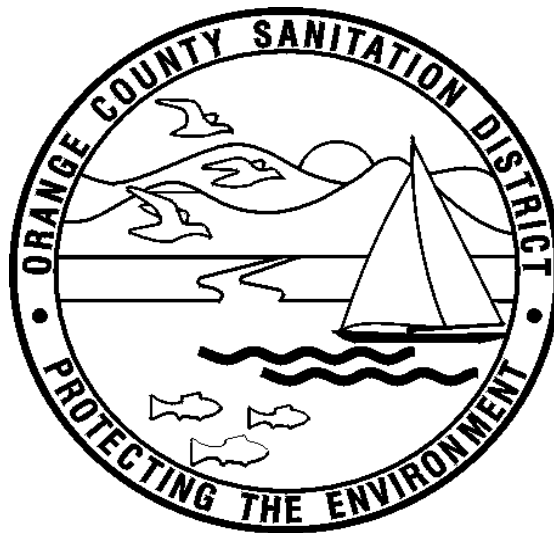


Orange County Sanitation District

MINUTES

BOARD MEETING

February 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 February 27, 2013, at 6:30 p.m., in the Administration Building. Director Greg Sebourn 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
A	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
X	Steve Nagel		Mark McCurdy
X	Prakash Narain		Doug Bailey
	Scott Nelson	X	Constance Underhill
X	Janet Nguyen		Shawn Nelson
X	John Nielsen		Allan Bernstein
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

1. MOVED, SECONDED, AND DULY CARRIED: Receive and file Minute Excerpts of member agencies relating to appointments to the Orange County Sanitation District Board, as follows:

<u>City/Agency</u>	<u>Active Director</u>	<u>Alternate Director</u>
Orange County Board of Supervisors	Janet Nguyen	Shawn Nelson
Irvine Ranch Water District	John Withers	Douglas Reinhart

PUBLIC COMMENTS:

None.

REPORTS:

Chair Edgar called upon Lorenzo Tyner who presented a service award to Dionne Kardos, Data Management Technician, who has worked with the Sanitation District for over 20 years.

Mr. Ruth gave a brief summary of his General Manager's Monthly Status Report. He extended an invitation to the Board to attend a tour of the Plants at their earliest convenience.

Jim Herberg, Assistant General Manager, announced various awards the Sanitation District had recently received.

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>01/15/13</u>	<u>01/31/13</u>
Totals	\$7,224,459.51	\$51,020,323.40

Directors Curry, Diep, Nguyen, Nielsen, and T. Smith 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.*

3. MOVED, SECONDED, AND DULY CARRIED: Receive and file the updated Orange County Sanitation District Directors' Committee Assignments for 2012-2013.

4. MOVED, SECONDED, AND DULY CARRIED: Approve minutes for the Regular Board Meeting held on January 23, 2013.

STEERING COMMITTEE:

5. MOVED, SECONDED, AND DULY CARRIED: Approve minutes for the Steering Committee Meeting held on January 23, 2013.
6.
 - A. MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. OCSD 13-02 appointing James D. Herberg (“Mr. Herberg”) to the position of General Manager for the Orange County Sanitation District (“OCSD”);
 - B. Approve the At-Will Employment Agreement, attached hereto, with Mr. Herberg specifying terms and conditions of employment for General Manager services beginning April 1, 2013;
 - C. Authorize the Board Chair to execute the At-Will Employment Agreement, attached hereto; and
 - D. Authorize the Board Chair to provide a notice of termination of employment to General Manager James D. Ruth effective April 1, 2013, consistent with the OCSD General Manager Transition Plan and as required pursuant to Mr. Ruth's At-Will Employment Agreement.

Director Nguyen abstained.

7. MOVED, SECONDED, AND DULY CARRIED: Adopt the 2013 Legislative Platform and Goals.

OPERATIONS COMMITTEE:

8. MOVED, SECONDED, AND DULY CARRIED: Approve minutes for the Operations Committee Meeting held on February 6, 2013.
9.
 - A. MOVED, SECONDED, AND DULY CARRIED: Approve a Professional Design Services Agreement with Carollo Engineers, Inc. to provide engineering design services for Trunk Line Odor Control Improvements, Project No. P1-123, for an amount not to exceed \$856,986; and,
 - B. Approve a contingency of \$85,699 (10%).
10.
 - A. MOVED, SECONDED, AND DULY CARRIED: Approve Change Order No. 1 to P.O. Number 103690-OB issued to Voyager Fleet Systems Inc. for the purchase of unleaded/diesel fuel for vehicles and marine vessel authorizing an additional \$80,000 to increase total annual contract amount from \$275,440 to a not to exceed amount of \$355,440; and,
 - B. Approve a contingency of \$17,772 (5%); and,

