

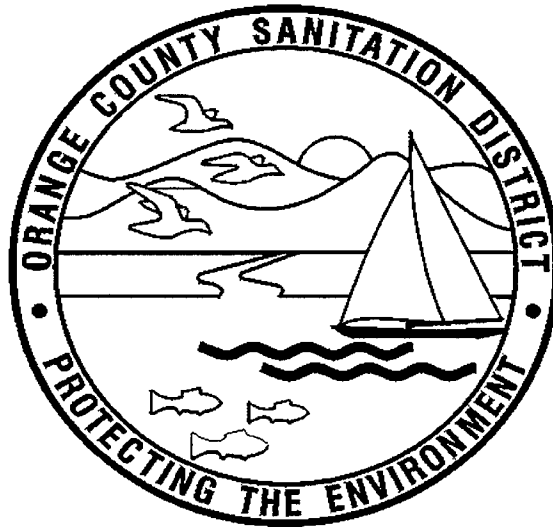
Orange County Sanitation District

CORRECTED

MINUTES

BOARD MEETING

January 22, 2014



**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 January 22, 2014, at 6:30 p.m., in the Administration Building. Director Teresa Smith delivered the invocation and led the Pledge of Allegiance.

Maria Ayala, Clerk of the Board, announced the revisions to Agenda Item No. 1 as indicated below:

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

| <u>City / Agency</u> | <u>Active Director</u> | <u>Alternate Director</u> |
|--------------------------|------------------------|---------------------------|
| Anaheim | Lucille Kring | Jordan Brandman |
| Cypress | Prakash Narain | Doug Bailey |
| Fountain Valley | Steve A. Nagel | Michael Vo |
| Huntington Beach | Joe Carchio | Dave Sullivan |
| Irvine | Steven Choi | Christina Shea |
| La Habra | Tom Beamish | Rose Espinoza |
| Los Alamitos | Troy Edgar | Richard Murphy |
| Midway City Sanitary | Tyler Diep | Al Krippner |
| Newport Beach | Rush Hill | Keith Curry |
| Newport Beach | Keith Curry | Rush Hill |
| Placentia | Scott Nelson | Constance Underhill |
| Santa Ana | David Benavides | Sal Tinajero |
| Seal Beach | Michael Levitt | Gordon Shanks |
| Stanton | David Shawver | Carol Warren |
| Tustin | John Nielsen | Allan Bernstein |
| Yorba Linda | Gene Hernandez | John Anderson |

Added the following appointments:

| | | |
|-----------|---------------|-----------------|
| Brea | Brett Murdock | Roy Moore |
| Fullerton | Greg Sebourn | Jan Flory |
| La Palma | Peter Kim | Gerard Goedhart |
| Orange | Teresa Smith | Mark Murphy |

AYES: Beamish; Benavides; Carchio; Choi; Curry; Diep, Ferryman; Hernandez; Kim; Kring; Murdock; Murphy (Alternate); Nagel; Narain; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; T. Smith; Underhill (Alternate); and Withers

NOES: None

ABSTENTIONS: None

ABSENT: Levitt and Jones

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

ACTIVE DIRECTORS

ALTERNATE DIRECTORS

| | | | |
|---|-------------------------|---|---------------------|
| | Troy Edgar, Chair | X | Richard Murphy |
| X | Tom Beamish, Vice Chair | | Rose Espinoza |
| X | David Benavides | | Sal Tinajero |
| X | Steven Choi | | Christina Shea |
| X | Rush Hill | | Keith Curry |
| X | Tyler Diep | | Al Krippner |
| X | James M. Ferryman | | Bob Ooten |
| X | Gene Hernandez | | John Anderson |
| X | Steven Jones | | Kris Beard |
| X | Peter Kim | | Gerard Goedhart |
| X | Lucille Kring | | Jordan Brandman |
| A | Michael Levitt | | Gordon Shanks |
| X | Brett Murdock | | Roy Moore |
| X | Steve Nagel | | Michael Vo |
| 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 Carchio | | Dave Sullivan |
| X | David Shawver | | Carol Warren |
| X | Fred Smith | | Steve Berry |
| X | 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; Bob Bell; Mark Boyd; Jennifer Cabral; Jim Colston; Norbert Gaia; Mark Kawamoto; Kelly Lore; Faviola Miranda; Andrew Nau; Rich Spencer; and Paula Zellar.

OTHERS PRESENT: Brad Hogin, General Counsel; and Mike Moore, representative from the Water Environment Federation and the National Biosolids Partnership.

PUBLIC COMMENTS:

None.

REPORTS:

Tom Beamish, Vice-Chair, reported that Chair Edgar is out of town and will not be at tonight's meeting. He announced that he and Chair Edgar will be meeting with SAWPA representatives on February 4th.

Jim Herberg, General Manager, provided the following updates from his General Manager's Monthly Update Report: District's budget kickoff for the new two-year budget; mid-year work plan updates: completion of SAWPA arbitration, development of a new 5-year strategic plan, and transfer of local sewers in Tustin area.

Mr. Herberg also reported that in December, the District sold excess air pollution emission credits in the amount of \$345,000. In 2008 the Board authorized the General Manager to sell these credits, and since then the District has generated over \$4 million in revenue. AQMD has now issued a moratorium on sales of these credits.

Vice-Chair Beamish announced that Board Agenda Item No. 8 would be moved out of order, and addressed at this time.

8. OCSD Certified Biosolids Program, 10th Anniversary

Mr. Herberg, General Manager, introduced Mike Moore, representative from the Water Environment Federation and the National Biosolids Partnership. Mr. Moore presented the Sanitation District with the National Biosolids Partnership's Platinum Level Award.

