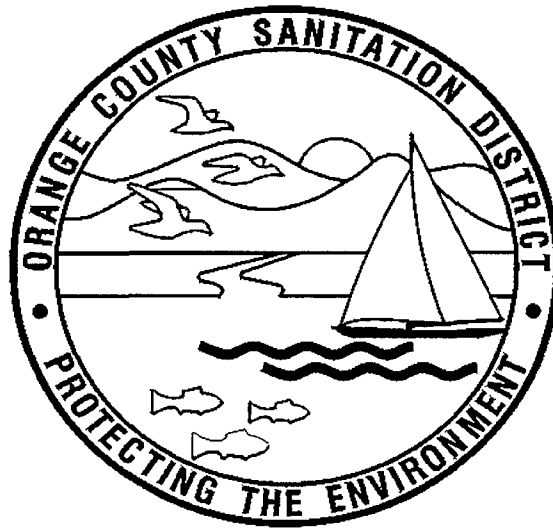


# Orange County Sanitation District

## MINUTES

### BOARD MEETING

February 26, 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 February 26, 2014, at 6:30 p.m., in the Administration Building. Alternate Director Constance Underhill delivered the invocation and led the Pledge of Allegiance.

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>
Buena Park	Fred Smith	Steve Berry
Villa Park	Brad Reese	Greg Mills
Costa Mesa Sanitary District	James Ferryman	Bob Ooten

**AYES:** Brandman (Alternate); Beamish; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt; Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** Benavides

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

### ACTIVE DIRECTORS

### ALTERNATE DIRECTORS

X	Troy Edgar, Chair		Richard Murphy
X	Tom Beamish, Vice Chair		Rose Espinoza
X	David Benavides		Sal Tinajero
X	Joe Carchio		Dave Sullivan
X	Steven Choi		Christina Shea
X	Keith Curry		Rush Hill
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
	Lucille Kring	X	Jordan Brandman
X	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		Allan Bernstein
X	Brad Reese		Greg Mills
X	Gregory Sebourn		Jan Flory
X	David Shawver		Carol Warren
X	Fred Smith		Steve Berry
X	Teresa Smith		Mark Murphy
	John Withers	X	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; Lorenzo Tyner, Director of Finance & Administrative Services; Jeff Reed, Director of Human Resources; Maria E. Ayala, Clerk of the Board; Janine Aguilar; Cindi Ambrose; Jennifer Cabral; Ann Crafton; Dean Fisher; Norbert Gaia; Kelly Lore; Andrew Nau; Rich Spencer; Rob Thompson; and Paula Zellar.

**OTHERS PRESENT:** Brad Hogin, General Counsel; Jim Ruth, Consultant; Joe Shaw, City of Huntington Beach Council Member; and Doug Davert, Director from East Orange County Water District.

**PUBLIC COMMENTS:**

Doug Davert submitted a request to speak card and chose to speak on Agenda Item No. 14 at the time it would be considered during the meeting.

**REPORTS:**

Chair Edgar presented former Board Director, Joe Shaw, from the City of Huntington Beach, with a Certificate of Appreciation from the Sanitation District.

*(Director Benavides arrived at the meeting at 6:39 p.m.)*

Chair Edgar reported on his trip to Washington DC, where he attended the CASA Conference as well as attending various meetings with the District's delegation to discuss ongoing project actions surrounding the SARI Line realignment, removal of rip rap, and other issues of concern to the wastewater industry, and the Sanitation District in particular.

Chair Edgar invited the Board members to attend the Sanitation District's Floor Recognition ceremony on March 20<sup>th</sup>, should they already happen to be in Sacramento on that date. The recognition is for the District's 60<sup>th</sup> Anniversary. Chair Edgar also stated that he, Vice-Chair Beamish and Mr. Herberg will be flying to Sacramento on March 19<sup>th</sup> so as to meet with other key officials on various matters affecting the District.

