

Orange County Sanitation District
***CORRECTED* MINUTES**
BOARD MEETING
February 22, 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 February 22, 2017, at 6:00 p.m., in the Administration Building. Director Denise Barnes delivered the invocation and led the Pledge of Allegiance.

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>DIRECTOR</u>	<u>ALTERNATE DIR.</u>
City of Fullerton	Greg Sebourn	Jesus Silva
City of Santa Ana	Sal Tinajero	David Benavides
City of Newport Beach (amended)	Scott Peotter	Brad Avery

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

ACTIVE DIRECTORS

ALTERNATE DIRECTORS

X	Gregory Sebourn, Chair		Jesus Silva
X	Denise Barnes		Lucille Kring
X	Allan Bernstein		Chuck Puckett
X	Robert Collacott		Diana Fascenelli
X	Ellery Deaton		Sandra Massa-Lavitt
X	Barbara Delgleize		Erik Peterson
X	James M. Ferryman		Bob Ooten
X	Phil Hawkins		Brooke Jones
	Steven Jones	X	Kris Beard
X	Peter Kim		Gerard Goedhart
X	Al Krippner		Charlie Nguyen
A	Richard Murphy		Warren Kusumoto
X	Steve Nagel		Cheryl Brothers
X	Glenn Parker		Cecilia Hupp
X	Scott Peotter		Brad Avery
X	Tim Shaw		Michael Blazey
X	David Shawver		Carol Warren
X	Fred Smith		Virginia Vaughn
	Teresa Smith	X	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
X	Mariellen Yarc		Stacy Berry

STAFF MEMBERS PRESENT: Jim Herberg, General Manager; Bob Ghirelli, Assistant General Manager; Celia Chandler, Director of Human Resources; Jim Colston, Director of Environmental Services; Ed Torres, Director of Operations and Maintenance; Rob Thompson, Director of Engineering; Lorenzo Tyner, Director of Finance & Administrative Services; Jennifer Cabral; Mike Dorman; Al Garcia; Tina Knapp; Mark Manzo; Kathy Millea; Jeff Mohr; Wendy Sevenandt; and Warren Sternin.

OTHERS PRESENT: Kendra Carney (Assistant General Counsel); Alternate Directors Brooke Jones (YLWD) and Bob Ooten (CMSD); Patrick Shields, IRWD; and Rich ten Bosch, Black & Veatch.

PUBLIC COMMENTS:

None.

SPECIAL PRESENTATIONS:

- Employee Service Awards - None.
- CSDA Transparency Certificate – Chris Palmer, Public Affairs Field Coordinator presented the California Special District Association Transparency Certificate to Board Chairman Sebourn and Clerk of the Board Kelly Lore.

REPORTS:

Chair Sebourn provided information regarding the upcoming Honor Walk Celebration, stating that nominations are due no later than March 14th and the ceremony will be held prior to the May Board meeting on May 24th. Nomination forms were provided to the Board of Directors.

Chair Sebourn announced that a second Board of Directors Orientation will take place on March 15th from 3 – 5 p.m. He encouraged everyone to attend and reminded everyone to wear closed toed shoes as a Plant tour will take place.

General Manager, Jim Herberg reported that due to the expected high rain fall the past weekend, OCSD activated the Emergency Operations Center but stated that our systems handled the flow with no negative outcome.

Mr. Herberg reported on the recent debt refunding which saved the District \$14.5 million and requested that the Board of Directors meeting tonight be adjourned in honor of former employee Becky Brooks, who recently passed away.

Mr. Herberg announced that he and Vice-Chair Dave Shawver attended the Steve Anderson Water Facility Renaming Dedication Ceremony today in the City of La Habra.