Ed Torres, Director of Operations and Maintenance, presented the following service awards to OCSD employees:

- Mark Boyd, Plant Operator, 25 Years of Service
- Bob Bell, Maintenance Supervisor, 20 Years of Service

Vice-Chair Beamish announced that a Certificate of Appreciation would be presented to outgoing Director, Joe Shaw, at February's Board Meeting.

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>12/15/13</u> | <u>12/31/13</u> |
|---|-----------------|-----------------|
| Totals | \$9,525,558.70 | \$7,131,861.58 |

AYES: Beamish; Benavides; Choi; Diep, Ferryman; Hernandez; Kim; Kring; Murdock; Murphy (Alternate); Nagel; Narain; Reese; F. Smith; T. Smith; Underhill (Alternate); and Withers

NOES: None

ABSTENTIONS: Carchio; Curry; Nguyen; Nielsen; Sebourn; and Shawver

ABSENT: Levitt and Jones

CONSENT CALENDAR:

3. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Regular Board Meeting held on December 18, 2013.

AYES: Beamish; Benavides; Carchio; Choi; Curry; Diep, Ferryman; Hernandez; Kim; Kring; Murdock; Murphy (Alternate); Nagel; Narain; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; Underhill (Alternate); and Withers

NOES: None

ABSTENTIONS: T. Smith

ABSENT: Levitt and Jones

4. **MOVED, SECONDED, AND DULY CARRIED:** Adopt Resolution No. OCSD 14-01 a resolution Establishing the Policies and Procedures for the Approval of Plans, Design, and Specifications for Public Works Projects.

AYES: Beamish; Benavides; Carchio; Choi; Curry; Diep, Ferryman; Hernandez; Kim; Kring; Murdock; Murphy (Alternate); Nagel; Narain; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; T. Smith; Underhill (Alternate); and Withers

NOES: None
ABSTENTIONS: None
ABSENT: Levitt and Jones

5. **MOVED, SECONDED, AND DULY CARRIED:**

- A. Approve Steve Filarsky, Filarsky & Watt LLP, to provide labor relations consulting services and to be the chief negotiator on behalf of OCSD for the upcoming OCEA and Local 501 MOU negotiations; and
- B. Authorize the General Manager to negotiate and enter into a consulting services agreement with Filarsky & Watt LLP for labor relations consulting services for a term of six months, at an hourly rate of \$290 per hour, at a maximum cost of \$29,000, in a form approved by General Counsel.

AYES: Beamish; Benavides; Carchio; Choi; Curry; Diep, Ferryman; Hernandez; Kim; Kring; Murdock; Murphy (Alternate); Nagel; Narain; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; T. Smith; Underhill (Alternate); and Withers

NOES: None
ABSTENTIONS: None
ABSENT: Levitt and Jones

STEERING COMMITTEE:

6. **MOVED, SECONDED, AND DULY CARRIED:** Approve Minutes of the December 18, 2013 Steering Committee Meeting.

AYES: Beamish; Benavides; Carchio; Choi; Curry; Diep, Ferryman; Hernandez; Kim; Kring; Murdock; Murphy (Alternate); Nagel; Narain; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; Underhill (Alternate); and Withers

NOES: None
ABSTENTIONS: T. Smith
ABSENT: Levitt and Jones

LEGISLATIVE AND PUBLIC AFFAIRS SPECIAL COMMITTEE:

7. MOVED, SECONDED, AND DULY CARRIED: Receive and file the minutes of the January 13, 2014 meeting of the Legislative and Public Affairs Special Committee.

AYES: Beamish; Benavides; Carchio; Choi; Curry; Diep, Ferryman; Hernandez; Kim; Kring; Murdock; Murphy (Alternate); Nagel; Narain; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; T. Smith; Underhill (Alternate); and Withers

NOES: None

ABSTENTIONS: None

ABSENT: Levitt and Jones

INFORMATION ITEMS:

8. OCSD Certified Biosolids Program, 10th Anniversary

Item addressed at the beginning of the meeting.

CLOSED SESSION

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

The Board convened in closed session at 6:52 p.m. to discuss one item. 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.

Director Jones arrived at the meeting at 7:05 p.m. during closed session.

RECONVENE IN REGULAR SESSION: The Board reconvened in regular session at 7:16 p.m.

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

Brad Hugin, General Counsel, reported the following from closed session:

The Board approved a settlement agreement on the Mladen Buntich v. Orange County Sanitation District, Case No. RIC 1201005. The material terms are as follows:

- Insurance carriers to pay \$13 million to OCSD for property damage claims;
- Black and Veatch to pay \$600,000 to OCSD for property damage claims;
- OCSD to pay to contractor \$216,942 to settle delay claims unrelated to property damage claims.

Vote:

AYES: Beamish; Benavides; Carchio; Choi; Curry; Diep, Ferryman; Hernandez; Jones; Kim; Kring; Murdock; Murphy (Alternate); Nagel; Narain; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; T. Smith; Underhill (Alternate); and Withers

NOES: None

ABSTENTIONS: None

ABSENT: Levitt

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

Mr. Herberg announced that OCSD 60th Anniversary commemorative lapel pins were being distributed tonight. Also, in honor of the District's 60th Anniversary, the District will be hosting a VIP Breakfast in the near future. Mr. Herberg invited all to sign a banner-sized 60th Anniversary "card" for the District.

ADJOURNMENT:

The Vice-Chair adjourned the meeting at 7:20 p.m. until the next Regular Board Meeting on February 26, 2014 at 6:30 p.m.


Maria E. Ayala, Clerk of the Board