

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 18

To be held in person and via teleconference per Brown Act, Section 54953(b)&(c), at the:

OFFICE OF THE DISTRICT 1955 Workman Mill Road Whittier, CA 90601	and	ARTESIA CITY HALL* 18747 Clarkdale Avenue Artesia, CA 90701
DOWNEY CITY HALL* City Council Conference Room 11111 Brookshire Avenue, 3 rd Floor Downey, CA 90241	and	OFFICE OF SUPERVISOR HAHN* 302 West 5 th Street San Pedro, CA 90731

For the public to join the meeting virtually, 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

WEDNESDAY	May 27, 2026	At 1:30 P.M.
Governing Body	Director	Alternate
ARTESIA	TREVINO*	RAMOSO
BELLFLOWER	SANTA INES (Chairperson)	SANCHEZ
CERRITOS	JOHNSON	YOKOYAMA
DOWNEY	FROMETA*	H. ORTIZ
INDUSTRY	MOSS	-----
LA HABRA HEIGHTS	BERGMAN	ENGELHARDT
LA MIRADA	ENG	DE RUSE
NORWALK	PEREZ	RAMIREZ
PICO RIVERA	CAMACHO	J. GARCIA
SANTA FE SPRINGS	ZAMORA	-----
WHITTIER	BECERRA	WARNER
LOS ANGELES COUNTY	SOLIS	HAHN*

1. Public Comment
2. Receive and Order Filed Certificate of Mr. James Becerra, Presiding Officer of the City of Whittier
3. Approve Minutes of Regular Meeting Held April 22, 2026
4. Approve February 2026 Expenses in Amount of \$6,922

Summary: Local District expenses represent costs that are the sole responsibility of the individual District. Allocated expenses, which are generally distributed twice per year in conjunction with the receipt of the District's service charge revenue, represent the District's proportionate share of expenses made by the Joint Outfall System pursuant to the Joint Outfall Agreement. The Agreement provides for the joint administration, technical support and management of the operations, maintenance, and capital costs associated with all the shared facilities for all of the signatory Districts, along with the methodology for determining the proportionate costs for each District. A variety of financial reports providing additional context, including payment registers and previously approved budgets, are available on the Districts' website at lacsd.org/financial-documents. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

Local District Expenses:

Operations & Maintenance	<u>\$6,922</u>
Total Expenses	<u>\$6,922</u>

5. Re: Wastewater Revenue Program
 - (a) Hold Combined Public Hearing on Service Charge Report, Service Charge Rates, Industrial Wastewater Surcharge Rates, Connection Fee Rates, and Collection of Service Charge on Property Tax Roll
 - (b) Adopt Service Charge Report
 - (c) Adopt Following Ordinances and Find that Adoption of Ordinances is Exempt from California Environmental Quality Act (CEQA) Under Public Resources Code Section 21080(b)(8) and Title 14 of California Code of Regulations ("CEQA" Guidelines) Section 15273 (**requires two-thirds vote – 8 affirmative votes**)

5. Contd.

- (1) *An Ordinance Prescribing the Service Charge Rate and Mean Loadings per Unit of Usage for County Sanitation District No. 18 of Los Angeles County*
- (2) *An Ordinance Prescribing Industrial Wastewater Surcharge Rates for County Sanitation District No. 18 of Los Angeles County*
- (3) *An Ordinance Prescribing the Connection Fee Rate and Mean Loadings per Unit of Usage for County Sanitation District No. 18 of Los Angeles County*

Summary: New rate ordinances are being proposed to generate sufficient revenue to address the need for upcoming capital projects, increased operating costs, and recent inflationary impacts. The current service charge rate per single-family home (SFH) is \$16.17 per month (\$194 per year). The proposed rates for fiscal years 2026-27, 2027-28, 2028-29, 2029-30, and 2030-31 are \$18.83 per month (\$226 per year), \$21.50 per month (\$258 per year), \$24.17 per month (\$290 per year), \$26.83 per month (\$322 per year), and \$29.50 per month (\$354 per year), respectively. Owners of multiple dwelling units and commercial properties are charged in proportion to their use compared to an SFH. Changes to the Industrial Wastewater Surcharge and Connection Fee Rate Ordinances that incorporate the service charge rate increase are also being proposed. A letter describing the required Board actions, together with the Service Charge Report, the proposed service charge, industrial wastewater surcharge, and connection fee rate ordinances, 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.

6. Adopt Resolution Approving Issuance of Bonds and Authorizing the Following:

- (a) Execution and Delivery by District of Resolution, [Joint Acquisition Agreement](#), and [Bond Agreement](#) in Connection with Issuance of *Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2026 Revenue Bonds* (Joint Outfall System)
- (b) Distribution of [Preliminary Official Statement](#) and *Official Statement* in Connection Therewith
- (c) Execution of Necessary Documents and Certificates and Related Actions

Summary: To finance capital projects, the Districts in the Joint Outfall System (JOS) propose issuing bonds. In collaboration with the Districts' municipal advisor and bond counsel, staff has identified a group of capital projects for bond financing. The proposed Resolution, as attached, includes approval of the necessary documents, directions to staff to distribute the documents, and authority for the Financing Authority to sell new revenue bonds secured by installment payments made by the JOS Districts. The bonds will be payable as installment payments by the individual District pursuant to the Joint Acquisition Agreement. Under the proposed action, the Financing Authority would consider approving the issuance of a not-to-exceed amount of \$510 million in bond financing. The necessary extensive documents to be considered for the sale of the bonds are available at <https://www.lacsd.org/JOSbonds>. A letter discussing this issue accompanies 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.

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 American Disabilities Act, if you require special assistance or need assistance with language translation to participate in this meeting, please contact the Secretary to the Boards' Office at (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.



May 6, 2026

Boards of Directors
Los Angeles County Sanitation Districts
Joint Outfall System (JOS) Districts

Directors:

Wastewater Revenue Program for Fiscal Year (FY) 2026-27 through FY 2030-31

The agendas for the upcoming May 2026 meetings of the Board of Directors of the JOS Districts contain items regarding the District's wastewater revenue program. This program requires residential, commercial, and small industrial dischargers to pay an annual user charge based on their use of the Districts' wastewater management system. New wastewater rates are being proposed for the JOS Districts to generate sufficient revenues to adequately fund operational costs and upcoming capital projects, address recent inflationary impacts, and help the Districts meet the targets in its Board-adopted financial reserve and debt policies.

SERVICE CHARGE, SURCHARGE, AND CONNECTION FEE RATES

Residential, commercial, and small industrial dischargers are covered by the service charge program, which collects user charges on the property tax roll. Large industrial dischargers are required to file surcharge statements and pay their user charge under the industrial wastewater surcharge program. The proposed service charge rates for FY 2026-27 through FY 2030-31 for the JOS Districts are shown in the subsequent table.