CONSENT CALENDAR:

2. 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 January 25, 2017

AYES: Barnes; Beard (Alternate); Bernstein; Collacott; Deaton; Delgleize; Ferryman; Hawkins; Kim; Krippner; Parker; Peotter; Sebourn; Shaw; Shawver; F. Smith; Steel; Wagner; Wanke; Withers; and Yarc
NOES: None
ABSTENTIONS: M. Murphy (Alternate) and Nagel
ABSENT: R. Murphy and Tinajero

3. REPLACEMENT OF PLANT 2 MAINTENANCE BUILDING HVAC SYSTEM (Ed Torres)

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Award a purchase order for the replacement of the Plant 2 Maintenance building air conditioning system with a TRANE IntelliPak VAV rooftop HVAC unit with gas heat in agreement with TRANE US Communities 15-JLP-023 for a total amount not to exceed \$210,607 delivered; and
- B. Approve a contingency amount of \$21,061 (10%).

AYES: Barnes; Beard (Alternate); Bernstein; Collacott; Deaton; Delgleize; Ferryman; Hawkins; Kim; Krippner; Nagel; Parker; Peotter; Sebourn; Shaw; Shawver; F. Smith; M. Murphy (Alternate); Steel; Wagner; Wanke; Withers; and Yarc
NOES: None
ABSTENTIONS: None
ABSENT: R. Murphy and Tinajero

4. PAYMENT OF ANNUAL OCEAN DISCHARGE PERMIT FEE (Jim Colston)

MOVED, SECONDED, AND DULY CARRIED TO: Approve payment in an amount not to exceed \$525,537 to the State Water Resources Control Board for annual permit fees for the ocean discharge permit.

AYES: Barnes; Beard (Alternate); Bernstein; Collacott; Deaton; Delgleize; Ferryman; Hawkins; Kim; Krippner; Nagel; Parker; Peotter; Sebourn; Shaw; Shawver; F. Smith; M. Murphy (Alternate); Steel; Wagner; Wanke; Withers; and Yarc

NOES: None
ABSTENTIONS: None
ABSENT: R. Murphy and Tinajero

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

5. **COMMITTEE MINUTES** (Clerk of the Board)

Received and filed the approved minutes of the following standing committees:

- A. Operations Committee Meeting of December 7, 2016
- B. Administration Committee Meeting of November 9, 2016.
- C. Legislative and Public Affairs Committee Meeting of December 14, 2016.
- D. GWRS Steering Committee Meetings of October 10, 2016 and January 9, 2017.

6. **REPORT OF THE INVESTMENT TRANSACTIONS FOR THE MONTH OF JANUARY 2017** (Lorenzo Tyner)

Received and filed the report of the Investment Transactions for the month of January 2017.

OPERATIONS COMMITTEE:

7. **AGREEMENT WITH THE CALIFORNIA ALLIANCE FOR SEWER SYSTEM EXCELLENCE MEMBER AGENCIES FOR COST-SHARING REIMBURSEMENT** (Ed Torres)

MOVED, SECONDED, AND DULY CARRIED TO: Adopt Resolution No. OCSD 17-02 entitled, "A Resolution of the Board of Directors of the Orange County Sanitation District authorizing the General Manager to enter into an agreement with the California Alliance for Sewer System Excellence Member Agencies for cost-sharing reimbursement for approved agency-administered projects."

AYES: Barnes; Beard (Alternate); Bernstein; Collacott; Deaton; Delgleize; Ferryman; Hawkins; Kim; Krippner; Nagel; Parker; Peotter; Sebourn; Shaw; Shawver; F. Smith; M. Murphy (Alternate); Steel; Wagner; Wanke; Withers; and Yarc

NOES: None
ABSTENTIONS: None
ABSENT: R. Murphy and Tinajero

8. **SLUDGE DEWATERING AND ODOR CONTROL AT PLANT NO. 1, PROJECT NO. P1-101** (Rob Thompson)

MOVED, SECONDED, AND DULY CARRIED TO: Approve a contingency increase of \$714,000 (10%) to the Professional Consultant Services Agreement

with HDR Engineering, Inc. to provide construction support services for Sludge Dewatering and Odor Control at Plant No. 1, Project No. P1-101, for a total contingency amount of \$1,285,200 (18%).

