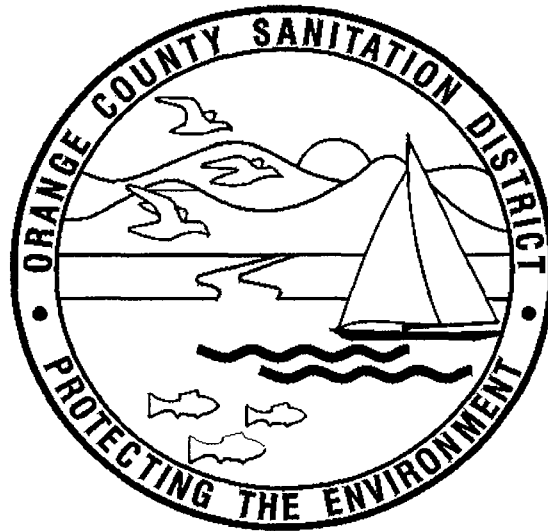


Orange County Sanitation District

CORRECTED MINUTES

BOARD MEETING

January 25, 2017



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 called to order by Board Chair Greg Sebourn on January 25, 2017, at 6:00 p.m., in the Administration Building. Director Michelle Steel delivered the invocation and led the Pledge of Allegiance.

The Clerk of the Board provided late communication regarding Item No. 1. Two additional appointments were received after the posting of the agenda.

1. **RECEIVE AND FILE MINUTE EXCERPTS OF MEMBER AGENCIES RELATING TO APPOINTMENTS TO THE ORANGE COUNTY SANITATION DISTRICT BOARD OF DIRECTORS** (Clerk of the Board)

Received and filed 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>
City of Anaheim	Denise Barnes	Lucille Kring
City of Brea	Glenn Parker	Cecilia Hupp
City of Fountain Valley	Steve Nagel	Cheryl Brothers
City of Garden Grove	Steve Jones	Kris Beard
City of Huntington Beach	Barbara Delgleize	Erik Petersen
City of Irvine	Donald Wagner	Lynn Schott
City of La Habra	Tim Shaw	Michael Blazey
City of La Palma	Peter Kim	Gerard Goedhart
City of Los Alamitos	Richard Murphy	Warren Kusumoto
City of Newport Beach	Scott Peotter	Kevin Muldoon
City of Placentia	Chad Wanke	Ward Smith
City of Seal Beach	Ellery Deaton	Sandra Massa-Lavitt
City of Stanton	Dave Shawver	Carol Warren
City of Tustin	Allan Bernstein	Chuck Puckett
City of Villa Park	Robert Collacott	Diana Fascenelli
Costa Mesa Sanitary District	James Ferryman	Bob Ooten
Yorba Linda Water District	Phil Hawkins	Brooke Jones
Irvine Ranch Water District	John Withers	Doug Reinhart
City of Buena Park	Fred Smith	Virginia Vaughn

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

ACTIVE DIRECTORS

ALTERNATE DIRECTORS

X	Gregory Sebourn, Chair		Doug Chaffee
X	Denise Barnes		Lucille Kring
X	Allan Bernstein		Chuck Puckett
X	Robert Collacott		Diana Fascenelli
	Ellery Deaton	X	Sandra Massa-Lavitt
X	Barbara Delgleize		Erik Peterson
X	James M. Ferryman		Bob Ooten
	Phil Hawkins	X	Brooke Jones
	Steven Jones	X	Kris Beard
X	Peter Kim		Gerard Goedhart
X	Al Krippner		Charlie Nguyen
X	Richard Murphy		Warren Kusumoto
A	Steve Nagel		Cheryl Brothers
A	Glenn Parker		Cecilia Hupp
X	Scott Peotter		Kevin Muldoon
	Tim Shaw	X	Michael Blazey
X	David Shawver		Carol Warren
X	Fred Smith		Virginia Vaughn
X	Teresa Smith		Mark Murphy
X	Michelle Steel		Shawn Nelson
X	Sal Tinajero		David Benavides
X	Donald Wagner		Lynn Schott
X	Chad Wanke		Ward Smith
X	John Withers		Douglas Reinhart
	Mariellen Yarc	X	Stacy Berry

STAFF MEMBERS PRESENT: Jim Herberg, General Manager; Bob Ghirelli, Assistant General Manager; Rob Thompson, Director of Engineering; Lorenzo Tyner, Director of Finance & Administrative Services; Celia Chandler, Director of Human Resources; Jim Colston, Director of Environmental Services; Miriam Angold; Jennifer Cabral; Mike Dorman; Mark Esquer; Damein Fabrizio; Al Garcia; Tina Knapp; Mark Manzo; Gerry Matthews; Kathy Millea; and Jeff Mohr.

