

# **Orange County Sanitation District**

## **MINUTES**

### **BOARD MEETING**

**March 27, 2013**



**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 March 27, 2013, at 6:30 p.m., in the Administration Building. Director Steve Jones provided the invocation and led the Pledge of Allegiance.

The Clerk of the Board declared a quorum present as follows:

### ACTIVE DIRECTORS

### ALTERNATE DIRECTORS

X	Troy Edgar, Chair		Richard Murphy
X	John Anderson, Vice Chair		Gene Hernandez
X	Tom Beamish		Rose Espinoza
X	David Benavides		Sal Tinajero
X	Steven Choi		Christina Shea
X	Keith Curry		Rush Hill
X	Tyler Diep		Al Krippner
X	James M. Ferryman		Bob Ooten
X	Steven Jones		Kris Beard
X	Peter Kim		Gerard Goedhart
X	Lucille Kring		Jordan Brandman
X	Michael Levitt		Gordon Shanks
X	Brett Murdock		Christine Marick
	Steve Nagel	X	Mark McCurdy
X	Prakash Narain		Doug Bailey
	Scott Nelson	X	Constance Underhill
X	Janet Nguyen		Shawn Nelson
X	John Nielsen		Jerry Amante
X	Brad Reese		Greg Mills
X	Gregory Sebourn		Jan Flory
X	Joe Shaw		Joe Carchio
X	David Shawver		Carol Warren
X	Fred Smith		Steve Berry
X	Teresa Smith		Mark Murphy
X	John Withers		Douglas Reinhart

**STAFF MEMBERS PRESENT:** Jim Ruth, General Manager; Bob Ghirelli, Assistant General Manager; Jim Herberg, Assistant General Manager; Nick Kanetis, Director of Engineering, 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; and Norbert Gaia.

**OTHERS PRESENT:** Brad Hogin, General Counsel

**PUBLIC COMMENTS:**

Laura Grayston

Ms. Grayston spoke to her experience with the community’s incident reporting process to the Sanitation District staff.

**REPORTS:**

Chair Edgar introduced First VP, Cathy Green and General Manager Mike Markus, both from the Orange County Water District who presented Mr. Ruth with a Resolution for his service to OCSD.

Mr. Calvin Sung, Field Representative from Assembly member Sharon Quirk-Silva’s Office, presented Mr. Ruth with a Certificate of Recognition for Service.

Chair Edgar announced that two statements were read into the congressional Record in the House of Representatives for Mr. Ruth; the first on March 13, 2013 by Congressman Gary Miller; and the second on March 20, 2013 by Congressman Dana Rohrabacher.

Chair Edgar presented Mr. Ruth with a Resolution from OCSD.

Mr. Ruth thanked the Board and the District staff.

**RATIFICATION OF PAYMENT OF CLAIMS:**

- 1. 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>02/15/13</u>	<u>02/28/13</u>
Totals	\$6,239,764.23	\$15,929,834.22

Directors Curry, Diep, Nguyen, and Nielsen abstained.

**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.*

Chair Edgar announced that Agenda Items 6 and 7 would be considered after all regular action items.

- 2. MOVED, SECONDED, AND DULY CARRIED: Approve minutes for the Regular Board Meeting held on February 27, 2013.

3. A. MOVED, SECONDED, AND DULY CARRIED: Ratify a Sole Source maintenance repair service agreement with Ovivo USA, LLC for trickling filters No. 1 & 2 at Plant No.1 for an amount of \$144,773; and,  
B. Approve a contingency of \$14,477 (10%).
4. A. MOVED, SECONDED, AND DULY CARRIED: Consider, receive, and file the Final Subsequent Environmental Impact Report for the Sludge Dewatering and Odor Control at Plant No. 2, Project No. P2-92, prepared by Environmental Science Associates, dated January 2013; and,  
B. Adopt Resolution No. OCSD 13-04, certifying the Final Subsequent Environmental Impact Report for implementation of Sludge Dewatering and Odor Control at Plant No. 2, Project No. P2-92; making certain findings relating to environmental effects identified in the Final Subsequent Environmental Impact Report; adopting a Mitigation Monitoring and Reporting Program; adopting a Statement of Overriding Considerations; and approving the Sludge Dewatering and Odor Control at Plant No. 2, Project No. P2-92.
5. A. MOVED, SECONDED, AND DULY CARRIED: Approve Plans and Specifications for Dover Drive Trunk Sewer Relief, Contract No. 5-63, on file at the Office of the Clerk of the Board;  
B. Approve Addendum Nos. 1 through 4 to the plans and specifications;  
C. Award a construction contract to Mike Bubalo Construction Co., Inc. for the Dover Drive Trunk Sewer Relief, Contract No. 5-63, for a total amount not to exceed \$6,189,000; and,  
D. Approve a contingency of \$618,900 (10%).
6. Moved to considered after Administration Committee items.
7. Moved to considered after Administration Committee items.

**STEERING COMMITTEE:**

8. MOVED, SECONDED, AND DULY CARRIED: Approve minutes for the Steering Committee Meeting held on February 27, 2013.

Director McCurdy abstained.

## **OPERATIONS COMMITTEE:**

9. MOVED, SECONDED, AND DULY CARRIED: Approve minutes for the Operations Committee Meeting held on March 6, 2013.

Director McCurdy abstained.

