

Orange County Sanitation District

MINUTES

BOARD MEETING

July 23, 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 July 23, 2014, at 6:30 p.m., in the Administration Building. Director Brad Reese delivered the invocation and led the Pledge of Allegiance.

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

ACTIVE DIRECTORS

ALTERNATE DIRECTORS

X	Tom Beamish, Chair		Rose Espinoza
X	John Nielsen, Vice-Chair		Allan Bernstein
X	David Benavides		Sal Tinajero
X	Joe Carchio		Dave Sullivan
X	Steven Choi		Christina Shea
	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
X	Lucille Kring		Jordan Brandman
X	Michael Levitt		Gordon Shanks
	Brett Murdock	X	Roy Moore
X	Richard Murphy		Troy Edgar
X	Steve Nagel		Michael Vo
X	Prakash Narain		Doug Bailey
X	Scott Nelson		Constance Underhill
X	Janet Nguyen		Shawn Nelson
X	Brad Reese		Greg Mills
X	Gregory Sebourn		Jan Flory
X	David Shawver		Carol Warren
X	Fred Smith		Steve Berry
	Teresa Smith	X	Mark Murphy
X	John Withers		Douglas Reinhart

STAFF MEMBERS PRESENT: Jim Herberg, General Manager; Bob Ghirelli, Assistant General Manager; Nick Arhontes, Director of Facilities Support Services; Jeff Reed, Director of Human Resources; Rob Thompson, Director of Engineering; Ed Torres, Director of Operations & Maintenance; Lorenzo Tyner, Director of Finance & Administrative Services; Kelly Lore, Acting Clerk of the Board; Jennifer Cabral; Norbert Gaia; Al Garcia; Stephanie Good; Lori Klinger; Andrew Nau; Kelly Newell.

OTHERS PRESENT: Brad Hogin, General Counsel; Steve Filarsky, Consultant; Jim Ruth, Consultant; Dan Bunce, Brown and Caldwell; Bob Ooten (Alternate Director) CWSD.

PUBLIC COMMENTS:

None.

Director Benavides arrived at 6:35 p.m.

SPECIAL PRESENTATIONS:

General Manager, Jim Herberg and Vice Chair Beamish presented Certificates of Commendation to:

- Southern California Alliance of Publicly Owned Treatment Works (SCAP)
Executive Director John Pastore in attendance.
- California Association of Sanitation Agencies (CASA)
CASA President Stephen Hogg in attendance.
- California Water Environment Association (CWEA)
Director Megan Yoo Schneider, WEF Director Alec Mackie and Treasurer Belinda Blackburn in attendance.

REPORTS:

Chair Beamish announced that Director Ferryman received the "Recognition in Special District Governance".

Chair Beamish also announced that he has appointed Scott Nelson to the Steering Committee and Steve Jones as an Alternate for the GWRS Steering Committee and noted that these appointments were not reflected on Agenda Item No. 2 as they were finalized today.

Director Kring arrived at 6:39 p.m.

General Manager Jim Herberg reported on the following: July status report; dates available for upcoming Director Nerissa Tours; community and construction outreach efforts; and the recently assigned OCSD's AAA rating by Standard & Poor's and Fitch.

Director of Finance, Lorenzo Tyner distributed an informational flyer and updated the Board on the Fund Manager Selection Process.

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>06/15/14</u>	<u>06/30/14</u>
Totals	\$ 7,485,674.74	\$ 9,221,231.85

AYES: Beamish; Carchio; Choi; Ferryman; Hernandez; Jones; Kim; Levitt; Nagel; Narain; Nelson; Reese; F. Smith; and Withers

NOES: None

ABSTENTIONS: Benavides; Diep; Kring; Moore (Alternate) M. Murphy (Alternate) R. Murphy; Nguyen; Nielsen; Sebourn and Shawver

ABSENT: Curry

CONSENT CALENDAR:

