26, 2025, and

publication of two newspaper notices for today's public hearing were published in the *Whittier Daily News*, a daily newspaper. The Service Charge Report addresses the continued collection of the service charge for the District on the tax roll. These charges are needed to supplement the District's existing revenue sources for the forthcoming fiscal year, as discussed in the letter to the Boards, dated February 20, 2025.

The Chairperson opened a public hearing on the Service Charge Report for County Sanitation District No. 18 of Los Angeles County. In response to the Chairperson's question, the Secretary reported that the District has received no protests, correspondences, or telephone calls on the Service Charge Report

The Chairperson announced this was the time for any questions or comments by members of the public.

There being none, the Chairperson closed the public hearing.

RE: SERVICE CHARGE PROGRAM  
ADOPT SERVICE CHARGE REPORT

Following the public hearing, upon motion of Director DeRuse, duly seconded and unanimously carried by a roll-call vote, the Board of Directors of

County Sanitation District No. 18 of Los Angeles County approved and adopted the *County Sanitation District No. 18 Service Charge Report for Fiscal Year 2025-26*, which was filed with the Clerk of the Board on March 26, 2025.

RE: WASTEWATER FINANCIAL RESERVE  
POLICY - JOINT OUTFALL SYSTEM  
FINANCIAL RESERVE POLICY - ADOPT

The Wastewater and Joint Outfall System (JOS) Financial Reserve Policies are the cornerstone of the Districts' financial practices and are crucial to maintaining the Districts' financial stability. As part of

the continuing effort to ensure the Districts follows best practices as it relates to its financial matters, revisions to the Policies are being recommended. Proposed revisions simplify and consolidate funds, reduce reserve target levels, ensure current practices are incorporated, and clarify certain provisions. On March 26, 2025, the Personnel Committee, comprised of the Chairpersons of all active Districts, unanimously endorsed the proposed revisions. A letter summarizing the proposed revisions, together with the updated 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 plan for both short-term and long-term needs to minimize the need for significant rate increases. A recommendation was made to adopt the Wastewater and JOS Financial Reserve Policies.

The Chief Engineer and General Manager introduced Mr. Matt Eaton, Deputy Assistant Chief Engineer and Department Head of Financial Management, to give a brief PowerPoint presentation regarding the Wastewater and JOS Financial Reserve Policies.

Mr. Eaton showed a slide with an outline of his presentation's items.

He gave some background on the financial policies, as was shown on a slide. Prior to 2017, the Districts' financial practices were consistently applied but were informal. There were no Board-adopted policies in place. In 2017, new written policies formalized those practices and took a conservative approach for accumulating reserves. The policies went through minor revisions from 2018 to 2022. The financial policies are evolving documents and are reviewed regularly.

A slide showed the value of the reserve policies. The policies are the cornerstone of the Districts' financial practices; they guide budgets and rate adoption, allow constructing capital projects as scheduled even if expenditures fluctuate, and insulate during economic downturns, without significant rate hikes.

A slide showed the changes endorsed by the Personnel Committee in February. Financial Reserve Policies are being revised to simplify funds and reduce reserve-level targets. A significant change involves consolidating the three main designated funds (the Capital Projects Financial Stability Fund, Emergency Fund, and Operations & Maintenance [O&M] Financial Stability Fund) into a single new Financial Stability Fund. The total fund target will be reduced by approximately 20 to 30 percent for the Joint Outfall System, Districts Nos. 14 and 20, and the Santa Clarita Valley Sanitation District. The proposed Financial Stability Fund facilitates the smoothing of rates from year to year, mitigates fluctuations in expenses, and can be used to manage fluctuating O&M or Capital expenses. The target is six months of O&M and one year of debt service, with a range of 80 to 120 percent used for rate modeling.

A new proposed Capital Projects Sinking Fund was discussed. The funding sources for capital projects consist of surplus revenue, using reserves, debt financing, and the new proposed sinking fund. This new fund would be established for specific projects that would be at least partially cash-funded in future years. In the near term, it is not anticipated that this fund would be used in the JOS.

A table summarizing the proposed funds was shown on a slide.

Mr. Eaton further discussed the differences between the JOS and the JOS Districts. The majority of reserves for operating the JOS are held by the system. It absorbs fluctuations in expenses and certain revenues. The individual Joint Outfall Districts have lower targets as most expenses are paid through the JOS, and revenues and expenses of the Districts are relatively steady.

A table showing details on the Districts' Financial Reserve Policies was discussed. The JOS Financial Reserve Policy will be simplified and consolidated. Regarding the Wastewater Financial Reserve Policy for most JOS Districts, no changes are proposed. District No. 29 maintains local sewers, and its policy holds funds for local sewers and operating funds. For the District No. 29 local sewers, the changes parallel the JOS changes.

A slide showed a summary of the impacts of the proposed changes. The proposed changes reduce the total fund target level, simplify administration, and better align funds with needs.

In spring/summer of 2025, the Boards will consider adoption of the proposed Wastewater and JOS Financial Reserve Policies. Changes will be incorporated into financial models in summer/fall of 2025. In July 2026, the new policies become effective after approval by the Boards.

At this time, Mr. Eaton concluded his presentation.

Upon motion of Director DeRuse, duly seconded and unanimously carried, the Wastewater Financial Reserve Policy and the Joint Outfall System Financial Reserve Policy were adopted.

