

Orange County Sanitation District

MINUTES

BOARD MEETING

September 26, 2012



**Administration Building
10844 Ellis Avenue
Fountain Valley, California 92708-7018**

ROLL CALL

A regular meeting of the Board of Directors of the Orange County Sanitation District was held on September 26, 2012, at 6:30 p.m., in the Administration Building. Following the invocation and Pledge of Allegiance, a quorum was declared present by the Associate Clerk of the Board as follows:

ACTIVE DIRECTORS

ALTERNATE DIRECTORS

X	Troy Edgar, Chair		Gerri Graham-Mejia
X	John Anderson, Vice Chair		Jim Winder
X	Tom Beamish		Rose Espinoza
X	Joe Carchio		Devin Dwyer
X	Larry Crandall		Steve Nagel
X	Bill Dalton		Kris Beard
X	Jon Dumitru		Denis Bilodeau
X	Gail Eastman		Harry Sidhu
X	James M. Ferryman		Bob Ooten
A	Jeffrey Lalloway		Steven Choi
X	Michael Levitt		Gordon Shanks
X	Prakash Narain		Doug Bailey
A	Scott Nelson	X	Constance Underhill
A	Joy Neugebauer		Al Krippner
X	Janet Nguyen		Shawn Nelson
X	John Nielsen		Jerry Amante
X	Gregory Sebourn		Pat McKinley
X	Brad Reese		Rick Barnett
A	Steven Rosansky		Nancy Gardner
X	Don Schweitzer		Ron Garcia
X	David Shawver		Carol Warren
X	Fred Smith		Steve Berry
A	Sal Tinajero	X	David Benavides
X	Mark Waldman		Steven Hwangbo
X	John Withers		Douglas Reinhart

STAFF MEMBERS PRESENT: Jim Ruth, General Manager; Bob Ghirelli, Assistant General Manager; Jim Herberg, Assistant General Manager; Nick Arhontes, Director of Facilities Support Services; Ed Torres, Director of Operations and Maintenance; Lorenzo Tyner, Director of Finance & Administrative Services; Jeff Reed, Director of Human Resources; Maria E. Ayala, Clerk of the Board; Cindi Ambrose; Norbert Gaia; Ken Hernandez; Rich Spencer; Rob Thompson; Nakeisha Turner; and Paula Zellar.

OTHERS PRESENT: Brad Hogin, General Counsel; Drew Kolosky; and Michael Sabzerou.

1. MOVED, SECONDED, AND DULY CARRIED: Receive and file Minute Excerpt from City of Fullerton relating to the appointment of Gregory Sebourn to the Orange County Sanitation District Board.

PUBLIC COMMENTS:

Chair Edgar announced that the public comment request would be heard at the time that Agenda Item No. 5 would be considered, as that was the item that was being addressed.

REPORTS:

Chair Edgar announced a survey is being distributed to the Board at tonight’s meeting and would be used to evaluate options for future Board presentations. Chair Edgar encouraged the Board to attend two upcoming events: October 17th Board Strategic Plan Workshop, and October 18th Full Secondary Treatment Celebration. He also announced the upcoming vacancy on the OCCOG that will be left by Director Waldman. Director Waldman commented on the position on the Council.

Directors Dumitru and Eastman entered the meeting at 6:41 p.m.

Jim Ruth, General Manager, reported on the following from his General Manager’s Monthly Status Report: an update will be provided at the next meeting on the Newport spill; Dave Heinz named by CASA as its representative to the State Water Resources Control Board Operator Certification Advisory Committee; NACWA awarded OCSD the Gold Peak Performance Award; City-County Communications and Marketing Association (3CMA) awarded OCSD their “Savvy Award”; SARI line progress update; and, Enertech filing bankruptcy.

Director Nguyen entered the meeting at 6:48 p.m.

Jim Herberg, Assistant General Manager, gave a brief update on the Ocean Outfall Repair Project.

Chair Edgar concluded with a brief update on the recruitment for a new Director of Engineering, and also reported on the General Manager’s Transition Plan.

RATIFICATION OF PAYMENT OF CLAIMS:

2. MOVED, SECONDED, AND DULY CARRIED: Ratify payment of claims of the District, by roll call vote, as follows:

<u>Claims Paid for the Period Ending:</u>	<u>08/15/12</u>	<u>08/31/12</u>
Totals	\$10,338,191.04	\$8,252,787.83

Directors Benavides, Dumitru, Nguyen, and Nielsen abstained on all items. Director Crandall abstained on the following claims: 50081 and 50575.