OTHERS PRESENT: Brad Hogin (General Counsel); Jason Burden, Flatiron West Inc.; James Clark, Black & Veatch; and Eleanor Torres, OCWD.

PUBLIC COMMENTS:

None.

SPECIAL PRESENTATIONS:

- Employee Service Awards:

Director of Environmental Services, Jim Colston presented a 25-year service award to Yu Li Tsai, Senior Scientist (Division 630).

ELECTIONS:

General Counsel, Brad Hogin announced that the following nominations were made for Board Vice-Chairperson at the Board of Directors meeting held on December 14, 2016:

- Director David Shawver
- Director John Withers
- Director Lucille Kring

He stated that subsequent to this meeting, Lucille Kring was not reappointed as the representative from the City of Anaheim and is therefore no longer eligible for the position of Board Vice-Chairperson. Mr. Hogin provided further instructions and facilitated the election for the Vice-Chairperson of the Board of Directors.

Director Withers and Director Shawver addressed the Board with qualifying statements.

Kelly Lore, Clerk of the Board proceeded to take the vote by roll call:

SHAWVER: Barnes; Beard (Alternate); Berry (Alternate); Delgleize; B. Jones (Alternate); Kim; Krippner; Massa-Lavitt (Alternate); R. Murphy; Shawver; F. Smith; T. Smith; Steel; Tinajero; Wanke; and Withers

WITHERS: Bernstein; Blazey (Alternate); Collacott; Ferryman; Peotter; Sebourn; and Wagner

Mr. Hogin announced that by a vote of 16/7, Director Shawver had been elected as Board Vice-Chairman to be effective immediately.

Board Vice-Chair Shawver thanked everyone for their support.

REPORTS:

Chair Sebourn congratulated Vice-Chair Shawver and acknowledged Director Withers. He commended both gentleman on the way they conducted themselves during the election period.

Chair Sebourn announced that Board Orientation will take place on February 15th and March 15th from 3:00 – 5:00 p.m. and that all Board Members and Alternate Board Members are encouraged to attend. He stated that closed toed shoes are required as the orientation will include a tour of Plant No. 1. He also encouraged the Board to contact General Manager, Jim Herberg with any questions about OCSD.

Board Chair Sebourn announced recently appointed Committee Assignments:

Administration Committee:

Chad Wanke, Chair
Don Wagner, Vice-Chair

LaPA Committee:

Tim Shaw
Don Wagner
Chad Wanke

Steering Committee:

Tim Shaw
Don Wagner
Chad Wanke

GWRs Steering Committee:

Phil Hawkins
Tim Shaw
Don Wagner

Audit Ad Hoc Committee:

Glenn Parker
Peter Kim

General Manager, Jim Herberg reported on the recent storms. He stated that during the event, possibly the highest flows OCSD had ever recorded, the high flow element in the OCSD Integrated Emergency Response Plan was activated but was successfully handled. He thanked the dedicated staff, and our sister agencies who worked together to weather this storm. Mr. Herberg also stated that Ed Torres, Director of Operations and Maintenance, will provide an informational presentation next month about the event.

Mr. Herberg noted that on the agenda tonight, staff is recommending adoption of a resolution to enter into a Memorandum of Understanding with OCERS establishing the terms for early pay off of OCSD's Unfunded Actuarial Accrued Liabilities (UAAL). He stated that the OCERS Board members expressed appreciation of OCSD's efforts to pay down OCSD's UAAL early.

Mr. Herberg asked that the meeting tonight be adjourned in memory of Brent Wride, a data management technician in our GIS group who passed away on January 7th after battling a serious illness. Brent had been with OCSD for 3 years; however, he had made a real impact and was a valued member of our IT team, the Wellness Committee and the Emergency Response Team. He left behind a wife and four young children.