Multi-family residential units pay 60% of the adopted single-family home (SFH) rate and condominiums will pay 75% of the adopted SFH rate. Likewise, commercial, and industrial dischargers will pay in proportion to their use of the wastewater management system compared to an SFH. Dischargers with verified low water usage (particularly seniors and retirees) may qualify for a reduced charge. The proposed Service Charge and Industrial Wastewater Surcharge Rate Ordinances are attached to the agenda.

New connection fee rates are also proposed for FY 2026-27 through FY 2030-31. Wastewater connection fees are paid by new dischargers or existing dischargers who increase their discharge. The fees are calculated using a "buy-in" methodology where new users or increasing discharges buy-in to the existing facilities and fund capital improvements. The proposed connection fee rates reflect the current net assets of each District on a per-capacity unit basis, plus an operational component equivalent to one year of service charge. The proposed Connection Fee Rate Ordinance is attached to the agenda.

Proposition 218 notices were mailed in January 2026 to 1,093,242 residential and commercial parcels and 1,784 industrial waste customers within the JOS; notices announcing the public hearings were also published in the newspaper; and multiple tours and in-person and virtual public information meetings were held. As of May 6, 2026, a total of 232 protests have been received across all Districts, with no individual District having more than 48 protests. Proposition 218 notices were not mailed to residential and commercial property owners in Districts Nos. 23 and 28 since the service charge rate is \$0 per year due to high reserve levels.

Proposed Service Charge Rates (\$/Sewage Unit)

District	Current	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029	July 1, 2030
1	205	238	271	304	337	370
2	197	232	267	302	337	372
3	211	243	275	307	339	371
5	183	216	249	282	315	348
8	218	244	270	296	322	348
15	179	212	245	278	311	344
16	160	192	224	256	288	320
17	177	205	233	261	289	317
18	194	226	258	290	322	354
19	181	214	247	280	313	346
21	191	224	257	290	323	356
22	186	216	246	276	306	336
23	0	0	0	0	0	0
28	0	0	0	0	0	0
29	376	431	486	541	596	651
SBC	75	100	125	150	175	200

COLLECTION OF SERVICE CHARGES ON THE TAX ROLL

The agenda also contains actions to allow for continued collection of each District's service charges for residential, commercial, and small industrial dischargers on the property tax roll. Adoption of the Service Charge Report, as required under the California Health and Safety Code, is necessary for the District to continue to collect the adopted wastewater service charge as a separate line item on the property tax roll. This is the most cost-effective and efficient means of collecting service charges. A copy of the proposed Service Charge Report is attached to the agenda.

RECYCLED WATER RATES

New recycled water rates are also proposed for FY 2026-27 through FY 2030-31. These rates are set at 30% of the District's total operational costs, which provides price certainty for both the Districts and users and ensures the incremental costs of producing the recycled water are covered. Revenue received from this program offsets the Districts' operational costs of producing recycled water. The proposed Recycled Water Rate Ordinance is attached to the agenda for District No. 2.

LOW WATER REBATE PROGRAM

The cost of metering wastewater discharges from individual parcels is impractical and cost-prohibitive. Hence, discharges are estimated using standard loading factors based on the size and types of facilities located on the parcel. With ongoing efforts by local communities to conserve water and install low-flow plumbing fixtures, many parcels may be discharging at lower rates than currently estimated. The Districts' low water rebate program allows parcel owners to apply for a reduction in their service charge rate based on their actual water usage. Staff conducted a concerted public outreach, including information on this program in our Proposition 218 notices, newspaper advertisements, and the Districts' website, to ensure that parcel owners are aware of this program.

SUMMARY OF REQUIRED ACTIONS

To implement new rates, the District must comply with the requirements of both Proposition 218 and the California Health & Safety Code. The Boards will consider adopting the Service Charge Report and the new service charge, industrial wastewater surcharge, and connection fee rate ordinances. To ensure the new rates become effective on July 1, 2026, adoption needs to occur before June 1, 2026.

At the upcoming June 2026 meetings, a final budget will be presented to the Board of Directors of the JOS Districts for consideration as part of the overall budgetary process, adoption of which will authorize budget appropriations. In addition, the Boards will consider taking certain administrative actions required by all agencies receiving ad valorem taxes. These include establishing by resolution the amount of the tax levy the District will request from the Los Angeles County Tax Collector and adopting a limit on authorized expenditures of tax proceeds.

Very Truly Yours,



Robert C. Ferrante

RCF:gc
Enclosures

COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY SERVICE CHARGE REPORT FOR FISCAL YEAR 2026-27

INTRODUCTION

County Sanitation District No. 18 of Los Angeles County (District No. 18) encompasses all or portions of the cities of Artesia, Bellflower, Cerritos, Downey, Industry, La Habra Heights, La Mirada, Norwalk, Pico Rivera, Santa Fe Springs, Whittier, and unincorporated Los Angeles County.

District No. 18 is one of seventeen (17) contiguous sanitation districts within the urbanized Los Angeles Basin signatory to the amended *Joint Outfall Agreement*. These districts, known as the Joint Outfall System districts, have formed a regional wastewater management system known as the Joint Outfall System. This regional system consists of sewers, pumping plants, treatment plants, outfalls, incidental sanitation works, and the A.K. Warren Water Resource Facility which are essential to protect the public health of the people served by the system.

District No. 18, as a member of the Joint Outfall System, must provide a proportionate share of the revenue required to operate and maintain the facilities. Additionally, District No. 18 is responsible for any costs associated with the local sewers and pumping plants that are owned by District No. 18 and are solely for its benefit. The general revenue sources currently available to District No. 18 include a pro rata share of the ad valorem (property) taxes, service charges, industrial wastewater surcharges, grants, loans, interest income, contract revenue and reserves.

SERVICE CHARGE DESCRIPTION

The supplemental revenue required under the *Master Service Charge Ordinance of County Sanitation District No. 18 of Los Angeles County* will be allocated among classes of developed parcels of real property on the basis of use of the sewerage system. The revenue derived from the service charge will be used for operation and maintenance and capital costs.

All industrial dischargers in District No. 18 discharging more than 1.0 million gallons per year are required to file a wastewater treatment surcharge statement as prescribed in the *Wastewater Ordinance* to pay their appropriate share of the costs based on their use of the sewerage system. All other users of the sewerage system, except for contractual and local government users, will pay service charges.

