

**Orange County Sanitation District**  
***CORRECTED* MINUTES**  
**BOARD MEETING**  
**July 24, 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 July 24, 2013, at 6:30 p.m., in the Administration Building. Director Beamish delivered 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
A	Tyler Diep		Al Krippner
X	James M. Ferryman		Bob Ooten
X	Steven Jones		Kris Beard
	Peter Kim	X	Gerard Goedhart
X	Lucille Kring		Jordan Brandman
X	Michael Levitt		Gordon Shanks
X	Brett Murdock		Roy Moore
X	Steve Nagel		Mark McCurdy
X	Prakash Narain		Doug Bailey
X	Scott Nelson		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
A	Teresa Smith		Mark Murphy
X	John Withers		Douglas Reinhart

**STAFF MEMBERS PRESENT:** Jim Herberg, General Manager; Bob Ghirelli, 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; Jennifer Cabral; Jim Colston; Norbert Gaia; Al Garcia; Kelly Lore; and Paula Zellar.

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

**PUBLIC COMMENTS:**

Marcus Lee

Mr. Lee expressed concerns over the odor emanating from the Plant into the community. He asked what steps are being taken to resolve the odor issues and how are these issues being communicated to the public.

Jim Herberg, General Manager, announced that staff would meet with Mr. Herberg to address his concerns.

John Anderson, Board Vice-Chair, requested that odor stats be reported on a quarterly basis.

**REPORTS:**

Chair Edgar briefly reported on the District’s recent press release, and today’s event at the City of Stanton, “Cease the Grease”. Director Shawver also reported on the event.

Mr. Herberg announced the two upcoming Board workshops that will focus on the Strategic Plan. The two dates are: September 11 and October 2. These special sessions will immediately follow Administration and Operations Committee Meetings. Mr. Herberg also provided a brief update on the General Manager’s Year End Report and 2013/14 Work Plan.

**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>06/15/13</u>	<u>06/30/13</u>
Totals	\$6,290,433.27	\$10,034,536.97

Directors Curry, Nguyen, Nielsen, and Sebourn abstained.

**CONSENT CALENDAR:**

- 2. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Regular Board Meeting held on June 26, 2013.

Alternate Director Goedhart abstained.

- 3. Item moved to Non-Consent.

4. A. **MOVED, SECONDED, AND DULY CARRIED:** Approve a contract with Specialized Reuse and Recycling to haul Orange County Sanitation District's biosolids from Reclamation Plant No. 1 and/or Treatment Plant No. 2 to Orange County Waste and Recycling's Prima Deshecha landfill (Specification No. S-2013-579BD), for the period July 29, 2013 through July 28, 2014, at the unit price of \$7.49 per ton, coupled with a fuel surcharge for an estimated annual contract amount not to exceed \$290,000 per year, with four one-year renewal options; and
- B. Approve hauling to alternative sites at unit prices of \$0.195/ton/mile within 50-100 miles and \$0.185/ton/mile within 101-200 miles; and
- C. Approve a (10%) unit price contingency.

Director Nguyen abstained.

**NON-CONSENT:**

3. A. **MOVED, SECONDED, AND DULY CARRIED:** Receive and file Addendum to the Collection System Improvement Plan Program Environmental Impact Report (PEIR); and,
  - B. Approve Plans and Specifications for Balboa Trunk Sewer Rehabilitation, Project No. 5-47, on file at the Office of the Clerk of the Board; and,
  - C. Approve Addendum Nos. 1 and 2 to the plans and specifications; and
  - D. Award a construction contract to Charles King Company, Inc. for the Balboa Trunk Sewer Rehabilitation, Project No. 5-47, for a total amount not to exceed \$3,313,100; and,
  - E. Approve a contingency of \$397,572 (12%).
5. Consider and approve one of the following two options with respect to the unpaid Capital Facility Capacity Charges for 12316 Circula Panorama, Santa Ana in the amount of \$2,165:
    - A. ~~Seek payment of the charges pursuant to Ordinance No. OCSD-40; or~~
    - B. **MOVED, SECONDED, AND DULY CARRIED:** Make a one-time exception in this case and waive the fee in the amount of \$2,165.

Director Withers departed the meeting at 6:53 p.m.

6. A. MOVED, SECONDED, AND DULY CARRIED: Receive and file Award Protest issued via email on June 18, 2013 from Katz & Associates concerning the award to Construction Community Relations; and,
- B. Receive and file letter issued via email on June 21, 2013 from Constructive Community Relations in opposition to the Award Protest from Katz & Associates; and,
- C. Receive and file Orange County Sanitation District's Determination of Award Protest letter dated June 27, 2013 to Katz & Associates responding to the protest of award; and,
- D. Deny award protest filed by Katz & Associates; and,
- E. Approve a Professional Services Agreement with Constructive Community Relations providing construction outreach services for the Newport Beach Construction Program, Specification No. PSA-2013-568, for a two-year period effective August 1, 2013 through July 31, 2015, for an amount not to exceed \$300,000, with three one-year renewal options, not to exceed \$150,000 per renewal year.

**STEERING COMMITTEE:**

7. MOVED, SECONDED, AND DULY CARRIED: Approve minutes for the Steering Committee Meeting held on June 26, 2013.

Director Anderson departed the meeting at 6:58 p.m.

Considerable discussion was held by the Board regarding Item 8. Ultimately the Board agreed to support the item in opposition mode.