CONSENT CALENDAR: *Consent Calendar Items are considered to be routine and will be enacted, by the Board of Directors, after one motion, without discussion. Any items withdrawn from the Consent Calendar for separate discussion will be considered in the regular order of business.*

3. MOVED, SECONDED, AND DULY CARRIED: Approve minutes for the Regular Board Meeting held on August 22, 2012.

4. A. MOVED, SECONDED, AND DULY CARRIED: Adopt Fair Political Practices Commission ("FPPC") Form 806, which contains information regarding public official appointments; and

B. Direct the Clerk of the Board to post FPPC Form 806 on the Orange County Sanitation District's website.

5. Item was moved to Non-Consent.

6. MOVED, SECONDED, AND DULY CARRIED: Grant a Non-Exclusive Temporary Construction Easement to Orange County Flood Control District for the Newland Storm Channel Rehabilitation Project from the final execution date to the earliest occurrence of either the Notice of Completion filing or until July 31, 2015, in a form approved by General Counsel.

7. A. MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. OCSD 12-12, authorizing the execution and delivery by the District of an Installment Purchase Agreement, a Trust Agreement and a Continuing Disclosure Agreement in connection with the execution and delivery of Orange County Sanitation District Revenue Refunding Certificate Anticipation Notes, Series 2012C, such Notes evidencing principal in an aggregate amount of not to exceed \$145,000,000, approving a Notice of Intention to Sell, authorizing the distribution of an Official Notice Inviting Bids and an Official Statement in connection with the offering and sale of such Notes and authorizing the execution of other necessary documents and related actions; and,

B. That the Orange County Sanitation District Financing Corporation approve the documents supporting and authorizing the Notes in an aggregate amount not to exceed \$145,000,000.

NON-CONSENT:

Jim Herberg provided the Board with information on the bids received for this particular contract.

Public Comment:

Michael Sabzerou (Environmental Construction, Inc.)

Mr. Sabzerou commented on the bid process for this contract. He asked that the Board reconsider awarding this contract at this time.

5. A. **MOVED, SECONDED, AND DULY CARRIED:** Approve Plans and Specifications for Digester Ferric Chloride System Rehabilitation, Project No. P2-105 Rebid, on file at the office of the Clerk of the Board;
- B. Approve Addendum Nos. 1 and 2 to the plans and specifications;
- C. Receive and file bid tabulation and recommendation;
- D. Receive and file Award Protest dated September 13, 2012 from Environmental Construction, Inc. concerning the award to ODC Engineering and Technology;
- E. Receive and file letter dated September 19, 2012 to Environmental Construction, Inc. responding to the Award Protest;
- F. Reject Award Protest filed by Environmental Construction, Inc.;
- G. Award a construction contract to ODC Engineering and Technology for Digester Ferric Chloride System Rehabilitation, Project No. P2-105 Rebid, for a total amount not to exceed \$1,694,000; and,
- H. Approve a contingency of \$169,400 (10%).

STEERING COMMITTEE:

8. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes of the August 22, 2012, Steering Committee Meeting.
9. **MOVED, SECONDED, AND DULY CARRIED:** Approve the General Manager's FY 2012-13 Work Plan and Report of Accomplishments.

OPERATIONS COMMITTEE:

10. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Operations Committee Meeting held on September 5, 2012.
11. **MOVED, SECONDED, AND DULY CARRIED:** Approve a Non-Exclusive Access Agreement, in a form approved by General Counsel, with the Newport Beach Veterinary Hospital to access a portion of the Sanitation District's property.

12. A. MOVED, SECONDED, AND DULY CARRIED: Approve Amendment No.1 to the Agreement with Hill Brothers Chemical Company, for Regional Odor and Corrosion Control Services, Specification No. C-2012-524BD, to include emergency and backup services options, for calcium nitrate, unit price \$3.35 per gallon plus tax, \$100 freight per delivery, and service fee \$1,500 per station per day operating (maximum 48 hours); for magnesium hydroxide at a unit price \$580 per dry ton plus tax, \$385 freight per delivery, and service fee \$1,500 per station per day operating (maximum 48 hours); for the period July 1, 2012 through June 30, 2013 with four one-year renewal options; and
- B. Approve Amendment No.1 to the Agreement with Hill Brothers Chemical Company, for Regional Odor and Corrosion Control Services, Specification No. C-2012-524BD, to include a \$100 per hour demurrage fee for mobile dosing upon request for magnesium hydroxide at a unit price \$580 per dry ton plus tax, \$385 freight per delivery (maximum 48 hours); for the period July 1, 2012 through June 30, 2013 with four one-year renewal options.