The basic term used to define the service charge is a sewage unit (SU). A sewage unit represents the average daily quantity of sewage flow and strength from a single-family home measured in terms of flow, chemical oxygen demand (COD), and suspended solids (SS). The number of sewage units per unit of measure shall be determined by the following formula:

$$\text{SU} = A \left(\frac{\text{FLOW}_{\text{avg}}}{\text{FLOW}_{\text{sfh}}} \right) + B \left(\frac{\text{COD}_{\text{avg}}}{\text{COD}_{\text{sfh}}} \right) + C \left(\frac{\text{SS}_{\text{avg}}}{\text{SS}_{\text{sfh}}} \right)$$

where:

- A = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year attributable to flow;
- B = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year attributable to COD;
- C = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year attributable to suspended solids;

**COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY
SERVICE CHARGE REPORT FOR FISCAL YEAR 2026-27**

- FLOW_{sfh} = Average flow of wastewater from a single-family home in gallons per day;
- COD_{sfh} = Average loading of COD in the wastewater from a single-family home in pounds per day;
- SS_{sfh} = Average loading of suspended solids in the wastewater from a single-family home in pounds per day;
- FLOW_{avg} = Estimated flow of wastewater which will enter the sewerage system from a user in gallons per day;
- COD_{avg} = Estimated loading of COD which will enter the sewerage system from a user in pounds per day;
- SS_{avg} = Estimated loading of suspended solids which will enter the sewerage system from a user in pounds per day.

The A, B, and C factors, defined above, are periodically adopted by the District No. 18 Board of Directors, the most recent adopted values can be found in *An Ordinance Prescribing the Service Charge Rate and Mean Loadings per Unit of Usage for County Sanitation District No. 18 of Los Angeles County*.

The service charge per sewage unit is determined by dividing the total required supplemental revenue by the total number of sewage units in District No. 18. The service charge for each parcel is determined by multiplying the service charge per sewage unit by the number of sewage units attributable to the parcel, which in turn, is determined by the class of real property and the sewage unit formula and the flow, COD and SS loadings from the User Categories and Mean Loadings, periodically adopted by the Board of Directors of District No. 18.

Based upon presently anticipated sources of funds, the service charge rate for fiscal year 2026-27 is \$226 per sewage unit. Parcels with significantly lower water usage may be eligible for a reduced rate pursuant to the terms of the *Master Service Charge Ordinance of County Sanitation District No. 18 of Los Angeles County*.

DESCRIPTION OF PARCELS RECEIVING SERVICES AND IDENTIFICATION OF AMOUNT OF CHARGE FOR EACH PARCEL

All parcels of real property within the 2026-27 Tax Rate Areas as shown in Table 1 are receiving or benefiting from the services and facilities of District No. 18. Additionally, the parcels listed in Table 2, which do not fall within the Tax Rate Areas shown in Table 1, are receiving or benefiting from the services and facilities of District No. 18. Said parcels are more particularly described in maps prepared in accordance with Section 327, Revenue and Taxation Code, which are on file in the office of the Los Angeles County Assessor, which maps are hereby incorporated herein by reference.

All commercial and institutional parcels assessed a service charge based on the Los Angeles County Assessor's current tax roll shall be charged on the basis of not less than one (1.0) sewage unit.

No charge shall be imposed on the owner or owners of any parcels as to which the fair market value of improvements is less than \$1,000 as determined on the basis of the Los Angeles County Assessor's current tax roll. This assumption is predicated on the fact that this type of parcel would be a vacant piece of land; however, should subsequent evaluation reveal that the property is not vacant, then an appropriate service charge would be levied.

**TABLE 1
TAX RATE AREAS IN
COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY**

000057	000122	000123	000124	000125
000126	000127	000128	000137	000139
000142	000144	000145	000147	000150
000152	000153	000154	000155	000156
000157	000162	000165	000185	000186
000187	000188	000191	000196	000270
001759	001760	001761	001762	001763
001764	001765	001766	001767	001768
001769	001774	001825	001828	001831
001863	001864	001865	001955	001970
001972	001986	001987	002002	002005
002480	002488	002489	002490	002493
002509	002511	002516	002526	002528
002563	002564	002565	002573	002574
002575	002576	002577	002579	002581
002582	002583	002587	002591	002592
002593	002594	002595	002596	002597
002598	002599	002604	002608	002610
002611	002612	002613	002614	002616
002618	002619	002622	003469	003471
003472	003473	003474	003475	003476
003477	003479	003480	003481	003482
003483	003485	003486	003487	003488
003491	003492	003493	003494	003496
003497	003498	003503	003504	003505
003507	003508	003510	003511	003512
003513	003514	003515	003516	003517
003518	003519	003521	003522	003523
003524	003525	003526	003527	003528
003529	003530	003531	003532	003533
003534	003535	003536	003537	003538
003540	003541	003542	003543	003544
003545	003546	003547	003548	003549
003550	003551	003552	003554	003555

TABLE 1
TAX RATE AREAS IN
COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY

003556	003558	003560	003561	003562
003563	003564	003565	003566	003567
003568	003569	003570	003571	003572
003574	003575	003576	003577	003578
003580	003581	003582	003583	003595
003600	003614	003615	003618	003642
003643	003644	003660	003661	003666
003741	003742	003808	004388	004456
004458	004460	004467	004470	004474
004477	004549	005000	005239	005240
005254	005291	005295	005296	005297
005298	005299	005306	005307	005308
005310	005311	005314	005315	005317
005318	005319	005320	005321	005322
005323	005324	005325	005326	005328
005329	005330	005331	005332	005333
005334	005335	005336	005337	005338
005339	005340	005341	005342	005343
005344	005345	005346	005347	005348
005349	005351	005352	005353	005354
005355	005356	005357	005358	005359
005360	005361	005362	005363	005364
005365	005366	005367	005368	005369
005571	005583	005622	005630	005641
005689	005705	005811	005900	005901
005902	005903	005904	005905	005906
005907	005908	005909	005910	005911
005912	005913	005914	005915	005916
005917	005918	005919	005920	005921
005922	005923	005925	005926	005927
005928	005930	005931	005932	005934
005936	005937	005938	005939	005940
005941	005942	005944	005945	005946
005947	005948	005949	005950	005951

TABLE 1
TAX RATE AREAS IN
COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY

005952	005953	005954	005955	005957
005958	005959	005960	005961	005966
006001	006004	006005	006007	006008
006009	006011	006015	006016	006017
006019	006025	006027	006029	006033
006034	006035	006038	006039	006040
006041	006042	006044	006045	006046
006051	006052	006056	006057	006058
006140	006141	006142	006143	006147
006170	006185	006230	006231	006233
006234	006258	006322	006373	006374
006395	006454	006538	006599	006653
006668	006687	006689	006690	006691
006692	006693	006694	006695	006696
006697	006698	006699	006700	006701
006702	006703	006706	006712	006713
006721	006724	006759	006761	006762
006763	006766	006767	006768	006770
006773	006774	006775	006785	006794
006795	006798	006799	006800	006801
006802	006804	006805	006821	006843
006844	006845	006859	006864	006866
006867	006871	006872	006873	006874
006875	006876	006877	006878	006879
006880	006881	006882	006883	006884
006885	006886	006887	006888	006889
006890	006891	006892	006893	006894
006895	006896	006897	006898	006899
006900	006901	006902	006903	006904
006905	006906	006907	006908	006909
006910	006912	006913	006914	006915
006916	006918	007696	007939	008405
008409	008568	008600	008601	009010
009015	009042	009044	009045	009046

TABLE 1
TAX RATE AREAS IN
COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY

009047	009048	009049	009050	009051
009052	009053	009054	009055	009056
009057	009058	009059	009060	009061
009062	009063	009064	009065	009066
009067	009068	009069	009070	009071
009072	009073	009074	009075	009076
009077	009078	009079	009080	009081
009082	009083	009085	009086	009088
009089	009090	009092	009094	009095
009096	009097	009098	009099	009100
009101	009102	009103	009104	009105
009106	009107	009109	009110	009112
009113	009115	009116	009117	009118
009119	009120	009122	009123	009124
009171	009195	009196	009197	009211
009216	009217	009218	009219	009221
009222	009223	009224	009225	009226
009227	009228	009229	009231	009232
009233	009235	009238	009245	009246
009265	009266	009348	009611	009616
009617	009618	009620	009621	009622
009623	009624	009625	009626	009627
009628	009629	009630	009631	009632
009633	009634	009635	009636	009638
009639	009640	009641	009642	009643
009645	009646	009650	009651	009652
009653	009654	009655	009657	009658
009660	009661	009664	009665	009666
009667	009669	009670	009671	009674
009676	009677	009678	009679	009680
009681	009682	009683	009685	009686
009688	009690	009692	009693	009694
009695	009697	009701	009702	009703
009704	009705	009706	009709	009710

TABLE 1
TAX RATE AREAS IN
COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY

009711	009712	009714	009717	009719
009720	009723	009724	009725	009727
009731	009732	009733	009734	009735
009738	009780	009781	009782	009783
009784	009798	009877	009889	009890
009893	009894	009924	009928	009952
009953	009972	009973	009974	010193
010194	010204	010266	010274	010275
010333	010366	010387	010399	010400
010401	010541	010542	010543	010544
010545	010557	010558	010562	010563
010564	010601	010620	010710	010785
010793	010794	010797	011124	011288
011289	011290	011349	011459	011460
011496	011500	011501	011502	011503
011505	011512	011543	011752	011878
011999	012000	012001	012002	012003
012006	012007	012010	012011	012012
012013	012014	012015	012019	012020
012021	012022	012056	012057	012058
012059	012074	012075	012133	012270
012298	012299	012300	012301	012306
012307	012402	012403	012404	012405
012428	012429	012487	012503	012523
012526	012527	012528	012529	012616
012617	012680	012812	012857	012931
012967	012968	013025	013026	013027
013029	013033	013039	013043	013050
013055	013056	013057	013061	013071
013074	013075	013078	013081	013083
013084	013085	013086	013087	013109
013173	013188	013189	013238	013239
013240	013241	013243	013246	013247
013248	013249	013250	013251	013252

TABLE 1
TAX RATE AREAS IN
COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY

013253	013254	013255	013256	013305
013306	013307	013308	013309	013310
013311	013340	013386	013408	013409
013410	013411	013474	013475	013476
013477	013478	013479	013480	013536
013537	013561	013588	013605	013667
013668	013676	013684	013711	013725
013729	013751	013846	013857	013858
013859	013860	013861	013862	013863
013864	013865	013876	013883	013940
014062	014063	014213	014313	014317
014321	014322	014336	014345	014346
014364	014408	014445	014503	014510
014626	014627	014670	014690	014713
014714	014724	014807	014824	014855
015037	015042	015050	015052	015067
015104	015105	015145	015148	015170
015171	015172	015173	015179	015180
015203	015266	015267	015269	015314
015315	015333	015335	015456	015477
015479	015493	015497	015501	015521
015603	015627	015628	015666	015667
015672	015678	015691	015692	015693
015699	015701	015702	015703	015714
015723	015755	015756	015760	015761
015771	015831	015832	015834	015835
015836	016078	016079	016084	016097
016136	016144	016150	016270	016401
016402	016412	016413	016461	016462
016511	016512	016515	016590	016599
016627	016728	016742	016750	016753
016755	016757	016816	016818	016819
016821	016824	016829	016830	016831
016842	016921	016949	016950	016953

TABLE 1
TAX RATE AREAS IN
COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY

016970	016971	016972	016982	016983
016994	016997	017023	017029	017030
017031	017041	017042	017177	017179
017180	017333	017412	017419	017420
017421	017422	017423	017424	017425
017426	017427	017454	017455	017456
017457	017458			

TABLE 2
PARCEL NUMBERS SERVED BY
COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY
OUTSIDE OF TAX RATE AREAS

5110004037 8006017024 8019002030 8125014042 8125014043 8125061001

**AN ORDINANCE PRESCRIBING THE SERVICE CHARGE RATE
AND MEAN LOADINGS PER UNIT OF USAGE FOR
COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY**

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:

SECTION 1 – SHORT TITLE

This Ordinance shall be known as the *District No. 18 Service Charge Rate Ordinance* and may be cited as such.

SECTION 2 – PURPOSE

The purpose of this Ordinance is to establish the service charge rates, user categories, mean loadings, and cost allocation factors prescribed by County Sanitation District No. 18 of Los Angeles County.

