

MINUTES OF THE ADJOURNED REGULAR MEETING  
 OF THE BOARD OF DIRECTORS OF  
 COUNTY SANITATION DISTRICT NO. 9  
 HELD AT THE OFFICE OF THE DISTRICT  
 VIA TELECONFERENCE

March 25, 2020  
 1:30 o'clock, P.M.

The Board of Directors of County Sanitation District No. 9 of Los Angeles County met via teleconference pursuant to adjournment as declared by the Secretary at the regular meeting held February 26, 2020, in the absence of all members. The Secretary reported that a copy of the Notice of Adjournment was posted as required by law and that proper affidavits of the posting are on file in the Secretary's Office.

There were present: Joe Buscaino, Alternate Director from Los Angeles City  
 Sheila Kuehl, Chairperson, Director from Los Angeles County

Absent: Kathryn Barger, Director from Los Angeles County

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

RE: MINUTES Upon motion of Director Buscaino, duly seconded and unanimously carried by a roll-call vote, the minutes of the special meeting held December 16, 2019, were approved.

RE: DISTRICT EXPENSES The following expenses for the months of November, December 2019, and January 2020 were presented and upon motion of Director Buscaino, duly seconded and unanimously carried by a roll-call vote, were approved:

Local District Expenses:	
Operations & Maintenance (O & M)	\$43,591.87
Capital	24,443.83
Allocated Expenses:	
Joint Administration	<u>1,325.80</u>
Total Expenses	<u>\$69,361.50</u>

RE: RESOLUTION TO AUTHORIZE DEFEASANCE OF DISTRICT'S SERIES 2011 AND SERIES 2013 BONDS - APPROVE AND ADOPT

A proposed *Resolution of the Board of Directors of County Sanitation District No. 9 of Los Angeles County Authorizing the Defeasance of the Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2011 Series A (Senior Ad Valorem Obligation Bonds) and the Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2013 Series A (Senior Ad Valorem Obligation Bonds), and Authorizing the Execution and Delivery of Necessary Documents and Certificates and Related Actions*, was presented. The proposed resolution will authorize defeasance (or pre-payment) of the District's Series 2011 and Series 2013 Bonds, which means that cash will be set aside in an escrow fund for the sole purpose of making the remaining principal and interest payments. Defeating the bonds will release the 22 participating Districts from pledges, obligations, and unfavorable covenants of the bonds. In addition, due to current low interest rates, this action would result in an estimated \$1 million in savings across all Districts. In order to defease the bonds, each District and the Financing Authority must adopt resolutions authorizing the defeasance of the Bonds and authorizing the execution of certain documents in connection with the defeasance. 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 Buscaino, duly seconded and unanimously carried by a roll-call vote, the following Resolution was adopted:

RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION  
DISTRICT NO. 9 OF LOS ANGELES COUNTY AUTHORIZING THE DEFEASANCE  
OF THE LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING  
AUTHORITY CAPITAL PROJECTS REVENUE BONDS, 2011 SERIES A (SENIOR  
AD VALOREM OBLIGATION BONDS) AND THE LOS ANGELES COUNTY  
SANITATION DISTRICTS FINANCING AUTHORITY CAPITAL PROJECTS  
REVENUE BONDS, 2013 SERIES A (SENIOR AD VALOREM OBLIGATION  
BONDS), AND AUTHORIZING THE EXECUTION AND DELIVERY OF  
NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the Los Angeles County Sanitation Districts Financing Authority (the "Authority") previously issued its Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2011 Series A (Senior Ad Valorem Obligation Bonds) (the "Series 2011 Bonds"), which are presently outstanding in the aggregate principal amount of \$48,760,000;

WHEREAS, the Series 2011 Bonds were issued pursuant to the Indenture, dated as of July 1, 2011 (the "2011 Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "2011 Trustee");

WHEREAS, pursuant to the Joint Acquisition Agreement, dated as of July 1, 2011 (the "2011 Joint Acquisition Agreement"), by and among the County Sanitation Districts of Los Angeles County (the "Districts"), including County Sanitation District No. 9 of Los Angeles County (the "District"), and the Authority, the Districts agreed to make installment payments (the "2011 Installment Payments") for the purchase of certain property described therein;

WHEREAS, the Series 2011 Bonds are payable from and secured by the 2011 Installment Payments;

WHEREAS, pursuant to the 2011 Joint Acquisition Agreement, the Districts have the right to cause the Series 2011 Bonds maturing on or after October 1, 2022 to be redeemed in accordance with the 2011 Indenture;

WHEREAS, the Districts, including the District, desire to exercise such right and, in connection therewith, provide to the Authority funds in an amount sufficient to defease all of the outstanding Series 2011 Bonds pursuant to the 2011 Indenture (the "2011 Defeasance Cost"), each District providing an amount equal to such District's Proportionate Share (as defined in the 2011 Joint Acquisition Agreement) of the 2011 Defeasance Cost, and to have the Authority apply such funds to such defeasance of the Series 2011 Bonds;

WHEREAS, the funds to defease the Series 2011 Bonds will be applied to such purpose pursuant to an Escrow Agreement to be entered into by the Authority, the 2011 Trustee and the Districts (such Escrow Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "2011 Escrow Agreement");

WHEREAS, the Authority previously issued its Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2013 Series A (Senior Ad Valorem Obligation Bonds) (the "Series 2013 Bonds" and, together with the Series 2011 Bonds, the "Bonds"), which are presently outstanding in the aggregate principal amount of \$6,830,000;

WHEREAS, the Series 2013 Bonds were issued pursuant to the Indenture, dated as of July 1, 2013 (the "2013 Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "2013 Trustee");

WHEREAS, pursuant to the Joint Acquisition Agreement, dated as of July 1, 2013, by and among the Districts and the Authority, the Districts agreed to make installment payments (the "2013 Installment Payments") for the purchase of certain property described therein;