CONSENT CALENDAR:

Item No. 3 pulled and heard separately.

3. **APPROVAL OF MINUTES** (Clerk of the Board)

MOVED, SECONDED, AND DULY CARRIED TO: Approve the minutes of the regular Board of Directors Meeting held on December 14, 2016.

AYES: Barnes; Bernstein; Ferryman; Kim; Krippner; R. Murphy; Peotter; Sebourn; Shawver; F. Smith; T. Smith; Steel; Tinajero; Wagner; Wanke; and Withers

NOES: None

ABSTENTIONS: Beard (Alternate); Berry (Alternate); Blazey (Alternate); Collacott; Delgleize; B. Jones (Alternate); and Massa-Lavitt (Alternate)

ABSENT: Nagel and Parker

4. **DEFERRED PAYMENT AGREEMENT FOR CHARGES AND FEES OWED BY ONE INDUSTRIAL WASTEWATER DISCHARGE PERMITTEE** (Lorenzo Tyner)

MOVED, SECONDED, AND DULY CARRIED TO: Approve the deferred payment agreement negotiated by the General Manager for the collection of all charges and fees owed for sanitary sewer service charges, plus interest of 5.75% per annum, with Van Law Food Products, Inc., in a form approved by General Counsel.

AYES: Barnes; Beard (Alternate); Berry (Alternate); Bernstein; Blazey (Alternate); Collacott; Massa-Lavitt (Alternate); Delgleize; Ferryman; B. Jones (Alternate); Kim; Krippner; R. Murphy; Peotter; Sebourn; Shawver; F. Smith; T. Smith; Steel; Tinajero; Wagner; Wanke; and Withers

NOES: None

ABSTENTIONS: None

ABSENT: Nagel and Parker

5. **TAYLOR-DUNN CART PURCHASE FROM YALE CHASE EQUIPMENT AND SERVICES, INC.** (Ed Torres)

MOVED, SECONDED, AND DULY CARRIED TO:

A. Authorize the award of a sole source purchase of nineteen (19) Taylor-Dunn electric carts from Yale Chase Equipment and Services, Inc., in accordance with 03/28/01 Minute Order 12(C)(2), for a total cost of \$212,127 to include tax and delivery; and

B. Approve a contingency of \$10,606 (5%).

AYES: Barnes; Beard (Alternate); Berry (Alternate); Bernstein; Blazey (Alternate); Collacott; Massa-Lavitt (Alternate); Delgleize; Ferryman; B. Jones (Alternate); Kim; Krippner; R. Murphy; Peotter; Sebourn; Shawver; F. Smith; T. Smith; Steel; Tinajero; Wagner; Wanke; and Withers

NOES: None

ABSTENTIONS: None

ABSENT: Nagel and Parker

Item No. 6 pulled and heard separately.

6. **MEMORANDUM OF UNDERSTANDING WITH ORANGE COUNTY EMPLOYEES' RETIREMENT SYSTEM REGARDING PAYMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES** (Lorenzo Tyner)

Director Peotter asked that this item be pulled to inquire if the Administration Committee had heard this item. Director of Finance and Administrative Services Lorenzo Tyner explained that the Administration Committee and the Board of Directors previously budgeted and approved the paydown. He stated that the requested MOU is necessary to set forth terms and conditions under which OCERS will recognize and apply the contribution; and that due to the Committee being dark in January, and to act in conjunction with the OCERS Board, the item was placed on tonight's agenda. Mr. Tyner also provided a brief history of the intent of the Board's decision to paydown the UAAL.

MOVED, SECONDED, AND DULY CARRIED TO: Adopt Resolution No. OCSD 17-01 entitled; "A Resolution of the Board of Directors of the Orange County Sanitation District authorizing the General Manager to enter into a Memorandum of Understanding with the Orange County Employees' Retirement System establishing the terms to recognize and apply the District's full satisfaction of its Unfunded Accrued Actuarial Liability and deferred Unfunded Accrued Actuarial Liability."