Mr. Herberg, General Manager, reported on the following from his General Manager's Monthly Update Report:

- Various events attended by the District during the month of February as part of the community outreach program;
- Huntington Beach Community Meeting;
- Nick Kanetis, Director of Engineering, will be leaving the District on March 7<sup>th</sup>
- Todd Haynes, Engineering Manager, will be retiring during the month of March;
- Demise of employee Peter McGrath, Operations Supervisor. Mr. Herberg asked that tonight's meeting be adjourned in his memory;
- Two committees were agreed to from the SAWPA Settlement agreement. One being the Joint Operations Committee and the other being the Joint Policy Committee. These meetings are scheduled to take place in the near future;
- Attending the SAWPA Commission meeting with Chair Edgar and Vice-Chair Beamish on February 4<sup>th</sup> to recognize SAWPA's collaboration with the Sanitation District.

**RATIFICATION OF PAYMENT OF CLAIMS:**

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

Claims Paid for the Period Ending:	<u>01/15/14</u>	<u>01/31/14</u>
Totals	\$11,108,214.24	\$12,652,327.51

**AYES:** Beamish; Benavides; Carchio; Choi; Diep; Edgar; Ferryman; Hernandez; Jones, Kim; Levitt, Murdock; Nagel; Narain; Reese; Reinhart (Alternate); Shawver\*; F. Smith; T. Smith; and Withers

**NOES:** None

**ABSTENTIONS:** Brandman (Alternate); Curry; Underhill (Alternate); Nguyen; Nielsen; Seburn; and

\*Shawver (abstained on claim #62345)

**ABSENT:** None

**CONSENT CALENDAR:**

3. **MOVED, SECONDED, AND DULY CARRIED:** Receive and file the updated Orange County Sanitation District Directors' Committee Assignments for 2014.

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None

4. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Regular Board Meeting held on January 22, 2014.

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None

5. **MOVED, SECONDED, AND DULY CARRIED:** Adopt Resolution No. OCSD 14-02, a Resolution of the Board of Directors of the Orange County Sanitation District commending John Anderson for his outstanding contributions and dedication to public service as Vice-Chair of the Orange County Sanitation District Board of Directors.

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None

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

A. Approve a sole source agreement with Charles P. Crowley Co., for the purchase and installation support of pump station equipment to support Newport Force Main Rehabilitation, Project No. 5-60, for an amount not to exceed \$340,000; and

B. Approve a contingency of \$34,000 (10%).

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None

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

Items A – K:

A. Approve Plans and Specifications for Landscaping and Miscellaneous Improvements Along Ellis Ave Corridor, Project No. FE10-19; and

B. Approve Addendum No. 1 to the plans and specifications; and

C. Receive and file bid tabulation and recommendation; and

D. Receive and file Award Protest from Green Building Corporation dated January 27, 2014 concerning the award to ACE CD, Inc.; and

E. Receive and file Orange County Sanitation District's determination letter dated January 29, 2014 to Green Building Corporation responding to Award Protest; and

F. Deny Award Protest filed by Green Building Corporation; and

- G. Receive and file Appeal Letter from Lax & Stevens representing Green Building Corporation dated February 4, 2014 concerning the award protest determination; and
- H. Receive and file Response Letter from ACE CD, Inc. dated February 11, 2014 concerning the Appeal Letter from Lax & Stevens; and
- I. Receive and file Orange County Sanitation District's determination letter dated February 11, 2014 to Green Building Corporation responding to Appeal Letter; and
- J. Award a construction contract to ACE CD, Inc. for the Landscaping and Miscellaneous Improvements along Ellis Ave Corridor, Project No. FE10-19, for a total amount not to exceed \$403,650; and
- K. Approve a contingency of \$40,365 (10%).

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** Kim

**ABSTENTIONS:** None

**ABSENT:** None

**OPERATIONS COMMITTEE:**

- 8. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Committee Meeting held on February 5, 2014.