SECTION 3 – USER CATEGORIES AND MEAN LOADINGS

Pursuant to the *Master Service Charge Ordinance of County Sanitation District No. 18 of Los Angeles County*, or any successor ordinance, the following, to be effective on the date given in Section 9, shall constitute the user categories and mean loadings per unit of usage for flow, chemical oxygen demand (COD), and suspended solids (SS), for County Sanitation District No. 18 of Los Angeles County:

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW (Gallons per Day)</u>	<u>COD (Pounds per Day)</u>	<u>SS (Pounds per Day)</u>
RESIDENTIAL				
Single Family Home	Dwelling Unit	260	1.22	0.59
Condominiums	Dwelling Unit	195	0.92	0.44
Multi-Unit Residential	Dwelling Unit	156	0.73	0.35
Mobile Home Parks	No. of Spaces	156	0.73	0.35
COMMERCIAL				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1,000 ft ²	100	0.43	0.23
Supermarket	1,000 ft ²	150	2.00	1.00
Shopping Center	1,000 ft ²	325	3.00	1.17
Regional Mall	1,000 ft ²	150	2.10	0.77
Office Building	1,000 ft ²	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1,000 ft ²	300	1.29	0.68
Restaurant	1,000 ft ²	1,000	16.68	5.00
Indoor Theatre	1,000 ft ²	125	0.54	0.28
Car Wash				
Tunnel – No Recycling	1,000 ft ²	3,700	15.86	8.33
Tunnel – Recycling	1,000 ft ²	2,700	11.74	6.16
Wand	1,000 ft ²	700	3.00	1.58
Bank, Credit Union	1,000 ft ²	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1,000 ft ²	100	0.43	0.23
Animal Kennels	1,000 ft ²	100	0.43	0.23
Gas Station	1,000 ft ²	100	0.43	0.23

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW (Gallons per Day)</u>	<u>COD (Pounds per Day)</u>	<u>SS (Pounds per Day)</u>
COMMERCIAL				
Auto Sales	1,000 ft ²	100	0.43	0.23
Wholesale Outlet	1,000 ft ²	100	0.43	0.23
Nursery/Greenhouse	1,000 ft ²	25	0.11	0.06
Manufacturing	1,000 ft ²	200	1.86	0.70
Light Manufacturing	1,000 ft ²	25	0.23	0.09
Lumber Yard	1,000 ft ²	25	0.23	0.09
Warehousing	1,000 ft ²	25	0.23	0.09
Open Storage	1,000 ft ²	25	0.23	0.09
Drive-In Theatre	1,000 ft ²	20	0.09	0.05
Night Club	1,000 ft ²	350	1.50	0.79
Bowling/Skating	1,000 ft ²	150	1.76	0.55
Club & Lodge Halls	1,000 ft ²	125	0.54	0.27
Auditorium, Amusement	1,000 ft ²	350	1.50	0.79
Golf Course and Park (Structures and Improvements)	1,000 ft ²	100	0.43	0.23
Campground, Marina, and Recreational Vehicle Park	Sites, Slips, or Spaces	55	0.34	0.14
Convalescent Home	Bed	125	0.54	0.28
Horse Stables	Stalls	25	0.23	0.09
Laundromat	1,000 ft ²	3,825	16.40	8.61
Mortuary, Funeral Home	1,000 ft ²	100	1.33	0.67
Health Spa, Gymnasium				
With Showers	1,000 ft ²	600	2.58	1.35
Without Showers	1,000 ft ²	300	1.29	0.68
Convention Center, Fairground, Racetrack, Sports Stadium/Arena	Average Daily Attendance	10	0.04	0.02
INSTITUTIONAL				
College/University	Student	20	0.09	0.05
Private School	1,000 ft ²	200	0.86	0.45
Library, Museum	1,000 ft ²	100	0.43	0.23
Post Office (Local)	1,000 ft ²	100	0.43	0.23
Post Office (Regional)	1,000 ft ²	25	0.23	0.09
Church	1,000 ft ²	50	0.21	0.11

SECTION 4 – SERVICE CHARGE RATE

Pursuant to the *Master Service Charge Ordinance of County Sanitation District No. 18 of Los Angeles County*, or any successor ordinance, the following, to be effective on the dates given, shall constitute the annual service charge rate per sewage unit:

<u>July 1, 2026</u>	<u>July 1, 2027</u>	<u>July 1, 2028</u>	<u>July 1, 2029</u>	<u>July 1, 2030</u>
\$226	\$258	\$290	\$322	\$354

SECTION 5 – COST ALLOCATION FACTORS

Pursuant to the *Master Service Charge Ordinance of County Sanitation District No. 18 of Los Angeles County*, or any successor ordinance, the proportions of the total operation and maintenance and net capital costs required for conveyance, treatment, and disposal of wastewater which are attributable to flow, COD, and SS, designated as A, B, and C, respectively, to be effective on the date given in Section 9, shall be:

A	B	C
0.3049	0.3348	0.3603

SECTION 6 – COLLECTION ON THE TAX ROLL

Pursuant to Section 5473 of the California Health and Safety Code, the District elects to have the service charge imposed pursuant to the *Master Service Charge Ordinance of County Sanitation District No. 18 of Los Angeles County*, or any successor ordinance, collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, the ad valorem taxes collected by the County of Los Angeles.

SECTION 7 – VALIDITY

In any part, section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is held invalid or unconstitutional for any reason by any court, that decision does not affect the validity or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.

SECTION 8 – SUPERSESION

This Ordinance shall supersede *An Ordinance Prescribing the Service Charge Rate and Mean Loadings per Unit of Usage for County Sanitation District No. 18 of Los Angeles County and Providing for the Collection of Such Charges on the Property Tax Roll*, adopted May 25, 2022.

SECTION 9 – EFFECTIVE DATE

This Ordinance shall become effective July 1, 2026.

ATTEST:

Clerk, Board of Directors
County Sanitation District No. 18
of Los Angeles County

Chairperson, Board of Directors
County Sanitation District No. 18
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 18 of Los Angeles County on _____ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Secretary of the Board of Directors
County Sanitation District No. 18
of Los Angeles County

**AN ORDINANCE PRESCRIBING INDUSTRIAL WASTEWATER
SURCHARGE RATES FOR COUNTY SANITATION
DISTRICT NO. 18 OF LOS ANGELES COUNTY**

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:

SECTION 1 – SHORT TITLE

This Ordinance shall be known as the *District No. 18 Industrial Wastewater Surcharge Rate Ordinance* and may be cited as such.

SECTION 2 – PURPOSE

The purpose of this Ordinance is to establish the industrial wastewater surcharge rates prescribed by County Sanitation District No. 18 of Los Angeles County.

SECTION 3 – INDUSTRIAL WASTEWATER SURCHARGE RATES

(a) Pursuant to the *Wastewater Ordinance*, adopted by County Sanitation District No. 18 of Los Angeles County, the following, to be effective on the dates given, shall constitute the annual industrial wastewater surcharge rates:

	<u>Parameter</u>	<u>July 1, 2026</u>	<u>July 1, 2027</u>	<u>July 1, 2028</u>	<u>July 1, 2029</u>	<u>July 1, 2030</u>
Flow	(a) [per MG]	\$ 1,073.00	\$ 1,221.00	\$ 1,367.00	\$ 1,512.00	\$ 1,657.00
COD	(b) [per 1,000 lbs]	210.00	243.00	275.60	308.00	340.40
SS	(c) [per 1,000 lbs]	614.60	693.90	772.00	849.50	927.50
Peak	(d) [per gpm]	156.30	178.10	199.70	221.10	242.50
Short Form Rate	[per MG]	\$ 4,979.38	\$ 5,692.96	\$ 6,397.02	\$ 7,096.32	\$ 7,797.01

(b) To further the use of the Districts’ reclaimed water, a credit, as determined by the Chief Engineer and General Manager, will be applied to an industry’s wastewater surcharge obligation for the chemical oxygen demand present in reclaimed water utilized by an industrial discharger and which originated at a Districts’ water reclamation plant.