AYES: Barnes; Beard (Alternate); Berry (Alternate); Bernstein; Blazey (Alternate); Collacott; Massa-Lavitt (Alternate); Delgleize; Ferryman; B. Jones (Alternate); Kim; Krippner; R. Murphy; Sebourn; Shawver; F. Smith; T. Smith; Steel; Tinajero; Wagner; Wanke; and Withers

NOES: Peotter

ABSTENTIONS: None

ABSENT: Nagel and Parker

RECEIVE AND FILE: *These items require no action; and without objection, will be so ordered by the Board Chair.*

7. **REPORT OF THE INVESTMENT TRANSACTIONS FOR THE MONTH OF DECEMBER 2016** (Lorenzo Tyner)

Received and filed the report of the Investment Transactions for the month of December 2016.

STEERING COMMITTEE:

8. **OUTREACH FOR GROUNDWATER REPLENISHMENT SYSTEM (GWRS) BOTTLED WATER AND THE 10TH ANNIVERSARY OF THE GWRS** (Bob Ghirelli)

Assistant General Manager, Bob Ghirelli provided a brief report on the item. Board Chair Sebourn stated that the Steering Committee unanimously approved the item.

MOVED, SECONDED, AND DULY CARRIED TO: Approve \$63,000 as the Orange County Sanitation District's share of costs related to GWRS bottled water outreach efforts.

AYES: Barnes; Beard (Alternate); Berry (Alternate); Bernstein; Blazey (Alternate); Collacott; Massa-Lavitt (Alternate); Delgleize; Ferryman; B. Jones (Alternate); Kim; Krippner; R. Murphy; Peotter; Sebourn; Shawver; F. Smith; T. Smith; Steel; Tinajero; Wagner; Wanke; and Withers

NOES: None

ABSTENTIONS: None

ABSENT: Nagel and Parker

9. **GENERAL MANAGER'S FY 2016-2017 WORK PLAN MID-YEAR UPDATE** (Jim Herberg)

Mr. Herberg provided a brief report on the status of the FY 2016-17 Work Plan initiatives including: Cyber Security; Plant Safety; Physical Security; Succession Planning; Resource Recovery; Reliability; Operational Resiliency; and alternative locations for the OCSD Headquarters Building.

MOVED, SECONDED, AND DULY CARRIED TO: Receive and file the General Manager's FY 2016-2017 Work Plan Mid-Year Update.

AYES: Barnes; Beard (Alternate); Berry (Alternate); Bernstein; Blazey (Alternate); Collacott; Massa-Lavitt (Alternate); Delgleize; Ferryman; B. Jones (Alternate); Kim; Krippner; R. Murphy; Peotter; Sebourn; Shawver; F. Smith; T. Smith; Steel; Tinajero; Wagner; Wanke; and Withers

NOES: None
ABSTENTIONS: None
ABSENT: Nagel and Parker

NON-CONSENT CALENDAR:

10. **REIMBURSEMENT AGREEMENT WITH ORANGE COUNTY FLOOD CONTROL DISTRICT FOR FULLERTON CREEK CHANNEL PROJECT**
(Rob Thompson)

Director of Engineering, Rob Thompson provided a brief history of the Channel and the modifications required to complete the work under one construction action.

MOVED, SECONDED, AND DULY CARRIED TO: Approve a Reimbursement Agreement with the Orange County Flood Control District for the modifications to the Magnolia Relief Sewer under the Fullerton Creek Channel, in the City of Buena Park.

AYES: Barnes; Beard (Alternate); Berry (Alternate); Bernstein; Blazey (Alternate); Collacott; Massa-Lavitt (Alternate); Delgleize; Ferryman; B. Jones (Alternate); Kim; Krippner; R. Murphy; Peotter; Sebourn; Shawver; F. Smith; T. Smith; Steel; Tinajero; Wagner; Wanke; and Withers

NOES: None
ABSTENTIONS: None
ABSENT: Nagel and Parker

11. **CONSOLIDATED DEMOLITION AND UTILITY IMPROVEMENTS AT PLANT NO. 2, PROJECT NO. P2-110** (Rob Thompson)

Board Chair Sebourn recused himself and left the room for the discussion and vote on Item No. 11 due to a conflict of interest.

Board Vice-Chair Shawver presided.