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None

9. MOVED, SECONDED, AND DULY CARRIED:

- A. Authorize the General Manager to competitively bid and subsequently award a contract to the lowest responsive and responsible bidder, for the Replacement of Valves at Bay Bridge Valve Vault, Project No. FR10-018, for an amount not to exceed \$170,000; and
- B. Approve a contingency of \$34,000 (20%).

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None

10. MOVED, SECONDED, AND DULY CARRIED:

- A. Award a contract to the lowest responsive and responsible bidder, Power Testing and Energization, for Electrical Relay Testing and Calibration, Specification No. S-2013-574-R2, for a total amount not to exceed \$296,990; and
- B. Approve a contingency of \$59,000 (20%).

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None



**ADMINISTRATION COMMITTEE:**

11. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Committee Meeting held on February 19, 2014.

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None

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

A. Advertise a request for proposal for managing the District's Investment Program that includes making the investment decisions and execution of the investment transactions; and

B. Advertise a request for proposal for an investment advisor to assist with the selection process of an investment management firm in an amount not to exceed \$40,000.

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None

13. **MOVED, SECONDED, AND DULY CARRIED:** Approve the budget assumptions to be used for the preparation of the FY 2014-15 and FY 2015-16 two-year budget.

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None

**NON-CONSENT:**

Doug Davert, Director from East Orange County Water District, took this time to address the Board. He acknowledged all the hard work from the Sanitation District on Item 14, and asked the Board for an affirmative vote.

Mr. Herberg announced that a revised final red-lined version of the agreement was distributed at tonight's meeting. A few updates had been made to the agreement since the posting of the Agenda.

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

- A. Approve agreement with East Orange County Water District (EOCWD), to transfer ownership of local sewers in Service Area 7, and the appropriate reserve balances, and
- B. Authorize the General Manager to provide EOCWD with technical and financial information to assist with its submittal of a reorganization application to the Orange County Local Area Formation Commission (OC LAFCO) to facilitate the transfer of ownership of the local sewers and agreed assets; and
- C. Authorize the General Manager to draft and execute a letter of support to OC LAFCO in favor of EOCWD's reorganization application, subject to and contingent upon OC LAFCO's acceptance of the terms and conditions of transfer agreed upon by OCSD and EOCWD; and
- D. Approve an agreement with EOCWD to reimburse OCSD for staff support requested during an agreed transition period.

**AYES:** Brandman (Alternate); Beamish; Benavides; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt; Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** Choi

**ABSTENTIONS:** Carchio

**ABSENT:** None

**STEERING COMMITTEE:**

15. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Steering Committee Meeting held on January 22, 2014.

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt; Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None

16. **MOVED, SECONDED, AND DULY CARRIED:** Receive and file International Water Summit Trip Report.

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Ferryman; Hernandez; Jones; Kim; Levitt; Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** Edgar

**ABSENT:** None

**LEGISLATIVE AND PUBLIC AFFAIRS SPECIAL COMMITTEE:**

17. **MOVED, SECONDED, AND DULY CARRIED:** Receive and file the minutes of the February 10, 2014 meeting of the Legislative and Public Affairs Special Committee.

**AYES:** Brandman (Alternate); Beamish; Benavides; Carchio; Choi; Curry; Diep; Edgar; Ferryman; Hernandez; Jones; Kim; Levitt, Murdock; Nagel; Narain; Nguyen; Nielsen; Reese; Reinhart (Alternate); Sebourn; Shawver; F. Smith; T. Smith; and Underhill (Alternate)

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** None

**CLOSED SESSION**

**CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS: 54957.6 and 54957(b)(1).**

The Board convened in closed session at 7:00 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.

*(Directors Benavides and Nguyen left during closed session.)*

**RECONVENE IN REGULAR SESSION:** The Board reconvened in regular session at 9:20 p.m.

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

No report.

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

None.

**ADJOURNMENT:**

The Chair adjourned the meeting at 9:23 p.m., in memory of Peter McGrath, until the next Regular Board Meeting on March 26, 2014 at 6:30 p.m.

  
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Maria E. Ayala, Clerk of the Board