WHEREAS, the Series 2013 Bonds are payable from and secured by the 2013 Installment Payments;

WHEREAS, the Districts, including the District, desire to provide to the Authority funds in an amount sufficient to defease all of the outstanding Series 2013 Bonds pursuant to the 2013 Indenture (the "2013 Defeasance Cost"), each District providing an amount equal to such District's Proportionate Share (as defined in the 2013 Joint Acquisition Agreement) of the 2013 Defeasance Cost, and to have the Authority apply such funds to such defeasance of the Series 2013 Bonds;

WHEREAS, the funds to defease the Series 2013 Bonds will be applied to such purpose pursuant to an Escrow Agreement to be entered into by the Authority and the 2013 Trustee (such Escrow Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “2013 Escrow Agreement”);

WHEREAS, there have been prepared and submitted to this meeting forms of;

- (a) the 2011 Escrow Agreement; and
- (b) the 2013 Escrow Agreement; and

WHEREAS, the Board of Directors of the District (the “Board”) desires to authorize and approve the application of available funds to the defeasance of the execution and delivery of such documents and the performance of such acts as may be necessary or desirable to effect the defeasance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of County Sanitation District No.9 of Los Angeles County, as follows:

Section 1. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. Providing available funds of the District to the Authority, in an amount equal to the District’s Proportionate Share of the 2011 Defeasance Cost, to be applied, pursuant to the 2011 Escrow Agreement, to the defeasance of the Series 2011 Bonds is hereby approved; provided, however, that the funds so provided shall not exceed \$71,000.

Section 3. The form of 2011 Escrow Agreement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, is hereby approved, and each of the Chairperson of the Board, the Chairperson *Pro Tem* of the Board, or such other member of the Board as the Chairperson may designate, the Chief Engineer and General Manager of the District and the Assistant Chief Engineer and Assistant General Manager of the District (collectively, the “Authorized Officers”) is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the District, to execute and deliver the 2011 Escrow Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Providing available funds of the District to the Authority, in an amount equal to the District’s Proportionate Share of the 2013 Defeasance Cost, to be applied, pursuant to the 2013 Escrow Agreement, to the defeasance of the Series 2013 Bonds is hereby approved; provided, however, that the funds so provided shall not exceed \$10,000.

Section 5. The form of 2013 Escrow Agreement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, is hereby approved, and each of the Authorized Officers is hereby authorized, for and in the name and on behalf of the District, to approve of such changes, insertions and omissions therein as any such Authorized Officer may require or approve.

Section 6. The Chief Engineer and General Manager of the District, and his or her designees, are hereby authorized and directed, jointly and severally, for and in the name of the District, to do any and all things and to execute and deliver any and all documents which they or any of them may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 7. All actions heretofore taken by the Chief Engineer and General Manager of the District, the designees of the Chief Engineer and General Manager of the District and the authorized agents of the District with respect to the transactions herein authorized above are hereby approved, confirmed and ratified.

Section 8. This Resolution shall take effect immediately upon its adoption.

RE: SERVICE CHARGE REPORT  
RECEIVE AND ORDER FILED  
SET PUBLIC HEARING FOR  
JUNE 24, 2020, AND GIVE  
REQUIRED NOTICE

Prior to meeting in regular session, the Chief Engineer and General Manager updated the Directors on the Districts’ wastewater rates for the various Boards meeting today, as recorded in the Status Report presented on this date.

In regular session, a report titled *County Sanitation District No. 9 Service Charge Report for Fiscal Year 20-21*, prepared in accordance with Section 5473 of the Health and Safety Code of the State of California and which establishes the formula for the calculation of a sewage unit that represents the average daily quantity of sewage flow and strength from a single-family home (SFH), was presented.

Filing of the Service Charge Report is required each year in order to collect the wastewater service charge on the property tax roll. The current service charge rate per SFH is \$6.50 per month (\$78 per year) and no increase is recommended for fiscal year 2020-21. A letter discussing the service charge rate, the fiscal year 2020-21 preliminary budget, and related matters accompanies 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 that, in accordance with Section 5473 of the Health and Safety Code, the Board instructed the District Clerk to publish newspaper notices to inform the public of the date, time, and place for a public hearing on the Service Charge Report, and that the public hearing be set for June 24, 2020, at 1:30 p.m. in the District's Board Room at the Joint Administration Office, via teleconference, 1955 Workman Mill Road, Whittier, California, for the purpose of public discussion of the adopted service charge and industrial wastewater surcharge rates and in order to continue to collect these charges on the next property tax roll. After the public hearing is closed, the Board must adopt the Service Charge Report in order to ensure collection of the service charge through property tax billing.

Upon motion of Director Buscaino, duly seconded and unanimously carried by a roll-call vote, the *County Sanitation District No. 9 Service Charge Report for Fiscal Year 20-21* was ordered filed with the Clerk of the District and the Board does hereby fix June 24, 2020 at 1:30 p.m. as the date and time, and in the District's Board Room at the Joint Administration Office, via teleconference, 1955 Workman Mill Road, Whittier, California, as the place for a public hearing on *County Sanitation District No. 9 Service Charge Report for Fiscal Year 20-21*, the Report having been duly filed with the District Clerk.

The Clerk of this Board shall cause notice of the filing of the Report and the time and place of the public hearing to be published once a week for two successive weeks in *The Daily Breeze*, a daily newspaper designated for publication, there being no newspaper of general circulation within the District printed and published in the District, and in such other publications as are deemed appropriate by the Chief Engineer and General Manager.

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

ATTEST:

SHEILA KUEHL  
Chairperson

KIMBERLY S. CHRISTENSEN  
Secretary

/ak