



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 437, Los Angeles, California 90012
Telephone: (213) 974-2101 Fax: (213) 620-1812
ttc.lacounty.gov and lacountypropertytax.com

JOSEPH KELLY
TREASURER AND TAX COLLECTOR

Board of Supervisors
HILDA L. SOLIS
First District
MARK RIDLEY-THOMAS
Second District
SHEILA KUEHL
Third District
JANICE HAHN
Fourth District
KATHRYN BARGER
Fifth District

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

29 March 5, 2019

CELIA ZAVALA
EXECUTIVE OFFICER

March 05, 2019

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

CHAPTER 8 AGREEMENT SALE NUMBER 2782 TO PURCHASE TAX-DEFAULTED PROPERTY SUBJECT TO THE TAX COLLECTOR'S POWER TO SELL (FIFTH SUPERVISORIAL DISTRICT) (3-VOTES)

SUBJECT

County Sanitation District No. 20 of Los Angeles County (District), a public agency, is seeking to purchase two tax defaulted properties through the Chapter 8 Agreement Sale. The Chapter 8 Agreement Sale allows eligible public agencies and nonprofit organizations the opportunity to purchase tax defaulted property Subject to the Tax Collector's Power to Sell for a qualifying public purpose or benefit. The District's proposed use of the properties is for the implementation of the Palmdale Water Reclamation Plant 2025 Plan, involving wastewater management for the Palmdale area, a qualifying public purpose.

IT IS RECOMMENDED THAT THE BOARD:

Approve and instruct the Chair of the Board to sign the Chapter 8 Agreement Sale Number 2782, authorizing the Treasurer and Tax Collector (TTC) to sell two tax defaulted properties Subject to the Tax Collector's Power to Sell to the District, for the estimated purchase price of \$12,014, comprised of delinquent taxes, redemption penalties, and the projected costs of the Chapter 8 Agreement Sale.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The TTC will sell the properties in accordance with the provisions of Division 1, Part 6, Chapter 8 of the Revenue and Taxation Code (R&TC), and the Board of Supervisors' policy adopted on November 24, 1970. Exhibit A of the Chapter 8 Agreement Sale indicates the legal description and selling price of the properties.

Implementation of Strategic Plan Goals

The recommended action supports County Strategic Plan Strategy III.3 – Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

FISCAL IMPACT/FINANCING

The revenue generated from the Chapter 8 Agreement Sale will recover all of the defaulted property taxes owed on the properties, with proceeds apportioned among the affected taxing agencies.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Chapter 8 Agreement Sale is for the purchase of two vacant lots in the City of Palmdale with no assigned street address. The TTC scheduled the properties for the 2017A Public Auction. On September 20, 2017, the District submitted its application to purchase and objection to the sale timely, which resulted in the TTC pulling the properties from the auction.

- The first property, Assessor’s Identification Number (AIN) 3378-014-001, is a 101,886 square foot (2.339 acres) lot, located on 100th Street East, between Avenue L-8 and Avenue L-5. Sam Lebowe et al. owns the property. The property has been tax defaulted since 2011, and we have not received any payments since then. Its estimated purchase price is \$6,357.
- The second property, AIN 3378-021-028, is a 111,837 square foot (2.567 acres) lot, located on the corner of 92nd Street East and Avenue L-4. Celeste A. Rayos owns the property. The property has been tax defaulted since 2011, and we have not received any payments since then. Its estimated purchase price is \$5,657.

The estimated purchase price of each property is based on the amount due as of August 1, 2018, the original anticipated completion date, and includes the projected costs of the Chapter 8 Agreement Sale, which consist of the costs of notification, publication, postage, title report, recording, and State and transfer taxes, if applicable.

The Chapter 8 Agreement Sale includes the Real Property Description and Purchase Price (Exhibit A), and the Assessor’s Plat Maps. Attachment A contains the District’s Application to Purchase Tax Defaulted Property from the County, objection letter to the sale and request to purchase the properties, mission statement, the Minutes of the Board of Directors of the District authorizing the purchase, and the District’s Sphere of Influence Map. County Counsel has approved the Chapter 8 Agreement Sale as to form.

The Chapter 8 Agreement Sale permits eligible public agencies and nonprofit organizations to acquire tax defaulted property Subject to the Tax Collector’s Power to Sell, pursuant to R&TC Section 3791 et seq.

R&TC Section 3794.3 states that a sale under this chapter shall take place only if approved by the Board of Supervisors. In accordance with R&TC Section 3795, following approval by the Board of Supervisors, the TTC shall submit the Chapter 8 Agreement Sale to the State Controller’s Office for final approval.

After Board and State Controller approval, and per R&TC Section 3798, the TTC will publish a notice of the Chapter 8 Agreement Sale once a week, for three consecutive weeks, in a newspaper of

general circulation published in the County. Concurrently, the TTC shall also provide notice on its website.