10. A. MOVED, SECONDED, AND DULY CARRIED: Approve a Professional Consultant Services Agreement with Atkins North America, Inc. (Atkins) to provide construction support services for the Dover Drive Trunk Sewer Relief, Contract No. 5-63, for an amount not to exceed \$353,791; and,  
  
B. Approve a contingency of \$53,069 (15%).
11. MOVED, SECONDED, AND DULY CARRIED: Amend the motion, Item 15, July 28, 2010, authorizing an Agreement with OpenCEL, LLC for installation of Equipment and Onsite Proprietary Testing of Plant No. 1 Waste Activated Sludge Treatment, Project No. SP-125-6, to include all applicable taxes.
12. MOVED, SECONDED, AND DULY CARRIED: Approve a Reimbursement Agreement with the City of Newport Beach for street improvements along Dover Drive for Dover Drive Trunk Sewer Relief, Contract No. 5-63, in an amount not to exceed \$633,000, in a form approved by General Counsel.

Director Curry abstained.

## **ADMINISTRATION COMMITTEE:**

13. MOVED, SECONDED, AND DULY CARRIED: Approve Minutes of the Administration Committee Meeting held on March 13, 2013.

Director McCurdy abstained.

14. MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. OCSD 13-06, adopting a Conflict of Interest Code which supersedes all prior conflict of interest codes and amendments previously adopted.

## **PUBLIC HEARINGS**

Chair Edgar announced that the Board would conduct the public hearings on Agenda Items 6 and 7 first, and then address each item individually for Board discussion and action.

### *Agenda Item 6 (A-C):*

The Board opened the Public Hearing on Regional Sewer Service Charges at 7:05 p.m. The following individuals provided public comment. Concerns expressed during public

comment were: the financial impact the rate increases would have on residents; District operations; transparency; budget costs; public notice compliance; community support for the District; etc.

Public Speakers: Peter Katz; Paul Durazo; Jose Colomer; Larry Herman; Dean Reinemann; Francisca Provencio; John Skinner; Nancy Skinner; Steven Sarkis; Baron Night; Robert Dingwall; Connie Ngo; Anthony Hollow; Warren Kusumoto; and Pete Vahid.

Regional Sewer Service Charge Public Hearing closed at 7:46 p.m.

*Agenda Item 7 (A-B):*

The Board opened the Public Hearing on Industrial Sewer Service Charges at 7:46 p.m. The following individuals provided public comment. Concerns expressed during public comment were: the financial impact the rate increases would have on their businesses and recommendations for the Sanitation District to improve operations by cutting costs elsewhere throughout the organization in lieu of a rate increase.

Public Speakers: Roy Reynolds; Chiemi Mitsuyama; and Shigeharu Koga.

Industrial Sewer Service Charge Public Hearing closed at 7:55 p.m.

Jim Herberg, Assistant General Manager, gave an informative PowerPoint presentation that covered various areas where the Sanitation District has made strides to improve efficiencies and services and cut operative costs.

*Agenda Item 6 (D):*

Maria Ayala, Clerk of the Board, declared that the Sanitation District had received 274 official *statements of protests*, this number does not constitute a majority protest.

Chair Edgar informed the Board about the history of the planning and analysis that took place by staff in working towards the rate proposal. The Board continued by having discussion, with staff responding to their questions.

6. Items A through F:

- A. Open Public Hearing under Proposition 218 for Proposed Multi-Year Regional Sewer Service Charges and under Health and Safety Code section 5473.1 for collection of charges on the tax roll.
- B. Receive Public Comment.
- C. Close Public Hearing.
- D. The Clerk of the Board will count the protests and report the number of protests to the Board of Directors.

Board took action, by a roll call vote, on Item 6E(a-d):

E. If no majority protest:

- a. **MOVED, SECONDED, AND DULY CARRIED:** Adopt a five year rate schedule for regional sewer service charges, which includes a 4.8% rate increase effective July 1, 2013, followed by four annual increases of 2.4%.
- b. Motion to read Ordinance No. OCSD-41 by title only and waive second reading of said entire ordinance on March 27, 2013.
- c. Adopt Ordinance No. OCSD-41, An Ordinance of the Board of Directors of Orange County Sanitation District Amending and Restating Ordinance No. OCSD-35 Concerning Sanitary Sewer Service Charges and Repealing Ordinance No. OCSD-35; Adopting Revised Table A RE Residential User Fees and Revised Table B Property Use Classifications.
- d. Adopt Resolution No. OCSD 13-05, A Resolution of the Board of Directors Directing the County Tax Collector-Treasurer to include Regional Sanitary Sewer Service Charges on the Tax Roll for Fiscal Years 2013-2014 through 2017-1018.

Directors: Choi, Diep, Kim, McCurdy, Narain, Nguyen, and Sebourn opposed.

~~F. If there is a majority protest, the Board will take no action and provide direction to staff.~~

7.
  - A. Open Public Hearing and Receive Public Comment.
  - B. Close Public Hearing.

Board took action, by a roll call vote, on Item 7C-E:

- C. **MOVED, SECONDED, AND DULY CARRIED:** Adopt a five year rate schedule for industrial sewer service charges, which includes a 4.8% rate increase effective July 1, 2013, followed by four annual increases of 2.4%
- D. Motion to read Ordinance No. OCSD-42 by title only and waive second reading of said entire Ordinance on March 27, 2013.
- E. Adopt Ordinance No. OCSD-42, An Ordinance of the Board of Directors of Orange County Sanitation District Amending Ordinance No. OCSD-40 Concerning Miscellaneous Charges and Fees relating to Industrial Charges and Source Control Permittees; Adopting Revised Table F RE Class I and Class II Permittees and Special Purpose Discharge Permittees:

Directors: Choi, Diep, Kim, McCurdy, Narain, Nguyen, and Sebourn opposed.

**CLOSED SESSION**

None.

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

None.

**ADJOURNMENT:**

The Chair declared the meeting adjourned at 9:13 p.m. until the next regular meeting on April 24, 2013, at 6:30 p.m.

A handwritten signature in black ink, appearing to read 'M.E. Ayala', written over a horizontal line.

Maria E. Ayala, Clerk of the Board