2. **MOVED, SECONDED, AND DULY CARRIED:** Receive and file the updated Orange County Sanitation District Directors' Committee Assignments for 2014-15 with the addition of Scott Nelson to the Steering Committee and Steve Jones as an Alternate for the GWRS Steering Committee, who Chair Beamish appointed today.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

3. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Regular Board Meeting held on June 25, 2014.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: M. Murphy (Alternate)

ABSENT: Curry

4. **MOVED, SECONDED, AND DULY CARRIED:** Approve the FY 2014-15 "not-to-exceed" quotes for the following insurances:

- A. Medical Insurance – Not to Exceed \$9,623,361
- B. Dental Insurance – Not to Exceed \$884,195
- C. Vision Insurance – Not to Exceed \$92,867
- D. Basic Life Insurance – Not to Exceed \$65,331
- E. Long-Term Disability Insurance – Not to Exceed \$285,479
- F. Short-Term Disability Insurance – Not to Exceed \$141,360
- G. Employee Assistance Program – Not to Exceed \$11,026

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

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

- A. Authorize the purchase of a new 400-kilowatt trailer-mounted Tier 4 Final compliant mobile generator and related accessories from Multiquip, for a total not to exceed \$189,148 in accordance with OCSD's Ordinance No. OCSD-44, Section 2.03, Exceptions, Item B., Cooperative Purchases; and
- B. Approve a contingency of \$18,914 (10%).

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

6. **MOVED, SECONDED, AND DULY CARRIED:** Authorize the Purchasing Manager to conduct a Negotiated Procurement for a construction contract for SALS PS Vent Piping Modifications, Project No. FE12-09, in accordance with Ordinance No. OCSD-44, Section 5.02.A.1.(d): No bids.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

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

A. Receive and file bid tabulation and recommendation; and

B. Award a construction contract to K&F Electric, Inc. for Programmable Control Panel Upgrades, Project No. J-125, for a total amount not to exceed \$1,067,774; and

C. Approve a contingency of \$106,777 (10%).

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

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

A. Approve Amendment No. 6 to the Professional Design Services Agreement with Brown and Caldwell for Sludge Dewatering and Odor Control at Plant No. 2, Project No. P2-92, for \$666,798, increasing the total amount not to exceed \$7,485,239; and

B. Approve a contingency increase of \$66,680 (1.2%) to the Professional Design Services Agreement with Brown and Caldwell for Sludge Dewatering and Odor Control at Plant No. 2, Project No. P2-92.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

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

A. Approve a sole source purchase order to Flo Systems Inc. for the purchase of one spare pump for the Steve Anderson Lift Station (SALS) for a total amount of \$215,000; and

B. Approve a contingency of \$6,450 (3%).

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

NON-CONSENT:

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

- A. Receive and file bid tabulation and recommendation;
- B. Find that the lowest bid from Hal Hays Construction, Inc. is non-responsive and reject the lowest bid;
- C. Receive and file Appeal of Award Recommendation letter dated June 18, 2014 from Hal Hays Construction, Inc. concerning the determination that their bid was Non-Responsive and the Orange County Sanitation District's recommendation to award to the second lowest bidder, Stronghold Engineering, Inc.;
- D. Receive and file the Orange County Sanitation District Final Disposition letter dated July 10, 2014, to Hal Hays Construction, Inc. responding to the Appeal of Award Recommendation;
- E. Deny Appeal of Award Recommendation filed by Hal Hays Construction, Inc.;
- F. Award a construction contract to Stronghold Engineering, Inc. for Maintenance Area Building Improvements and Building H Demolition, Contract No. P1-115A, part of Title 24 Access Compliance and Building Rehabilitation, Project No. P1-115, for a total amount not to exceed \$7,323,217; and
- G. Approve a contingency of \$732,322 (10%).