Lastly, pursuant to R&TC Section 3799, the TTC will make all reasonable efforts to contact the owner (s) and parties of interest to inform them of their tax liabilities and the provisions for the redemption of the property prior to completing the Chapter 8 Agreement Sale.

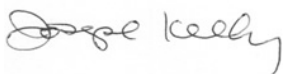
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not Applicable.

CONCLUSION

Upon approval of the attached Chapter 8 Agreement Sale Number 2782, the TTC requests that the Executive Officer Clerk of the Board of Supervisors return all original documents to the Secured Property Tax Division at 225 North Hill Street, Room 130, Los Angeles, California 90012 for further processing.

Respectfully submitted,



Joseph Kelly

Treasurer and Tax Collector

JK:KK:KG:mv

Enclosures

c: Assessor
Chief Executive Officer
Auditor-Controller
County Counsel
Executive Officer, Board of Supervisors
County Sanitation District No. 20 of Los Angeles
County

AGREEMENT NUMBER 2782
COUNTY SANITATION DISTRICT NO. 20 OF
LOS ANGELES COUNTY
FIFTH SUPERVISORIAL DISTRICT

AGREEMENT TO PURCHASE
LOS ANGELES COUNTY TAX-DEFAULTED PROPERTY
(Public/Taxing Agency)

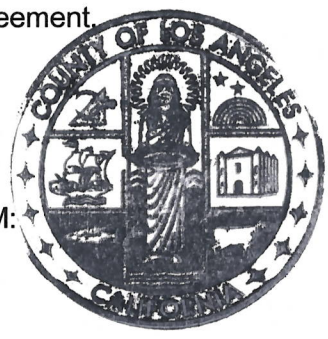
This Agreement is made this 5th day of March, 2019, by and between the Board of Supervisors of Los Angeles County, State of California, and the County Sanitation District No. 20 of Los Angeles County ("Purchaser"), pursuant to the provisions of Division 1, Part 6, Chapter 8, of the Revenue and Taxation Code.

The real property situated within said county, hereinafter set forth and described in Exhibit A attached hereto and made a part hereof, is tax-defaulted and is subject to the Tax Collector's power to sale by said county for the nonpayment of taxes, pursuant to provision of law.

It is mutually agreed as follows:

- 1. That as provided by Section 3800 of the Revenue and Taxation Code, the cost of giving notice of this agreement shall be paid by the PURCHASER.
2. That the PURCHASER agrees to pay the total purchase price listed for each real property described in Exhibit A within 14 days after the date this agreement becomes effective. Upon payment of said sum to the tax collector, the Tax Collector shall execute and deliver a deed conveying title to said property to PURCHASER.
3. That the PURCHASER agrees that the real property be used for the public use specified on Exhibit A of this agreement.
4. That if said PURCHASER is a taxing agency, as defined in Revenue and Taxation Code section 121, it will not share in the distribution of the payment required by this Agreement.

78923



APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By [Signature]
Deputy County Counsel

I hereby certify that pursuant to Section 25103 of the Government Code delivery of this document has been made

CELIA ZAVALA
Executive Officer
Clerk of the Board of Supervisors
By [Signature]
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

29 MAR 05 2019

[Signature]
CELIA ZAVALA
EXECUTIVE OFFICER

If all or any portion of any individual parcel listed in Exhibit A is redeemed prior to the effective date of this agreement, this agreement shall be null and void only as it pertains to that individual parcel.

§§3791, 3791.3, 3793 R&T Code
Revised 11/15

The undersigned hereby agree to the terms and conditions of this agreement and are authorized to sign for said agencies.

ATTEST: Kimberly Christensen
County Sanitation District No. 20
of Los Angeles County
(Seal)

By [Signature]
Chairperson
Title

ATTEST: BOARD OF SUPERVISORS, COUNTY OF LOS ANGELES

By [Signature]
Executive Officer-Clerk of
the Board of Supervisors

By [Signature]
Chair of the Board of Supervisors

By [Signature]
Deputy



(Seal)

78923

This agreement was submitted to me before execution by the Board of Supervisors and I have compared the same with the records of Los Angeles County relating to the real property described therein.

[Signature]
Los Angeles County Tax Collector

Pursuant to the provisions of section 3795, the State Controller approves the foregoing agreement this

11th day of APRIL, 2019.