- C. Authorize the use of the State of California Department of General Services (DGS) Statewide Travel Management Program for vehicle fuel requirements, for the period May 1, 2013 through April 30, 2014, for a total amount not to exceed \$332,600, with four one-year renewal options, in accordance with Resolution No. OCSD 07-04, Section 3.08: Cooperative Procurement; and,
 - D. Approve a contingency of \$33,260 (10%).
11. MOVED, SECONDED, AND DULY CARRIED: Adopt Board Resolution No. OCSD 13-03, revising the Biosolids Recycling Resolution and repealing Board Resolution No. OCSD 06-10.
12. A. MOVED, SECONDED, AND DULY CARRIED: Approve a Sole Source Agreement with J.F. Shea Construction, Inc. for an amount not to exceed \$430,000 for the repair of trickling filter pumps at Plant No. 2; and,
- B. Approve a contingency of \$43,000 (10%)
13. MOVED, SECONDED, AND DULY CARRIED: Approve a contingency increase of \$1,340,000 (4%) to the construction contract with JR Filanc Construction Company for Sludge Digester Rehabilitation at Plant No.1, Project No. P1-100, for a total contingency of \$4,020,000 (12%).
14. A. MOVED, SECONDED, AND DULY CARRIED: Authorize staff to re-establish a Biosolids Account Pool utilizing a Blanket Purchase Order for the efficient management of all biosolids contracts (Tule Ranch, Synagro West, Inc., and Orange County Waste and Recycling) in one account to provide flexibility for unanticipated circumstances that may impact biosolids management, which may include events such as truck/driver shortages, poor weather conditions, regulatory constraints, unacceptable contractor performance, or contractor facility limitations; and
- B. Approve Blanket Purchase Order No. 104696-OB for an annual amount not to exceed \$19,000,000 for biosolids management with Orange County Waste and Recycling, Tule Ranch, and Synagro West, Inc., which will replace Blanket Purchase Order No. 100760-OB; and
- C. Authorize staff to move funds within the Biosolids Account Pool from one contract to another, as deemed necessary, due to unanticipated circumstances.

ADMINISTRATION COMMITTEE:

15. MOVED, SECONDED, AND DULY CARRIED: Approve amended Minutes of the Administration Committee Meeting held on February 13, 2013.
16. Item moved to Non-Consent.
17. Item moved to Non-Consent.
18. MOVED, SECONDED, AND DULY CARRIED: Approve the FY 2013-14 budget assumptions and direct staff to incorporate these parameters in preparing the FY 2013-14 budget update.

NON-CONSENT:

Considerable discussion was had over Agenda Items No. 16 and No. 17. Staff responded to various questions from the Board regarding: options on rate increase, information on CIP program, etc.

16. A. MOVED, SECONDED, AND DULY CARRIED: Consider 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 reading of said entire ordinance on February 27, 2013.
- C. Introduce 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. Set March 27, 2013, as the date of the Public Hearing to hear protests and for the second reading of the Ordinance No. OCSD-41.

Director Kim opposed. Directors Diep, Nagel, abstained. Director Nguyen departed the meeting at 7:10 p.m. and was not present for the vote.

17. A. MOVED, SECONDED, AND DULY CARRIED Consider 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%
- B. Motion to read Ordinance No. OCSD-42 by title only and waive reading of said entire Ordinance on February 27, 2013.
- C. Introduce Ordinance No. OCSD-42, an Ordinance of the Board of Directors of Orange County Sanitation District Amendment 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:

- D. Set March 27, 2013, as the date of the Public Hearing to hear protests and for the second reading of the Ordinance No. OCSD-42.

Director Kim opposed. Directors Diep, Nagel, abstained. Director Nguyen departed the meeting at 7:10 p.m. and was not present for the vote.

CLOSED SESSION

CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS: 54956.9(d)(1)

The Board convened in closed session at 8:05 p.m. to discuss five 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 Board reconvened in regular session at 8:25 p.m.

Director Diep departed the meeting during closed session.

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

None.

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

None.

ADJOURNMENT:

The Chair declared the meeting adjourned at 8:25 p.m. until the next regular meeting on March 27, 2013, at 6:30 p.m.



Maria E. Ayala, Clerk of the Board