Mr. Thompson provided a brief overview and history of the consolidated demolition project. He also provided information regarding a protest that was received noting there was no merit to the protest found.

Mr. Thompson responded to questions regarding the large variance between the engineer's estimate and the bids that were received. He stated that demolition is a market driven situation, with varying factors including: storage; taking up the road base; and recycling. Mr. Herberg stated his confidence in the accuracy of the bids.

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Receive and file Bid Tabulation and Recommendation for Consolidated Demolition and Utility Improvements at Plant No. 2, Project No. P2-110;
- B. Receive and file Orange County Sanitation District's Notice of Intent to Award dated December 5, 2016;
- C. Receive and file Award Protest from Shimmick Construction Co., Inc dated December 13, 2016, concerning the award to Flatiron West, Inc.;
- D. Receive and file response letter from Flatiron West, Inc. dated December 20, 2016, regarding the bid protest of Shimmick Construction Co., Inc.;
- E. Receive and file Orange County Sanitation District's determination letter dated December 27, 2016, to Shimmick Construction Co., Inc. responding to Award Protest;
- F. Deny Award Protest filed by Shimmick Construction Co., Inc.;
- G. Award a Construction Contract to Flatiron West Inc. for Consolidated Demolition and Utility Improvements at Plant No. 2, Project No. P2-110, for a total amount not to exceed \$16,730,000; and
- H. Approve a contingency of \$1,338,400 (8%);
- I. Approve a Professional Consultant Services Agreement with Stantec Consulting Services, Inc. to provide construction support services for Consolidated Demolition and Utility Improvements at Plant No. 2, Project No. P2-110, for an amount not to exceed \$1,499,839; and
- J. Approve a Professional Consultant Services Agreement contingency of \$149,984 (10%).

AYES: Barnes; Beard (Alternate); Berry (Alternate); Bernstein; Blazey (Alternate); Collacott; Massa-Lavitt (Alternate); Delgleize; Ferryman; B. Jones (Alternate); Kim; Krippner; R. Murphy; Peotter; Shawver; F. Smith; T. Smith; Steel; Tinajero; Wagner; Wanke; and Withers

NOES: None

ABSTENTIONS: None

ABSENT: Nagel; Parker and Sebourm

AB 1234 REPORTS:

Director Ferryman provided an update on the NWRI General Manager recruitment and announced upcoming meeting dates of the OCCOG, SARFC and Border Patrol committees.

Chair Sebourn reported on his recent attendance at the ACC-OC Energy and Environment Policy Committee on January 23rd, where he serves as the Chairman. He invited the Board to attend future meetings if interested

INFORMATION ITEMS:

None.

CLOSED SESSION:

CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9(d)(1), 54956.9(d)(2) & 54956.8:

The Board convened in closed session at 7:02 p.m. to discuss two items. (Items No. 2, 4 and 5 were not heard.) 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 Session Meetings.

RECONVENED IN REGULAR SESSION:

The Board reconvened in regular session at 7:31 p.m.

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

General Counsel Brad Hogin stated that the Board of Directors unanimously voted to deny the claims of Melissa Forman-Woodbridge and Roy Hendy.

AYES:	Barnes; Beard (Alternate); Berry (Alternate); Bernstein; Blazey (Alternate); Collacott; Massa-Lavitt (Alternate); Delgleize; Ferryman; B. Jones (Alternate); Kim; Krippner; R. Murphy; Peotter; Sebourn; Shawver; F. Smith; T. Smith; Steel; Tinajero; Wagner; Wanke; and Withers
NOES:	None
ABSTENTIONS:	None
ABSENT:	Nagel and Parker

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

At the inquiry of Director Withers, Mr. Thompson provided information on recent negotiations with OC Flood Control regarding a possible fee for right of entry, where OCSD had pipeline that crisscrosses the County. Director Steel stated that this item was brought before the Board of Supervisors and was denied.

ADJOURNMENT:

At 7:34 p.m. Chair Sebourn adjourned the meeting until the Special Meeting (Board Orientation) on February 15, 2017 at 3:00 p.m. in memory of former employee Brent Wride.

Submitted by:



Kelly A. Lore
Clerk of the Board