BETTY T. YEE
CALIFORNIA STATE CONTROLLER

By: [Signature]

JACLYN MCQUEEN, MANAGER
Government Compensation and
Property Tax Standards Section
Tax Standards Section
ELEMENT NUMBER 2782

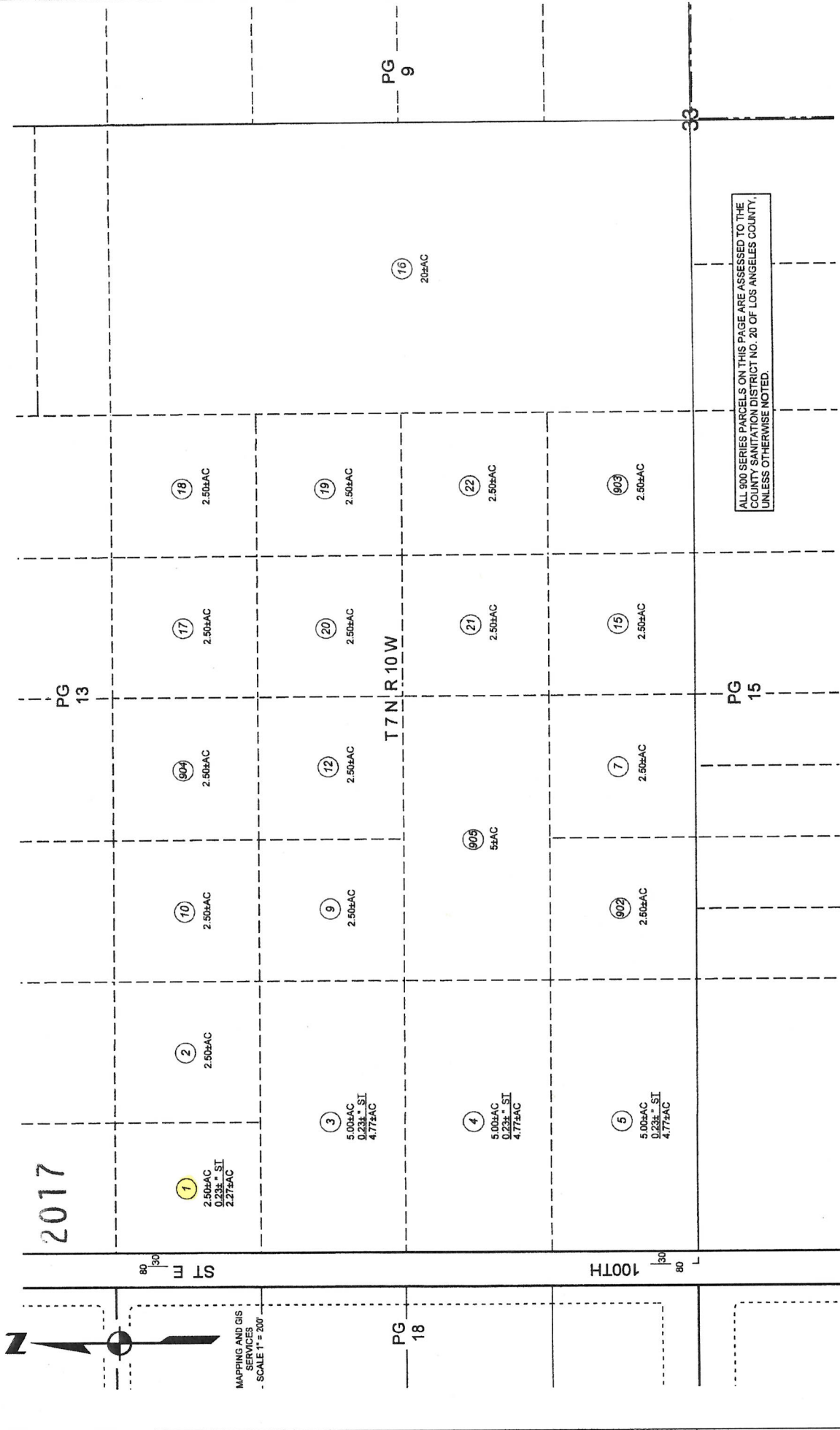
EXHIBIT A

REAL PROPERTY DESCRIPTION AND PURCHASE PRICE

ITEM	DESCRIPTION
Supervisory District	5TH
Location	CITY OF PALMDALE
Address	VACANT LOT (NO ADDRESS ASSIGNED)
Assessor's Identification Number	3378-014-001
Legal Description	NW 1/4 OF NW 1/4 OF SW 1/4 OF NW 1/4 EX OF ST OF SEC 33 T 7N R 10W
Size/Area	101,886 SQ. FT.
Agreement Number	2782
First Year of Default	2011
Estimated Purchase Price	\$6,357
Purpose of Acquisition	IMPLEMENTATION OF THE PALMDALE WATER RECLAMATION PLANT 2025 PLAN INVOLVING WASTEWATER MANAGEMENT FOR THE PALMDALE AREA.

ITEM	DESCRIPTION
Supervisory District	5TH
Location	CITY OF PALMDALE
Address	VACANT LOT (NO ADDRESS ASSIGNED)
Assessor's Identification Number	3378-021-028
Legal Description	RECORD OF SURVEY AS PER BK 76 PG 35-37 OF R S LOT 52
Size/Area	111,837 SQ. FT.
Agreement Number	2782
First Year of Default	2011
Estimated Purchase Price	\$5,657
Purpose of Acquisition	IMPLEMENTATION OF THE PALMDALE WATER RECLAMATION PLANT 2025 PLAN INVOLVING WASTEWATER MANAGEMENT FOR THE PALMDALE AREA.