SECTION 4 – VALIDITY

If any part, section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is held invalid or unconstitutional for any reason by any court, that decision does not affect the validity or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.

SECTION 5 – SUPERSESION

This Ordinance shall supersede *An Ordinance Prescribing Industrial Wastewater Surcharge Rates for County Sanitation District No. 18 of Los Angeles County*, adopted May 25, 2022.

SECTION 6 – EFFECTIVE DATE

This Ordinance shall become effective July 1, 2026.

ATTEST:

Clerk, Board of Directors
County Sanitation District No. 18
of Los Angeles County

Chairperson, Board of Directors
County Sanitation District No. 18
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 18 of Los Angeles County on _____ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Secretary of the Board of Directors
County Sanitation District No. 18
of Los Angeles County

**AN ORDINANCE PRESCRIBING THE CONNECTION FEE RATE
AND MEAN LOADINGS PER UNIT OF USAGE FOR
COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY**

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:

SECTION 1 – SHORT TITLE

This Ordinance shall be known as the *District No. 18 Connection Fee Rate Ordinance* and may be cited as such.

SECTION 2 – PURPOSE

The purpose of this Ordinance is to establish the connection fee rates, user categories, and mean loadings prescribed by County Sanitation District No. 18.

SECTION 3 – USER CATEGORIES AND MEAN LOADINGS

Pursuant to the *Master Connection Fee Ordinance of County Sanitation District No. 18 of Los Angeles County*, or any successor ordinance, the following, to be effective on the date given in Section 8, shall constitute the user categories and mean loadings per unit of usage for flow, chemical oxygen demand (COD), and suspended solids (SS), for County Sanitation District No. 18 of Los Angeles County:

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW (Gallons per Day)</u>	<u>COD (Pounds per Day)</u>	<u>SS (Pounds per Day)</u>
RESIDENTIAL				
Single Family Home	Dwelling Unit	260	1.22	0.59
Condominiums	Dwelling Unit	195	0.92	0.44
Multi-Unit Residential	Dwelling Unit	156	0.73	0.35
Mobile Home Parks	No. of Spaces	156	0.73	0.35
COMMERCIAL				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1,000 ft ²	100	0.43	0.23
Supermarket	1,000 ft ²	150	2.00	1.00
Shopping Center	1,000 ft ²	325	3.00	1.17
Regional Mall	1,000 ft ²	150	2.10	0.77
Office Building	1,000 ft ²	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1,000 ft ²	300	1.29	0.68
Restaurant	1,000 ft ²	1,000	16.68	5.00
Indoor Theatre	1,000 ft ²	125	0.54	0.28
Car Wash				
Tunnel – No Recycling	1,000 ft ²	3,700	15.86	8.33
Tunnel – Recycling	1,000 ft ²	2,700	11.74	6.16
Wand	1,000 ft ²	700	3.00	1.58
Bank, Credit Union	1,000 ft ²	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1,000 ft ²	100	0.43	0.23
Animal Kennels	1,000 ft ²	100	0.43	0.23
Gas Station	1,000 ft ²	100	0.43	0.23

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW (Gallons per Day)</u>	<u>COD (Pounds per Day)</u>	<u>SS (Pounds per Day)</u>
COMMERCIAL				
Auto Sales	1,000 ft ²	100	0.43	0.23
Wholesale Outlet	1,000 ft ²	100	0.43	0.23
Nursery/Greenhouse	1,000 ft ²	25	0.11	0.06
Light Manufacturing	1,000 ft ²	25	0.23	0.09
Lumber Yard	1,000 ft ²	25	0.23	0.09
Warehousing	1,000 ft ²	25	0.23	0.09
Open Storage	1,000 ft ²	25	0.23	0.09
Drive-In Theatre	1,000 ft ²	20	0.09	0.05
Night Club	1,000 ft ²	350	1.50	0.79
Bowling/Skating	1,000 ft ²	150	1.76	0.55
Club & Lodge Halls	1,000 ft ²	125	0.54	0.27
Auditorium, Amusement	1,000 ft ²	350	1.50	0.79
Golf Course and Park (Structures and Improvements)	1,000 ft ²	100	0.43	0.23
Campground, Marina, and Recreational Vehicle Park	Sites, Slips, or Spaces	55	0.34	0.14
Convalescent Home	Bed	125	0.54	0.28
Laundromat	1,000 ft ²	3,825	16.40	8.61
Mortuary, Funeral Home	1,000 ft ²	100	1.33	0.67
Health Spa, Gymnasium With Showers	1,000 ft ²	600	2.58	1.35
Without Showers	1,000 ft ²	300	1.29	0.68
Convention Center, Fairground, Racetrack, Sports Stadium/Arena	Average Daily Attendance	10	0.04	0.02
INSTITUTIONAL				
College/University	Student	20	0.09	0.05
Private School	1,000 ft ²	200	0.86	0.45
Library, Museum	1,000 ft ²	100	0.43	0.23
Post Office (Local)	1,000 ft ²	100	0.43	0.23
Post Office (Regional)	1,000 ft ²	25	0.23	0.09
Church	1,000 ft ²	50	0.21	0.11

SECTION 4 – CONNECTION FEE RATE

Pursuant to the *Master Connection Fee Ordinance of County Sanitation District No. 18 of Los Angeles County*, or any successor ordinance, the following, to be effective on the dates given, shall constitute the Connection Fee Rate per capacity unit:

<u>Cost Component</u>	<u>July 1, 2026</u>	<u>July 1, 2027</u>	<u>July 1, 2028</u>	<u>July 1, 2029</u>	<u>July 1, 2030</u>
District Capital	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Joint Outfall Capital	\$ 1,569	\$ 1,569	\$ 1,569	\$ 1,569	\$ 1,569
Operational	\$ 226	\$ 258	\$ 290	\$ 322	\$ 354
Total:	\$ 1,795	\$ 1,827	\$ 1,859	\$ 1,891	\$ 1,923

SECTION 5 – COST ALLOCATION FACTORS

Pursuant to the *Master Connection Fee Ordinance of County Sanitation District No. 18 of Los Angeles County*, or any successor ordinance, the proportions of the total capital costs required to construct the sewerage system including conveyance, treatment, and disposal of wastewater which are attributable to flow, COD, and suspended solids, designated as X, Y, and Z, respectively, to be effective on the date given in Section 8, shall be:

$$X = 0.6729 \quad Y = 0.1243 \quad Z = 0.2028$$

SECTION 6 – VALIDITY

In any part, section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is held invalid or unconstitutional for any reason by any court, that decision does not affect the validity or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.