RE: PURE WATER SOUTHERN CALIFORNIA PROGRAM, A PARTNERSHIP WITH METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA - DISCUSS

The Districts previously approved the *Amended and Restated Agreement for the Pure Water Southern California Program* (Agreement) with Metropolitan Water District of Southern California (MWD) to jointly investigate the production and distribution of purified water at the A.K. Warren Water Resource Facility. Among other things, the Agreement provides for the joint preparation of planning and preliminary engineering studies and documentation to comply with the California Environmental Quality Act (CEQA) for the potential full-scale project, including supporting MWD in preparation of the Draft Environmental Impact Report (DEIR).

The Chief Engineer and General Manager announced that the Draft EIR for the Pure Water Southern California (PWSC) was released on Wednesday, May 14, 2025, for a 60-day comment review period. He introduced Ms. Martha Tremblay, Assistant Chief Engineer and Assistant General Manager, to give a brief PowerPoint presentation regarding the PWSC project and Draft EIR.

Ms. Tremblay stated that the PWSC program is a partnership with the Metropolitan Water District (MWD) which involves taking cleaned water from the A.K. Warren Water Resource Facility (Warren Facility) that is currently going to the ocean, running it through the advanced treatment process, removing nitrogen and salts (through reverse osmosis), then conveying the purified water via 60 miles of pipeline to groundwater basins for recharge, as was shown on a map. At this time, no action is required from the Board. The presentation is for information only.

A slide showed the benefits of the project. PWSC provides for a new water source that is climate-resilient and locally available for the region. Most of the water produced will be used to replenish groundwater basins within the Districts' service area. At full implementation, PWSC will provide enough water for 1.5 million people and will be one of the largest recycled water projects in the world. PWSC will improve the overall quality of water leaving the Warren Facility. The advanced treatment processes will remove organic materials and nitrogen compounds, such as ammonia and nitrate, and eliminate more than 99 percent of all impurities. The California State Water Resources Control Board may impose new limits on nitrogen, which can lead to ocean acidification that can damage marine habitats. PWSC will be capable of removing nitrogen at the Warren Facility to address potential future state regulations.

Regarding the California Environmental Quality Act (CEQA), MWD is the "Lead Agency" and is primarily responsible for preparing and certifying the EIR. Districts' staff has been supporting MWD in this effort, especially for the Districts' portion of work, including the biological treatment. As MWD's partner, the Districts is considered a "Responsible Agency," and the Board will also be asked to certify the Final EIR after the MWD Board's certification and approval. The Draft EIR analyzed the potential construction and operations impacts of the activities at the Warren Facility and along the pipeline for 150 million gallons per day (MGD) coverage at a project level. Construction will occur in multiple phases. Phase 1 may provide for 75 MGD.

The Draft EIR findings showed that there are no long-term, operational impacts of the project and that during construction, impacts would be reduced to less than significant with the implementation of mitigation measures. For example, one of the mitigation measures is to have a qualified acoustical specialist review design plans and recommend noise attenuation measures to keep noise levels below noise significant thresholds. Short-term impacts include a temporary impact on local air quality in the vicinity of the construction work. There will be construction at the Warren Facility and along the pipeline for five years. Cultural and tribal resources may be encountered during earthmoving and grading activities. Excessive noise may be generated at certain locations where attenuation features may not be feasible.

The project includes community improvements. Staff is partnering with MWD to build public outreach facilities at the Warren Facility, including an innovation center, tour facilities, a Workforce Training Center to train operators and maintenance staff, new electric vehicle chargers and retrofit of existing equipment at the Warren Facility to minimize emissions, use and delivery of recycled water at the Warren Facility (including to parks such as Carriage Crest Park and the Wilmington Athletic Center), and street beautification in the project vicinity (Figueroa Street).

A slide showed a link to a website where the Draft EIR can be accessed, as well as contact information for Ana Reyes, Senior Environmental Specialist with MWD, for questions or comments.

A slide showed upcoming CEQA milestones. The Draft EIR was released for a 60-day public review and comment period that will start on May 14, 2025. Three public meetings (two virtual and one in-person) will be held at which information on the Draft EIR will be presented, along with directions on how to submit comments. One in-person meeting will be held in the City of Carson. No oral comments will be accepted at the public meetings. It is expected to take three months (July to September) to prepare responses to the Draft EIR comments and the mitigation monitoring and reporting program. In November to December 2025, staff will review the Final EIR, and MWD Board certification of the Final EIR is expected in January 2026.

The final slide showed upcoming actions by District No. 2. In fall 2025, the Districts would start procurement for biological treatment design-build services. The Board will consider certifying the Final EIR and approving the project in early 2026. In spring 2026, the Board will consider approval of a Project Implementation Agreement with MWD, and then adopt JOS rates to fund the project. In summer 2026, the Board will award a Biological Treatment Design-Build Phase 1 contract for the PWSC.

The Chief Engineer and General Manager stated that toward the end of the year, MWD is expected to consider approval of the Final EIR and project. At this time, Directors will be requested to provide letters of support. The Personnel Committee, comprised of the Chairpersons of all active Districts, discusses and endorses proposed capital projects. District No. 2, the administrative District which acts on behalf of all Districts, will then consider approval of the Final EIR and project. All Districts will be briefed on the matter. Each District will consider approval of the rates.

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

ALI SAJJAD TAJ  
Chairperson

ATTEST:

KIMBERLY S. CHRISTENSEN  
Secretary

/ee