Note: The estimated purchase price is based on the amount due as of August 1, 2018, the original anticipated completion date, and includes the projected costs of the Chapter 8 Agreement Sale, which consists of the costs of notification, publication, postage, title report, recording, and State and transfer taxes, if applicable.



ALL 900 SERIES PARCELS ON THIS PAGE ARE ASSESSED TO THE COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY, UNLESS OTHERWISE NOTED.

MAPPING AND GIS SERVICES - SCALE 1" = 200'

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AGREEMENT NUMBER 2782
COUNTY SANITATION DISTRICT NO. 20 OF
LOS ANGELES COUNTY
ATTACHMENT A

Application to Purchase Tax-Defaulted Property from County

This application is to be completed by eligible purchasing entities to commence purchase of tax-defaulted property by agreement sale from the county under applicable provisions of the California Revenue and Taxation Code. Please complete the following sections and supply supporting documentation accordingly. Completion of this application does not guarantee purchase approval.

A. Purchaser Information

1. Name of Organization: County Sanitation District No. 20 of Los Angeles County
2. Corporate Structure – check the appropriate box below and provide corresponding information:
 - Nonprofit – provide Articles of Incorporation
 - Public Agency – provide mission statement (If redevelopment agency, also provide agency survey map)

B. Purchasing Information

Determine which category the parcel falls under and then check the appropriate box as it relates to the purchasing entity's corporate structure and the intended use of the parcel:

Category A: Parcel is currently scheduled for a Chapter 7 tax sale

- No Purchase – State / county / taxing agency registering objection to preserve lien only
- Purchase by State / county / tax agency / revenue district / redevelopment agency / special district to preserve its lien
- Purchase by State / county / tax agency / revenue district / redevelopment agency / special district for public purpose
- Purchase by nonprofit for low-income housing or to preserve open space

Category B: Parcel is *not* currently scheduled for a Chapter 7 tax sale

- Purchase by State / county / taxing agency / revenue district / redevelopment agency / special district for public purpose
- Purchase by nonprofit to use parcel(s) for low-income housing or to preserve open space

C. Property Detail

Provide the following information. If more space is needed for any of the criteria, consolidate the information into a separate "Exhibit" document and attach accordingly:

1. County where the parcel(s) is located: Los Angeles
2. List each parcel by Assessor's Parcel Number: 3378-014-001 and 3378-021-028
3. State the purpose and intended use for each parcel: Implementation of the Palmdale Water Reclamation Plant 2025 Facilities Plan involving wastewater management for the Palmdale area (County Sanitation District No. 20)

D. Acknowledgement Detail

Provide the signature of the purchasing entity's authorized officer



Authorized Signature

Supervising Engineer,
Property Management Group

Title

9-18-2017

Date



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
Telephone: (562) 699-7411, FAX: (562) 699-5422
www.lacsd.org

GRACE ROBINSON HYDE
Chief Engineer and General Manager

September 18, 2017

RECEIVED

SEP 20 2017

**TAX DEFAULTED LAND
SECURED PROPERTY TAX DIVISION**

Kathy Gloster, Assistant Treasurer and Tax Collector
County of Los Angeles
Treasurer and Tax Collector, Chapter 8 Unit
225 North Hill Street, Room 130
Los Angeles, CA 90012

Dear Ms. Gloster:

Objection to Public Auction of Parcel Nos. 3378-014-001 & 3378-021-028
Request to Purchase Property Through Chapter 8 Tax Defaulted Property Sale - 2017A

County Sanitation District No. 20 of Los Angeles County (District) hereby submits a bid for parcels 3378-014-001 and 3378-021-028. The bid is being submitted in connection with the 2017A Tax Defaulted Property Sale, under the provisions of Division I, Part 6, Chapter 8 of the Revenue and Taxation Code (Chapter 8 Agreement). Also included with this request is the District's check in the amount of \$200 to initiate your agency's acquisition process.

The District provides wastewater conveyance, treatment, and management services to the City of Palmdale and adjacent unincorporated areas of Los Angeles County. In order to implement the Palmdale Water Reclamation Plant 2025 Facilities Plan, the District is in the process of acquiring land in the vicinity of its Palmdale Water Reclamation Plant. To date, the District has acquired a number of parcels needed through voluntary sales. Please inform us as to the remaining steps and timing to be followed to acquire the parcel shown herein. The District would appreciate your assistance in acquiring the parcels as soon as possible.

If you have any additional questions regarding this matter, please contact Doug Harman at (562) 908-4288, extension 2756. Thank you for your cooperation in this matter.

Very truly yours,

Stan Pegadiotes
Supervising Engineer
Property Management Group

DH:

Attachments



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
Telephone: (562) 699-7411, FAX: (562) 699-5422
www.lacsd.org

GRACE ROBINSON HYDE
Chief Engineer and General Manager

County Sanitation District No. 20 of Los Angeles County **Mission Statement**

To protect public health and the environment through innovative and cost effective wastewater and solid waste management, and in doing so convert waste into resources such as recycled water, energy, and recycled materials.