8. A. Declare the Orange County Sanitation District's position on the changes to the Orange County Retirement System (OCERS) Unfunded Actuarial Accrued Liability (UAAL) Amortization Period; and,
- B. Provide direction to the General Manager on measures to be taken in representing declared Board position.

MOVED, SECONDED, AND DULY CARRIED: The Board voted to declare OCSD's opposition to the changes to the OCERS Unfunded Actuarial Accrued Liability amortization Period; and provided the General Manager with direction to draft a letter to OCERS requesting OCERS' consideration of OCSD's declared position.

Director Nguyen abstained.

**OPERATIONS COMMITTEE:**

9. MOVED, SECONDED, AND DULY CARRIED: Approve minutes for the Operations Committee Meeting held on July 3, 2013.

Director Shawver abstained.

10. A. MOVED, SECONDED, AND DULY CARRIED: Approve a Professional Consultant Services Agreement with AECOM Technical Services, Inc. to provide construction support services for the Balboa Trunk Sewer Rehabilitation Project, Project No. 5-47, for an amount not to exceed \$284,951; and,

B. Approve a contingency of \$28,495 (10%).

11. MOVED, SECONDED, AND DULY CARRIED: Approve a contingency increase of \$59,661 (3%) to the Professional Design Services Agreement with Black & Veatch Corporation for CenGen Emissions Control, Project No. J-111, for a total contingency of \$ 258,529 (13%).

12. A. MOVED, SECONDED, AND DULY CARRIED: Award a Service Contract to Ayala Engineering for Manhole Frame and Cover Replacement, Specification No. S-2013-569, for a total annual amount not to exceed \$256,950 for the period July 1, 2013 through June 30, 2014, with four one-year renewal options; and,

B. Approve a contingency of \$25,695 (10%).

13. MOVED, SECONDED, AND DULY CARRIED: Approve a contingency increase of \$499,970 (0.26%) to the construction contract with J.F. Shea Construction, Inc. for Headworks Improvements at Plant No. 2, Project No. P2-66, for a total contingency of \$7,230,333 (3.76%).

**ADMINISTRATION COMMITTEE:**

14. MOVED, SECONDED, AND DULY CARRIED: Approve Minutes of the Administration Committee Meeting held on July 10, 2013.

15. MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. OCSD 13-12, Establishing the Annual Appropriations Limit for Fiscal Year 2013-14, for the Sanitation District in accordance with the Provisions of Division 9 of Title 1 of the California Government Code.

16. MOVED, SECONDED, AND DULY CARRIED: Approve the Memorandum of Understanding with the County of Orange regarding the use of ALERT OC, the Countywide Mass Notification System.

Director Nguyen opposed abstained.

17. A. **MOVED, SECONDED, AND DULY CARRIED:** Approve a Professional Services Agreement for Specification CS-2011-499BD-Phase III with Total Resources Management, Inc. (TRM, Inc.), effective July 25, 2013, for Phase 3 of the Implementation of the IBM-Maximo Enterprise Asset Management System, for an amount not to exceed \$810,567; and,
  - B. Approve a contingency in the amount of \$81,057 (10%).
18. **MOVED, SECONDED, AND DULY CARRIED:** Authorize the purchase of new atmospheric monitors from Mallory via US Communities, for a total not to exceed \$300,000, in accordance with Resolution No. OCSD 07-04, Section 3.08: Cooperative Procurement.
19. **MOVED, SECONDED, AND DULY CARRIED:** Authorize the General Manager to issue Revenue Refunding Certificate Anticipation Notes, Series 2013A, as one-year fixed-rate obligations, in an amount not to exceed \$135.0 million to replace the \$131.7 million Revenue Refunding Certificate Anticipation Notes, Series 2012C maturing on October 30, 2013.
20. **MOVED, SECONDED, AND DULY CARRIED:** Adopt Resolution No. OCSD 13-13, Authorizing the Orange County Sanitation District's Treasurer to Invest and/or Reinvest District's Funds; Adopting District's Investment Policy Statement and Performance Benchmarks for FY 2013-14; and Repealing Resolution No. OCSD 12-11.

### **GWRS COMMITTEE:**

Chair Edgar briefly reported out from the last GWRS Committee Meeting.

21. **MOVED, SECONDED, AND DULY CARRIED:** Receive and file the Minutes of the GROUNDWATER REPLENISHMENT SYSTEM STEERING COMMITTEE meeting held on April 8, 2013.

### **CLOSED SESSION**

**CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS: 54956.9(d)(1), 54956.9(d)(2), 54956.9(d)(4), and 54956.9(e)(3).**

The Board convened in closed session at 7:05 p.m. to discuss four 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 7:23 p.m.

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

None.

- (1) Board of Directors unanimously voted to deny the claim related to Project P1-102.
- (2) Board of Directors authorize litigation against Federal OSHA Department to recover stolen data.
- (3) Board of Directors authorize General Council to appear and defend the interest of the Orange County Sanitation District.

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

Director Beamish commended staff on the Plant 2 Tour at this month's Operations Committee Meeting.

Director Edgar announced a potential tour aboard the District's vessel with the Ocean Monitoring division. He asked that Board Members contact Mr. Herberg if they are interested in participating in the tour.

**ADJOURNMENT:**

The Chair adjourned the meeting at 7:27 p.m. until the next regular meeting on August 28, 2013, at 6:30 p.m.



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Maria E. Ayala, Clerk of the Board