AYES: Barnes; Beard (Alternate); Bernstein; Collacott; Deaton; Delgleize; Ferryman; Hawkins; Kim; Krippner; Nagel; Parker; Peotter; Sebourn; Shaw; Shawver; F. Smith; M. Murphy (Alternate); Steel; Wagner; Wanke; Withers; and Yarc
NOES: None
ABSTENTIONS: None
ABSENT: R. Murphy and Tinajero

9. **SAFETY IMPROVEMENT PROGRAM, PROJECT NO. J-126** (Rob Thompson)

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Approve a budget increase of \$1,500,000 for Safety Improvements Program, Project No. J-126, for a total budget amount of \$11,202,000; and
- B. Approve Amendment No. 1 to the Professional Design Services Agreement with Arcadis, US, Inc., for Safety Improvement Program, Project No. J-126, for an additional amount of \$1,500,000 for a total budget amount of \$3,040,000.

AYES: Barnes; Beard (Alternate); Bernstein; Collacott; Deaton; Delgleize; Ferryman; Hawkins; Kim; Krippner; Nagel; Parker; Peotter; Sebourn; Shaw; Shawver; F. Smith; M. Murphy (Alternate); Steel; Wagner; Wanke; Withers; and Yarc
NOES: None
ABSTENTIONS: None
ABSENT: R. Murphy and Tinajero

10. **INTERIM FOOD WASTE RECEIVING FACILITY, PROJECT NO. P2-124**
(Rob Thompson)

MOVED, SECONDED, AND DULY CARRIED TO: Establish a project for Interim Food Waste Receiving Facility, Project No. P2-124, with a budget of \$5,400,000.

AYES: Barnes; Beard (Alternate); Bernstein; Collacott; Deaton; Delgleize; Ferryman; Hawkins; Kim; Krippner; Nagel; Parker; Peotter; Sebourn; Shaw; Shawver; F. Smith; M. Murphy (Alternate); Steel; Wagner; Wanke; Withers; and Yarc
NOES: None
ABSTENTIONS: None
ABSENT: R. Murphy and Tinajero

Director Tinajero arrived at 6:15 p.m.

ADMINISTRATION COMMITTEE:

11. **GENERAL MANAGER APPROVED PURCHASES AND ADDITIONS TO THE PRE-APPROVED OEM SOLE SOURCE LIST** (Lorenzo Tyner)

MOVED, SECONDED, AND DULY CARRIED TO: Receive and file the Orange County Sanitation District purchases made under the General Manager's authority and additions to the pre-approved OEM Sole Source List for the period of October 1, 2016 - December 31, 2016.

AYES: Barnes; Beard (Alternate); Bernstein; Collacott; Deaton; Delgleize; Ferryman; Hawkins; Kim; Krippner; Nagel; Parker; Peotter; Sebourn; Shaw; Shawver; F. Smith; M. Murphy (Alternate); Steel; Tinajero; Wagner; Wanke; Withers; and Yarc
NOES: None
ABSTENTIONS: None
ABSENT: R. Murphy

12. **MID-YEAR CONSOLIDATED FINANCIAL REPORT FOR THE PERIOD ENDED DECEMBER 31, 2016** (Lorenzo Tyner)

MOVED, SECONDED, AND DULY CARRIED TO: Receive and file Orange County Sanitation District Mid-Year Report for the period ended December 31, 2016.

AYES: Barnes; Beard (Alternate); Bernstein; Collacott; Deaton; Delgleize; Ferryman; Hawkins; Kim; Krippner; Nagel; Parker; Peotter; Sebourn; Shaw; Shawver; F. Smith; M. Murphy (Alternate); Steel; Tinajero; Wagner; Wanke; Withers; and Yarc
NOES: None
ABSTENTIONS: None
ABSENT: R. Murphy

13. **CONSIDERATION OF BUDGET ASSUMPTIONS AND BUDGET CALENDAR FOR PREPARATION OF THE FY 2017-18 BUDGET UPDATE** (Lorenzo Tyner)

MOVED, SECONDED, AND DULY CARRIED TO: Approve the FY 2017-18 budget assumptions and direct staff to incorporate these parameters in preparing the FY 2017-18 budget update.