MINUTES OF THE ADJOURNED REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 20
HELD AT THE PALMDALE CITY HALL

March 29, 2018
11:30 o'clock, A.M.

The Board of Directors of County Sanitation District No. 20 of Los Angeles County met pursuant to adjournment as ordered by this Board of Directors at the canceled regular meeting on February 28, 2018. A copy of the Order 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: Austin Bishop, Director from Palmdale
Kathryn Barger, Alternate Director from Los Angeles County
James C. Ledford, Chairperson, Director from Palmdale

Absent: none

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

RE: DIRECTOR FROM LOS ANGELES COUNTY
The Secretary was presented a certificate from the Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles certifying that pursuant to Section 7 of the Rules of the Board of Supervisors, Supervisor Sheila Kuehl assumed the Office of Chairman of the Board of Supervisors at 9:30 a.m., on Tuesday, December 5, 2017, to serve in such capacity until Tuesday, December 4, 2018, or until the election or succession of her successor, which automatically places Supervisor Kuehl on the Board of Directors of this District.

Upon motion of Director Barger, duly seconded and unanimously carried, the certificate was accepted and ordered filed.

RE: MINUTES
Upon motion of Director Barger, duly seconded and unanimously carried, the minutes of the adjourned regular meeting held November 14, 2017, were approved.

RE: DISTRICT EXPENSES
The following expenses for the months of September, October, November, and December 2017; and January 2018 were presented and upon motion of Director Barger, duly seconded and unanimously carried, were approved:

Local District Expenses:	
Operations & Maintenance (O & M)	\$4,174,418.48
Capital	3,171,990.85
Legal	7,478.64
District No. 20's Share of Allocated Expenses for O & M and Capital:	
Joint Administration	269,586.27
Technical Support	357,405.01
Legal	<u>11,709.25</u>
Total Expenses	<u>\$7,992,588.50</u>

RE: WASTEWATER MANAGEMENT PALMDALE WATER RECLAMATION PLANT - FLEXRAKE SCREEN AND SCREENINGS WASHER MONSTER SYSTEM - AUTHORIZE ISSUANCE OF PURCHASE ORDERS TO DUPERON CORPORATION AND JWC ENVIRONMENTAL
In December 2009, the Board approved the purchase of a FlexRake screen and Screenings Washer Monster System, both of which were installed to replace one of the two comminutors at the Palmdale Water Reclamation Plant's headworks. Since installation, both units have performed reliably and cost-effectively to remove and dispose of rags and other debris in wastewater. The existing 25-year-old comminutor is unreliable and spare parts are no longer available. Duperon Corporation is the manufacturer of the existing FlexRake screen and JWC Environmental is the manufacturer of the existing Screenings Washer Monster System. Purchasing of identical equipment provides economy for stocked parts and staff training for maintenance and operation. Therefore, it is recommended that the same equipment be purchased to replace the existing

comminutor. This item is consistent with Districts Guiding Principles of commitment to operational excellence and protecting facility assets through prudent maintenance programs. A recommendation was made to authorize the Chief Engineer and General Manager, in her capacity as Purchasing Agent, to issue purchase orders to Duperon Corporation in the amount of \$176,995 for one FlexRake screen; and JWC Environmental in the amount of \$114,831 for one Screenings Washer Monster System.

Upon motion of Director Barger, duly seconded and unanimously carried, the Purchasing Agent was authorized to issue a purchase order to Duperon Corporation in the amount of \$176,995 for one FlexRake screen; and JWC Environmental in the amount of \$114,831 for one Screenings Washer Monster System.

RE: PALMDALE WATER RECLAMATION PLANT - AGRICULTURAL SITE AND STORAGE RESERVOIR SITE CONSULTING AND MAINTENANCE AUTHORIZE ISSUANCE OF PURCHASE ORDER TO IRRIGATION TRAINING AND RESEARCH CENTER

The California Regional Water Quality Control Board, Lahontan Region (Regional Board) requires that soil moisture above the groundwater table (vadose zone) be monitored at the Palmdale Water Reclamation Plant (WRP) Agricultural Site (AS) and Storage Reservoir Site (SRS). The Regional Board also requires the District to assure recycled water is applied to crops at the AS at or below agronomic rates and to conduct

monitoring and reporting by a qualified agricultural expert to demonstrate compliance with permit requirements. Proposals for these tasks were solicited from seven firms, and three proposals were received. Irrigation Training and Research Center was ranked as the most qualified to provide the required services, and a cost-effective proposal has been provided. The total cost of approximately \$544,000 is required to provide the time and materials necessary to maintain permit compliance at the Palmdale WRP AS and SRS for approximately four and one-half years. This item is consistent with the Districts Guiding Principle of commitment to operational excellence, including regulatory compliance. A recommendation was made to authorize the Chief Engineer and General Manager, in her capacity as Purchasing Agent, to issue a purchase order to Irrigation Training and Research Center in the amount of approximately \$544,000 to provide agricultural consulting services and Vadose Zone Monitoring System maintenance at the Palmdale Water Reclamation Plant Agricultural Site and Storage Reservoir Site for approximately four and one-half years.