ADMINISTRATION COMMITTEE:

13. MOVED, SECONDED, AND DULY CARRIED: Approve: Approve minutes for the Administration Committee Meeting held on September 12, 2012.
14. MOVED, SECONDED, AND DULY CARRIED: Receive and file report of reimbursements to Board Members and Staff per Government Code 53065.5 for the period of July 1, 2011, through June 30, 2012.

Director Nguyen abstained.

15. MOVED, SECONDED, AND DULY CARRIED: Approve Authorize the General Manager to issue Revenue Refunding Certificate Anticipation Notes, Series 2012C, as one-year fixed-rate obligations, in an amount not to exceed \$145.0 million to replace the \$143.205 million Revenue Refunding Certificate Anticipation Notes, Series 2011B maturing on November 9, 2012.

The Board meeting recessed at 7:04 p.m.

ORANGE COUNTY SANITATION DISTRICT FINANCING CORPORATION

CALL TO ORDER:

Chair Edgar called the Board of Directors, Orange County Sanitation District Financing Corporation meeting to order at 7:04 p.m.

ROLL CALL:

The Clerk of the Board announced that the members of the Orange County Sanitation District Board of Directors are each being compensated \$212.50 for the Board Meeting; there is no additional compensation for the Financing Corporation Meeting.

X	Troy Edgar, Chair		Gerri Graham-Mejia
X	John Anderson, Vice Chair		Jim Winder
X	Tom Beamish		Rose Espinoza
X	Joe Carchio		Devin Dwyer
X	Larry Crandall		Steve Nagel
X	Bill Dalton		Kris Beard
X	Jon Dumitru		Denis Bilodeau
X	Gail Eastman		Harry Sidhu
X	James M. Ferryman		Bob Ooten
A	Jeffrey Lalloway		Steven Choi
X	Michael Levitt		Gordon Shanks
X	Prakash Narain		Doug Bailey
A	Scott Nelson	X	Constance Underhill
A	Joy Neugebauer		Al Krippner
X	Janet Nguyen		Shawn Nelson
X	John Nielsen		Jerry Amante
X	Gregory Sebourn		Pat McKinley
X	Brad Reese		Rick Barnett
A	Steven Rosansky		Nancy Gardner
X	Don Schweitzer		Ron Garcia
X	David Shawver		Carol Warren
X	Fred Smith		Steve Berry
A	Sal Tinajero	X	David Benavides
X	Mark Waldman		Steven Hwangbo
X	John Withers		Douglas Reinhart

APPROVAL OF MINUTES:

MOVED, SECONDED, AND DULY CARRIED: If no corrections or amendments are made, the minutes for the meeting held on July 25, 2012, will be deemed approved and be so ordered by the Chair.

ACTION ITEM:

MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. FC-19, A resolution of the Board of Directors of the Orange County Sanitation District Financing Corporation Authorizing the Execution and Delivery of an Installment Purchase Agreement and a Trust Agreement in Connection with the Execution and Delivery of Orange County Sanitation District Revenue Refunding Certificate Anticipation Notes, Series 2012C, Authorizing the Execution and Delivery of such Notes Evidencing Principal in an Aggregate Amount of not to Exceed \$145,000,000 and Authorizing the Execution of Other Necessary Documents and Related Actions.

(See Agenda Report for Item No. 7)

The meeting of the Board of Directors, Orange County Sanitation District Financing Corporation adjourned at 7:06 p.m.

The meeting of the Board of Directors, Orange County Sanitation District reconvened at 7:06 p.m.

CLOSED SESSION:

CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS: 54956.9(a)

The Board convened in closed session at 7:06 p.m. to discuss two items. Confidential Minutes of the closed Session have been prepared in accordance with the above Government Code Sections and are maintained by the Clerk of the Board in the Official Book of Confidential Minutes of Board and Committee Closed Meetings.

RECONVENE IN REGULAR SESSION: The Committee reconvened in regular session at 7:11 p.m.

CONSIDERATION OF ACTION, IF ANY, ON MATTERS CONSIDERED IN CLOSED SESSION:

No report from closed session.

OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:

Chair Edgar announced the upcoming Operations Committee meeting scheduled for Wednesday, October 3, 2012, at 5:00 p.m.

ADJOURNMENT:

The Chair declared the meeting adjourned at 7:11 p.m. until the next regular meeting on October 24, 2012, at 6:30 p.m.



Maria E. Ayala
Clerk of the Board