AYES: Barnes; Beard (Alternate); Bernstein; Collacott; Deaton; Delgleize; Ferryman; Hawkins; Kim; Krippner; Nagel; Parker; Peotter; Sebourn; Shaw; Shawver; F. Smith; M. Murphy (Alternate); Steel; Tinajero; Wagner; Wanke; Withers; and Yarc
NOES: None

ABSTENTIONS: None
ABSENT: R. Murphy

14. **COOPERATIVE PROCUREMENT AGREEMENTS WITH U.S. COMMUNITIES GOVERNMENT PURCHASING ALLIANCE AND NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS VALUEPOINT COOPERATIVE PURCHASING ORGANIZATION** (Lorenzo Tyner)

MOVED, SECONDED, AND DULY CARRIED TO: Authorize the purchasing of information technology products, services, and solutions utilizing the U.S. Communities Government Purchasing Alliance and National Association of State Procurement Officials ValuePoint Cooperative Purchasing Organization (NASPO ValuePoint) for the period of March 1, 2017 through February 29, 2020 for a total amount not to exceed \$6,000,000, in accordance with Ordinance No. OCSD-47, Section 2.03(B) Cooperative Purchases.

AYES: Barnes; Beard (Alternate); Bernstein; Collacott; Deaton; Delgleize; Ferryman; Hawkins; Kim; Krippner; Nagel; Parker; Peotter; Sebourn; Shaw; Shawver; F. Smith; M. Murphy (Alternate); Steel; Tinajero; Wagner; Wanke; Withers; and Yarc
NOES: None
ABSTENTIONS: None
ABSENT: R. Murphy

INFORMATION ITEMS:

15. **HEADQUARTERS COMPLEX, SITE AND SECURITY, AND ENTRANCE REALIGNMENT PROGRAM, PROJECT NO. P1-128** (Rob Thompson)

Director of Engineering Rob Thompson provided an informative PowerPoint Presentation on the Headquarters Complex and Property Acquisition Updates which included a background of current agreements with the City of Fountain Valley; Portfolio of current buildings including year built and life expectancy; Administrative Facilities Master Plan; proposed Administration and Laboratory building; proposed I-405 Widening project; and Plant No. 1 extension plans. Mr. Thompson also responded to comments from the Directors.

AB 1234 REPORTS:

Director Ferryman provided an update on the NWRI General Manager recruitment and recent meetings of the SARFC and Border Patrol committees.

CLOSED SESSION:

Director Nagel recused himself and left the meeting during Closed Session.

CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8:

The Board convened in closed session at 6:45 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 Session Meetings.

RECONVENED IN REGULAR SESSION:

The Board reconvened in regular session at 7:00 p.m.

Director Nagel returned to the meeting.

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

General Counsel Kendra Carney stated that the Board of Directors did not hear Closed Session Items No. 1-3.

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

In response to a request from Administration Committee Chair Wanke regarding the Legislative and Public Affairs Committee start time, Board Chair Sebourn asked the Directors if they had any issues with the dates/times of any committee meetings, to which there were none. Chair Sebourn stated that the request for an alternate start time of the Legislative and Public Affairs Committee will be brought directly to that committee for discussion.

Chair Sebourn asked if any Director would be interested in filling a vacancy on the Audit Ad Hoc Committee. Director Nagel volunteered and was appointed.

Chair Sebourn then asked if any Director currently sitting on the Operations Committee would like to move to the Administration Committee to accommodate another Director's schedule. *(After adjournment, Director Nagel offered to move to the Administration Committee which allowed Director Barnes to move to the Operations Committee.)*

ADJOURNMENT:

At 7:06 p.m. Chair Sebourn adjourned the meeting until the Special Meeting (Board Orientation) on March 15, 2017 at 3:00 p.m. in memory of former employee Becky Brooks.

Submitted by:



Kelly A. Lore
Clerk of the Board