Upon motion of Director Barger, duly seconded and unanimously carried, the Purchasing Agent was authorized to issue a purchase order to Irrigation Training and Research Center to provide agricultural consulting services and Vadose Zone Monitoring System maintenance at the Palmdale Water Reclamation Plant Agricultural Site and Storage Reservoir Site for approximately four and one-half years, at a cost of approximately \$544,000.

RE: PALMDALE WATER RECLAMATION PLANT - AGREEMENT FOR THE LOADING, REMOVAL, TRANSPORTATION, AND REUSE OF BIOSOLIDS - SYNAGRO-WWT, INC. CONTRACT NO. 5101 - APPROVE

Palmdale Water Reclamation Plant (WRP) biosolids was managed by Nursery Products (Nursery) under Agreement No. 4838, which expired on February 28, 2018. A Request for Proposals for biosolids management services was issued and three proposals were received. Synagro's proposal was ranked the highest in terms of

price, experience and diversity. Synagro is the existing contractor through the acquisition of Nursery in late 2016. In addition, their South Kern Compost Manufacturing Facility (South Kern) has received and processed Joint Water Pollution Control Plant (JWPCP) biosolids for over ten years. The new base fee of \$45.50 per wet ton, a 1.8 percent reduction in the current base fee, plus a fuel price adjustment, will be effective for three composting sites: Nursery, South Kern and Arizona Soils. The base fee is contingent on a minimum overall tonnage (i.e., from JWPCP, Lancaster WRP and Palmdale WRP, which Districts' staff will allocate accordingly to ensure the lowest rate applies. The proposed *Agreement for the Loading, Removal, Transportation, and Reuse of Biosolids* (Agreement) would begin on April 1, 2018, and provide Synagro with approximately 8,000 wet tons of biosolids per year for a three-year initial term and an optional two-year extension, at an estimated cost of approximately \$375,000 per year. This item is consistent with the Districts Guiding Principle of commitment to operational excellence, including cost-effectiveness. A recommendation was made to approve and order executed an Agreement with Synagro-WWT, Inc., for loading, removal, transportation and reuse of biosolids generated at the Palmdale Water Reclamation Plant.

Upon motion of Director Barger, duly seconded and unanimously carried, the Board of Directors of County Sanitation District No. 20 of Los Angeles County found and determined that it would be to the advantage of the District to enter into an *Agreement for the Loading, Removal, Transportation, and Reuse of Biosolids* with Synagro-WWT, Inc., providing for loading, removal, transportation and reuse of biosolids generated at the Palmdale Water Reclamation Plant, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Agreement for the Loading, Removal, Transportation, and Reuse of Biosolids*, Contract No. 5101, dated March 29, 2018, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District.

RE: PALMDALE WATER RECLAMATION PLANT - AGREEMENT TO PURCHASE LOS ANGELES COUNTY TAX-DEFAULTED PROPERTY - BOARD OF SUPERVISORS OF LOS ANGELES COUNTY CONTRACT NO. 5104 - APPROVE

The Board previously approved the Palmdale Water Reclamation Plant 2025 Facilities Plan (Plan) and certified the Final Environmental Impact Report. The approved project requires the District to acquire approximately 6,000 acres of land for effluent management facilities to comply with the requirements of the Lahontan Regional Water Quality Control Board.

The California Revenue and Taxation Code allows the District to purchase tax-defaulted properties at prices below fair market value by executing an agreement with the Los Angeles County (County) through its Chapter 8 program. The proposed agreement, County Agreement No. 2782 (Assessor's Parcel Numbers 3378-014-001 and 3378-021-028), is for acquisition of two parcels, totaling 4.91 acres, at a cost of approximately \$8,015. A recommendation was made to approve and order executed an *Agreement To Purchase Los Angeles County Tax-Defaulted Property* with the Board of Supervisors of Los Angeles County for implementation of the Palmdale Water Reclamation Plant 2025 Facilities Plan.

Upon motion of Director Bishop, duly seconded and unanimously carried, the Board of Directors of County Sanitation District No. 20 of Los Angeles County found and determined that it would be to the advantage of the District to enter into an *Agreement To Purchase Los Angeles County Tax-Defaulted Property* with the Board of Supervisors of Los Angeles County providing for implementation of the Palmdale Water Reclamation Plant 2025 Facilities Plan, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Agreement To Purchase Los Angeles County Tax-Defaulted Property*, Contract No. 5104, dated March 29, 2018, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District.