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

OPERATIONS COMMITTEE:

11. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Committee Meeting held on July 2, 2014.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

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

A. Award a contract to the lowest responsive and responsible bidder, ODC Engineering and Technology, for Repairs to Primary Clarifier No. 3 Drive Unit at P1, Project No. FR14-002, for a total amount not to exceed \$332,700; and

B. Approve a contingency of \$66,540 (20%).

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

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

A. Consider, receive, and file the Final Environmental Impact Report for the Southwest Costa Mesa Trunk, Project No. 6-19, dated July 23, 2014; and

B. Adopt Resolution No. OCSD 14-09 entitled; "A Resolution of the Board of Directors of the Orange County Sanitation District, Certifying the Final Environmental Impact Report for implementation of Southwest Costa

Mesa Trunk, Project No. 6-19; making certain findings relating to environmental effects identified in the Final Environmental Impact Report;

adopting a Mitigation Monitoring and Reporting Program; adopting a Statement of Overriding Considerations; and approving the Southwest Costa Mesa Trunk, Project No. 6-19.”

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

14. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Committee Meeting held on July 9, 2014.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

15. **MOVED, SECONDED, AND DULY CARRIED:** Adopt Resolution No. OCSD 14-10, entitled “A Resolution of the Board of Directors of the Orange County Sanitation District, 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 2014-15; and Repealing Resolution No. OCSD 13-13.”

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

16. **MOVED, SECONDED, AND DULY CARRIED:** Authorize the General Manager to issue Revenue Refunding Certificate Anticipation Notes, Series 2014B, as two-year fixed-rate obligations, subject to market conditions, in an amount not to exceed \$135.0 million to replace the \$129.625 million Revenue Refunding Certificate Anticipation Notes, Series 2013A maturing on October 16, 2014.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

17. **MOVED, SECONDED, AND DULY CARRIED:** Authorize use of Ordinance No. OCSD-44, Section 2.03:B. Cooperative Purchases for a blanket order agreement to purchase equipment and services for OCSD's Motorola radio systems, for a total amount not to exceed \$250,000 to include all tax and freight.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

18. **MOVED, SECONDED, AND DULY CARRIED:** Direct staff to pay down on the District's unfunded actuarial accrued liability with the Orange County Employee's Retirement System (OCERS) in the amount of \$125 million.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

STEERING COMMITTEE:

19. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Steering Committee Meeting held on June 25, 2014 and the Special Steering Committee Meeting held on July 9, 2014.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

LEGISLATIVE AND PUBLIC AFFAIRS SPECIAL COMMITTEE:

20. **MOVED, SECONDED, AND DULY CARRIED:** Receive and file the minutes of the July 14, 2014 meeting of the Legislative and Public Affairs Special Committee.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

GWRs STEERING COMMITTEE:

21. **MOVED, SECONDED, AND DULY CARRIED:** Receive and file the minutes for the GWRs Steering Committee Meeting held on April 14, 2014.

AYES: Beamish; Benavides; Carchio; Choi; Diep; Ferryman; Hernandez; Jones; Kim; Kring; Levitt; Moore (Alternate); M. Murphy (Alternate); R. Murphy.; Nagel; Narain; Nelson; Nguyen; Nielsen; Reese; Sebourn; Shawver; F. Smith; and Withers.

NOES: None

ABSTENTIONS: None

ABSENT: Curry

AB 1234 REPORTS:

Director Ferryman reported on his recent meetings as part of the following Boards:

- OCCOG; GWRs; SARFPA and the SAWPA Chino Desalter Tour

Director Withers commented on the possibility of OCSD becoming one of the formal SAWPA member agencies.

Director Nguyen left the meeting at 6:55 p.m.

CLOSED SESSION

CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS: 54957.6

The Board convened in closed session at 6:55 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.

RECONVENED IN REGULAR SESSION: The Board reconvened in regular session at 7:30 p.m.

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

None.

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

Chair Beamish stated that all of the Committee positions have now filled, but the Board should keep in mind that there would be openings in December when a few Directors will term out.

ADJOURNMENT:

The Chair adjourned the meeting at 7:32 p.m., until the Regular Board Meeting on August 27, 2014 at 6:30 p.m.



Kelly A. Lore
Acting Clerk of the Board