SECTION 7 – SUPERSESSION

This Ordinance shall supersede *An Ordinance Prescribing Connection Fee Rate and Mean Loadings per Unit of Usage for County Sanitation District No. 18 of Los Angeles County*, adopted May 25, 2022.

SECTION 8 – EFFECTIVE DATE

This Ordinance shall become effective July 1, 2026.

ATTEST:

Clerk, Board of Directors
County Sanitation District No. 18
of Los Angeles County

Chairperson, Board of Directors
County Sanitation District No. 18
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 18 of Los Angeles County on _____ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Secretary of the Board of Directors
County Sanitation District No. 18
of Los Angeles County



May 6, 2026

Board of Directors
Los Angeles County Sanitation Districts
Joint Outfall System (JOS) Districts

Directors:

Proposed 2026 Revenue Bond Sale

The agendas for the upcoming meetings of the Board of Directors of the JOS Districts include an item to adopt a resolution approving the issuance of bonds, authorizing the execution of agreements, and distributing the necessary documents in connection with the issuance. Proceeds from this issuance will be used to fund capital projects in the JOS.

Over the past two years, Districts' staff have discussed the finances of the JOS Districts including the anticipated need to use debt financing to fund necessary capital expenditures. To support long-term financial planning, staff also commissioned an independent rate study which concluded that capital projects will need to be mostly debt-financed over the next several years to allow cash reserves to be replenished. The proposed bond sales were presented to individual JOS Districts Boards in March¹.

The proposed bonds will be issued and sold by the Financing Authority, a joint powers authority established in 1993, for selling bonds on behalf of the member Districts. The membership consists of all of the active Districts and is governed by a commission consisting of the Chairs of each member District. Individual JOS Districts will enter into an agreement (the Joint Acquisition Agreement) with the Financing Authority pursuant to which each District will make installment payments to pay debt service on the 2026 bonds. The true interest cost will depend on the interest rates at which are bonds can be sold.

The proposed bonds and the individual JOS District's ability to repay them must be submitted to rating agencies (Fitch and Standard & Poor's) for their evaluation. The primary vehicle for submitting this data is the Preliminary Official Statement, a copy of which is included. The JOS Districts have employed a strategy of maintaining relatively strong debt coverage ratios and prudent cash reserves to maximize credit ratings.

To complete the transaction, individual District Boards will consider authorizing the sale of the bonds. This is done through the resolution that is on the agenda for the upcoming Board meetings. The resolution approves the issuance of the proposed bonds pursuant to the Indenture which establishes the terms and conditions for the issuance and ongoing administration of the proposed bonds; the execution of the Joint Acquisition Agreement and Bond Purchase Agreement; distribution of the Preliminary Official Statement; and execution of necessary documents, certificates and related actions. The resolution approves the forms of documents because the documents cannot be finalized until after the pricing is complete. The resolution

¹ This item was not presented to the District 17 Board as there were no regularly scheduled meetings of the Board in March or April.

authorizes the Chairperson of the Board of Directors, the Chairperson Pro Tem of the Board of Directors, the Chief Engineer and General Manager of the District, and the Assistant Chief Engineer and Assistant General Manager of the District to sign the documents and certain other necessary instructions and certification once finalized.

The contents of the necessary documents are summarized below and are available at <http://www.lacsd.org/JOSbonds>.

- Preliminary Official Statement – This document is equivalent to a prospectus that would be issued when buying or selling stock. It contains general information about the District, provides specific historic and projected financial data, gives information on the size of the proposed bond transaction and intended uses of the proceeds, and summarizes the requirements of the other bond documents.
- Indenture – This agreement is between the Financing Authority and the Trustee (a third party acting on behalf of the bond holders). The Indenture establishes the accounting practices that must be used and creates a flow of funds to ensure that the bondholders are repaid in a timely and orderly fashion.
- Continuing Disclosure Agreement – The Securities and Exchange Commission requires that bond underwriters provide continuing and updated information on any bonds they have sold. Because the Districts is the primary source of the necessary information, the underwriters require that the Districts provide continuing and updated financial information on an annual basis. This agreement effectuates that requirement. For the most part, the required information is already contained in the Districts' Annual Comprehensive Financial Report.
- Joint Acquisition Agreement – Through this agreement, the Financing Authority agrees to issue bonds on behalf of the Districts. In return, the Districts covenant to make the installment payments to the Financing Authority which will be used to make debt service payments on the Bonds. As part of its covenants, the Districts agree to set appropriate service charge rates and to provide continuing disclosure. It also establishes the parameters under which the Districts can undertake additional debt (either bonds or loan).
- Bond Purchase Agreement – This agreement is between the Districts, the Financing Authority, and the underwriters. It requires the underwriters to purchase the bonds from the Authority for resale to the public and requires the Districts, through the Financing Authority, to make the bonds available to the underwriters.

Should any Director have any questions prior to the meeting, please call Mr. Andrew J. Hall, Financial Management Department Head, at extension 2750.

Very truly yours,



Robert C. Ferrante

RCF:gc
Enclosures

RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF A JOINT ACQUISITION AGREEMENT AND A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE OF LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY REVENUE BONDS, 2026 SERIES A (JOINT OUTFALL SYSTEM), APPROVING THE ISSUANCE OF SAID BONDS AND THE FORM OF THE INDENTURE PURSUANT TO WHICH THE SAME ARE TO BE ISSUED, AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, County Sanitation District No. 1 of Los Angeles County, County Sanitation District No. 2 of Los Angeles County, County Sanitation District No. 3 of Los Angeles County, County Sanitation District No. 5 of Los Angeles County, County Sanitation District No. 8 of Los Angeles County, County Sanitation District No. 15 of Los Angeles County, County Sanitation District No. 16 of Los Angeles County, County Sanitation District No. 17 of Los Angeles County, County Sanitation District No. 18 of Los Angeles County, County Sanitation District No. 19 of Los Angeles County, County Sanitation District No. 21 of Los Angeles County, County Sanitation District No. 22 of Los Angeles County, County Sanitation District No. 23 of Los Angeles County, County Sanitation District No. 28 of Los Angeles County, County Sanitation District No. 29 of Los Angeles County, County Sanitation District No. 34 of Los Angeles County, and South Bay Cities Sanitation District of Los Angeles County (collectively, the “Districts”), entered into certain Joint Outfall Agreement effective July 1, 2020, as amended and superseded by the Joint Outfall Agreement effective July 1, 2022 pursuant to which the Districts agreed to construct, maintain and operated a system of sewers, pumping plants, treatment plants, outfalls and incidental sanitation works as one unit (the “Joint Outfall System”); and