Prior to recommending action on the next two items, the Chief Engineer and General Manager introduced Mr. David Bruns, Department Head of Financial Management. Mr. Bruns gave a brief combined slide presentation regarding the Comprehensive Annual Financial Report (CAFR) and wastewater rates.

He informed the Directors that there is an item on the agenda to receive and file the CAFR. The CAFR provides an overview of the Districts' financial position and operations. The report is prepared in accordance with the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP). The report was audited by an independent Certified Public Accounting firm, who issued an opinion letter confirming that the annual financial report fairly represents the financial position of the Districts in accordance to GASB and GAAP. The report is used by rating agencies and investors to assess the Districts' creditworthiness.

The second slide provided an overview of key conclusions in the CAFR. Revenues and expenses held even with no significant changes. Collectively, all of the Districts have met all required pension contribution requirements and are 76 percent funded. The District has maintained a credit rating of A+. All of the District's debt payments have been paid on time and all covenants met.

He advised that a letter was attached to the agenda regarding District's wastewater revenue program. Using slides, he advised that this program requires residential, commercial, and industrial dischargers to pay an annual user charge based upon their use of the Districts' sewerage facilities. 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 to pay their user charge under the industrial wastewater surcharge program.

He stated that last year, the Board adopted service charge rates for fiscal years 2017-18 and 2018-19. In order to continue to collect these charges on the property tax roll the Board must take certain actions. Specifically, pursuant to state law, the Board must (1) order a Service Charge Report be filed with the District Clerk, (2) establish the date, time, and place for a public hearing on the report, and (3) direct the publication of required notices. This letter provides a review of the adopted rate, the preliminary budget for fiscal year 2018-19, and significant expenditures impacting the budget.

Showing a slide, he stated that the current service charge rate is \$47.08 per month per single-family home (SFH) (\$565 per year). The service charge rate as adopted for fiscal year 2018-19 is \$47.92 per month (\$575 per year). Multi-family residential units will pay 60 percent of the adopted SFH rate and condominiums will pay 75 percent of the adopted SFH rate. Likewise, commercial and industrial dischargers will pay in proportion to their use of the regional wastewater management system compared to a SFH. Dischargers with verified low water usage (particularly seniors and retirees) can also qualify for a reduced charge.

He showed slides of the preliminary budget for fiscal year 2018-19, a list of proposed capital projects, and information on monies set aside in the various funds/reserves. These funds and reserves were established in accordance with the District's Wastewater Financial Reserve Policy adopted in October 2017.

The preliminary budget provides a comparison with the current 2017-18 budget and a breakdown of the items included in the budget. In preparing the preliminary budget, it is projected that the general revenue sources available to the District for meeting expenses during the coming fiscal year include a pro rata share of the ad valorem (property) taxes, service charges, industrial wastewater surcharges, sale of recycled water, lease payments from agricultural land being used for effluent reuse, interest income, and contract revenue. In addition, monies will be transferred from the Capital Improvement Fund (a restricted fund for the accumulation of connection fees paid by new users) to cover the costs of expansion-related capital projects. Lastly, monies will be transferred from the designated reserves to cover significant capital expenditures planned in fiscal year 2018-19.

He showed a slide on the proposed implementation schedule. A final budget will be presented to the Board for consideration in June as part of the overall budgetary process, adoption of which will authorize budget appropriations. In addition, the Board will be asked at that time to establish by resolution the amount of the tax levy the District will request from the Los Angeles County Tax Collector, as well as the state limit on authorized expending of tax proceeds, administrative actions required of all agencies that receive ad valorem taxes.

The budget has been prepared in accordance with the Joint Administration Agreement. This agreement allocates Joint Administration costs to each signatory District according to the ratio of the number of sewage units in a District to the total number of sewage units in all the Districts signatory to the agreement. A sewage unit represents the average daily sewage flow and strength (measured in terms of chemical oxygen demand and suspended solids) from a single-family home. This method of allocating costs considers flow as well as the strength of sewage from all types of users and is the most equitable way to distribute Joint Administration costs.

RE: JOINT ADMINISTRATION OFFICE
COMPREHENSIVE ANNUAL FINANCIAL
REPORT FOR FISCAL YEAR ENDING
JUNE 30, 2017 - RECEIVE AND
ORDER FILED

Copies of the Districts' CAFR for the fiscal year ending June 30, 2017, which includes the annual audit required by state and federal laws, have been previously mailed to the Directors. This item is consistent with the Districts Guiding Principles of fiscal responsibility, prudent financial stewardship, and

protection of financial assets through prudent investments. A recommendation was made to receive and order filed the Districts' Comprehensive Annual Financial Report for fiscal year ending June 30, 2017.

Upon motion of Director Barger, duly seconded and unanimously carried, the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017, which includes the annual audit required by state and federal laws, and was previously mailed to the Directors, was accepted and ordered filed.