WHEREAS, the Districts desire to finance certain capital additions, replacements, betterments, extensions and improvements to the Joint Outfall System;

WHEREAS, in order to finance the improvements to the Joint Outfall System, the Los Angeles County Sanitation Districts Financing Authority (the “Authority”) and the Districts desire that the Authority issue its Los Angeles County Sanitation Districts Financing Authority Revenue Bonds, 2026 Series A (Joint Outfall System) (the “Bonds”);

WHEREAS, pursuant to Treasury Regulations Section 1.150-2, the District may reimburse amounts advanced by the District for projects if, not later than sixty (60) days after payment of the original expenditure of an amount advanced by the District, the Board adopts an official intent to reimburse the original expenditure, and such reimbursement occurs not later than eighteen (18) months after the later of the date the original expenditure is paid or the date the project is placed in service, but in no event more than three (3) years after the original expenditure is paid, and the District expects to incur certain expenditures prior to the issuance of the Bonds for which it intends to use a portion of the proceeds of the Bonds to reimburse the District;

WHEREAS, the Bonds will be issued pursuant to an Indenture by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Indenture”);

WHEREAS, Zions Bancorporation, National Association, as master trustee, and the Districts have entered and certain other County Sanitation District of Los Angeles County (collectively, as signatories to the Master Obligation Agreement (defined below) the “MOA Districts”) may enter into the Master Obligation Agreement dated April 1, 2022 (the “Master Obligation Agreement”), which sets forth the terms and conditions for the incurrence by each MOA District from time to time of obligations of such MOA District to finance or refinance the acquisition, construction, equipping and improvement of such MOA Districts’ sewerage system and other items with respect thereto that such MOA District may lawfully finance or refinance;

WHEREAS, the Bonds will be payable from and secured by installment payments (the “Installment Payments”) to be made by each District pursuant to a Joint Acquisition Agreement by and among the Districts and the Authority (such Joint Acquisition 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 “Joint Acquisition Agreement”);

WHEREAS, all of the Authority’s right, title and interest in and to the Joint Acquisition Agreement (other than such rights of the Authority that are, as provided in the Indenture, retained by the Authority) will, pursuant to the Indenture, be assigned and transferred to the Trustee;

WHEREAS, the rights and obligations of each District under and as provided in the Joint Acquisition Agreement and the Installment Payments of such District, and the rights and obligations of the Trustee, as assignee of the Authority, under and as provided in the Joint Acquisition Agreement and the Installment Payments, will, in all respects, be subject to the rights and obligations of, and the restrictions and limitations on, such District and the Trustee, as assignee of the Authority, under and as provided in the Master Obligation Agreement;

WHEREAS, Jefferies LLC (the “Representative”), on behalf of itself and Cabrera Capital Markets, San Blas Securities and Wells Fargo Securities, has presented the Authority and the Districts with a form of Bond Purchase Agreement, pursuant to which the Representative proposes to purchase the Bonds (such Bond Purchase 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 “Purchase Agreement”);

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the offering and sale of the Bonds has been prepared, which Preliminary Official Statement contains certain information regarding the District, the Joint Acquisition Agreement, the Indenture and the Bonds (such Preliminary Official Statement, 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 “Preliminary Official Statement”);

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

- (a) the Joint Acquisition Agreement;
- (b) the Indenture;
- (c) the Purchase Agreement; and
- (d) the Preliminary Official Statement; and

WHEREAS, the Board of Directors of the District (the “Board of Directors”) desires to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to finance certain capital improvements to the Joint Outfall System and the offering, sale and issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of County Sanitation District No. 18 of Los Angeles County, as follows:

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

Section 2. The Joint Acquisition 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 of Directors, Chairperson Pro Tem of the Board of Directors, Chief Engineer and General Manager of the District, Assistant Chief Engineer and Assistant General Manager of the District or each such persons designee (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 Joint Acquisition 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; provided, however, that such changes, insertions and omissions shall not result in the aggregate principal amount of Bonds payable from the Installment Payments payable by the District under the Joint Acquisition Agreement initially being in excess of \$37,000,000, shall not result in the final scheduled payment date of the Installment Payments payable by the District under the Joint Acquisition Agreement being later than October 1, 2057 and shall not result in a true interest cost attributable to the Installment Payments payable by the District under the Joint Acquisition Agreement being in excess of 5.25% per annum.

Section 3. The Indenture, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, is hereby approved, and the issuance of the Bonds on the terms and conditions set forth therein, and subject to the limitations specified therein, is hereby approved; provided, however, that the aggregate principal amount of the Bonds shall not exceed \$510,000,000, the final maturity date of the Bonds shall not be later than October 1, 2057 and the true interest cost for the Bonds shall not be in excess of 5.25% per annum.

Section 4. The Purchase 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, 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 Purchase 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; provided, however, that the underwriters’ discount for the sale of the Bonds (exclusive of any original issue discount) shall not exceed 0.225% of the initial aggregate principal amount of the Bonds.

Section 5. The information regarding the District, the Master Obligation Agreement, the Joint Acquisition Agreement, the Indenture and the Bonds contained in the Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes, insertions and omissions therein as may be approved by an

Authorized Officer, is hereby approved, and the distribution of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. If determined by the Authority to be necessary or appropriate, the Authorized Officers are hereby authorized to certify on behalf of the District that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by said Rule).

Section 6. The preparation and delivery of a final Official Statement (the “Official Statement”), and its use in connection with the offering and sale of the Bonds, be and the same is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of 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 the final Official Statement and any amendment or supplement thereto, for and in the name of the District.

Section 7. The Board of Directors hereby authorizes the execution and delivery of all agreements, documents, certificates and instruments authorized by this Resolution to be executed and delivered (a) with electronic signatures using DocuSign, as the same may be permitted under the California Uniform Electronic Transactions Act, and (b) with digital signatures using DocuSign, as the same may be permitted under Section 16.5 of the California Government Code.

Section 8. The Authorized Officers and the officers and employees of the District are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the District to do any and all things and to execute and deliver any and all agreements, documents, certificates and instruments that they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 9. All actions heretofore taken by the Authorized Officers and the officers and employees of the District with respect to the financing of improvements to the Joint Outfall System and the issuance and sale of the Bonds, or in connection with or related to any of the agreements, documents, certificates or instruments referred to herein, are hereby approved, confirmed and ratified.

Section 10. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 18 of Los Angeles County on this 27th day of May, 2026.

Chairperson

ATTEST:

Secretary