RE: SERVICE CHARGE REPORT
SET PUBLIC HEARING FOR
JUNE 21, 2018, AND
GIVE REQUIRED NOTICE

A report titled *County Sanitation District No. 20 Service Charge Report for Fiscal Year 2018-19*, 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. A letter discussing this matter, together with a copy of the preliminary budget and the Service Charge Report, accompanied the agenda.

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 21, 2018, at 11:30 a.m. in the Administrative Training Room at Palmdale City Hall, 38300 Sierra Highway, Palmdale, 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 Barger, duly seconded and unanimously carried, the *County Sanitation District No. 20 Service Charge Report for Fiscal Year 2018-19* was ordered filed with the Clerk of the District, and the Board does hereby fix June 21, 2018, at 11:30 a.m. in the in the Administrative Training Room at Palmdale City Hall, 38300 Sierra Highway, Palmdale, California, as the place for a public hearing on *County Sanitation District No. 20 Service Charge Report for Fiscal Year 2018-19*, 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 *Antelope Valley Press*, 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.

RE: PALMDALE WATER RECLAMATION
PLANT EFFLUENT MANAGEMENT SITE
COUNTY SANITATION DISTRICT
LAHONTAN REGIONAL WATER QUALITY
CONTROL BOARD - CLEAN UP AND
ABATEMENT ORDER - CONFERENCE
WITH LEGAL COUNSEL - POTENTIAL
INITIATION OF LITIGATION - DISCUSS

District Counsel advised that it would be in the interest of the District to meet in closed session pursuant to Government Code Section 54956.9(d)(4) Potential Initiation of Litigation related to costs to comply with clean up and abatement order issued by the Lahontan Regional Water Quality Control Board.

Upon motion of Director Barger, duly seconded and unanimously carried, the Board of Directors of County Sanitation District No. 20 of Los Angeles County met in closed session at 11:39 a.m. to confer on the matter referred by District Counsel.

Upon motion of Director Barger, duly seconded and unanimously carried, the meeting reconvened in regular session at 12:02 p.m. District Counsel advised that no action was taken of a nature that requires disclosure pursuant to Government Code Section 54957.1.

RE: PALMDALE WATER RECLAMATION
PLANT - AMENDED AND RESTATED LEASE
(RECYCLED WATER MANAGEMENT AT
PALMDALE REGIONAL AIRPORT)
CITY OF LOS ANGELES
CONTRACT NO. 3801B - APPROVE

On February 4, 2002, the District entered into a 20-year lease agreement with the City of Los Angeles for approximately 2,680 acres of vacant land at the Palmdale Regional Airport for management of recycled water from the Palmdale Water Reclamation Plant (WRP). Extension of the *Settlement Provisions (Lease)* will allow the District to maintain its ongoing recycled

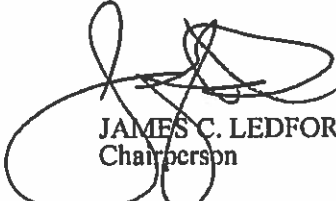
water management operations. The Lahontan Regional Water Quality Control Board issued a Clean Up and Abatement Order (Order) in November 2003 to both the District and Los Angeles World Airports (LAWA) for nitrate contamination in the groundwater under the Palmdale WRP effluent management site. The District undertook aggressive actions to comply with the Order and has incurred substantial costs. The Los Angeles Department of Airports, predecessor to LAWA, was responsible for management of the treated effluent produced by the Palmdale WRP between 1981 and 2001. Legal counsel and District staff have been negotiating with LAWA to recover a proportionate share of the Order compliance costs and the terms of a lease extension. The proposed *Amended and Restated Lease (Recycled Water Management at Palmdale Regional Airport)* extends the term of the Lease and settles LAWA's share of the Order compliance costs. If the new lease terms are not agreed to, litigation may have to be initiated for recovery of LAWA's share of the Order compliance costs. A recommendation was made to approve and order executed an *Amended and Restated Lease (Recycled Water Management at Palmdale Regional Airport)* with the City of Los Angeles, by and through LAWA.

Upon motion of Director Barger, duly seconded and unanimously carried, an amendment to the agreement entered into with the City of Los Angeles, Contract No. 3801 dated April 25, 2001, as amended September 15, 2006 (Contract No. 3801A), providing for an extension of the term of the *Settlement Provisions* and settles Los Angeles World Airports' share of the Clean Up and Abatement Order compliance costs, as set forth therein, was approved. All the terms and conditions of the *Amended and Restated Lease (Recycled Water Management at Palmdale Regional Airport)*, Contract No. 3801B, dated March 29, 2018, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Amendment on behalf of the District.

Upon motion of Director Barger, duly seconded and unanimously carried, the meeting adjourned to Thursday, June 21, 2018, 11:30 a.m., at the Palmdale City Hall, 38300 Sierra Highway, Palmdale, California.

ATTEST:


KIMBERLY S. CHRISTENSEN
Secretary


JAMES C. LEDFORD
Chairperson

/ak

