

Orange County Sanitation District

MINUTES

BOARD MEETING

June 23, 2010



ADMINISTRATIVE OFFICES

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 June 23, 2010 at 6:30 p.m., in the Administrative Offices. Following the Pledge of Allegiance and invocation, the roll was called and the Clerk of the Board reported a quorum present as follows:

ACTIVE DIRECTORS

ALTERNATE DIRECTORS

X	Doug Davert, Chair	John Nielson
X	Larry Crandall, Vice Chair	Steve Nagel
X	John Anderson	Jim Winder
X	Charles Antos	Gordon Shanks
X	Tom Beamish	Rose Espinoza
X	Bill Dalton	Andrew Do
A	Jon Dumitru	Denis Bilodeau
X	Troy Edgar	Ken Stephens
X	James M. Ferryman	Bob Ooten
X	Cathy Green	Jill Hardy
X	Phil Luebben	Prakash Narain
X	Patsy Marshall	Fred Smith
X	Roy Moore	Ron Garcia
X	Joy Neugebauer	Al Krippner
X	Janet Nguyen	VACANT
X	Sharon Quirk-Silva	Pam Keller
X	Brad Reese	Bill Mac Aloney
X	David Shawver	Carol Warren
X	Christina Shea	Steven Choi
X	Harry Sidhu	Lucille Kring
A	Sal Tinajero	David Benavides
X	Constance Underhill	Scott Nelson
X	Mark Waldman	Henry Charoen
X	Don Webb	Nancy Gardner
X	John Withers	Douglas Reinhart

STAFF MEMBERS PRESENT: Jim Ruth, General Manager; Bob Ghirelli, Assistant General Manager; Penny Kyle, Clerk of the Board; Lilia Kovac, Associate Clerk of the Board; Nick Arhontes; Jim Herberg; Ed Torres; Lorenzo Tyner; Cindi Ambrose; Jim Burror; Dean Fisher; Michael Gold; Norbert Gaia; Ingrid Hellebrand; Jay Kaura; Yai Phongmekhin; Gary Prater; Jeff Reed; Juanita Skillman; Rob Thompson; MarcoPolo Velasco

OTHERS PRESENT: Brad Hogin, General Counsel; Christine Hellebrand; Rudy Hellebrand; Drew Kolosky;

PUBLIC COMMENTS

There were none.

REPORT OF THE CHAIR

Chair Davert acknowledged Assistant General Manager, Bob Ghirelli, who presented a 20-year service award to Ingrid Hellebrand. Mr. Davert reviewed the meeting schedule and announced the retirement of Penny Kyle, Clerk of the Board, effective July 15, 2010. Vice Chair Crandall briefly announced the following committee assignments effective July 1: Director Quirk-Silva was appointed as Vice Chair of the Operations Committee and as Alternate No. 1 to the GWRS Steering Committee; Director Beamish was appointed as Chair of the Operations Committee and Alternate No. 2 to the GWRS Steering Committee; Director Underhill was appointed as Alternate No. 3 to the GWRS Steering Committee; Director Ferryman was appointed to the Operations Committee; and Director Davert was appointed to the Administration Committee.

RATIFICATION OF PAYMENT OF CLAIMS

1. **MOVED, SECONDED AND DULY CARRIED:** Ratify payment of claims, as set forth on Exhibits "A" and "B", attached hereto and made a part of these minutes.

<u>ALL DISTRICTS</u>	<u>05/15/10</u>	<u>05/31/10</u>
Totals	\$13,482,596.99	\$12,396,413.50

Directors Nguyen and Sidhu abstained from discussion and voting on all warrants. Abstentions were pursuant to California Government Code Section 84308.

CONSENT CALENDAR

2. **MOVED, SECONDED AND DULY CARRIED:** Approve the minutes for the regular meeting held on May 26, 2010.

3. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 10-06, Establishing Rules of Procedure for the Conduct of Business of the District, and Repealing Resolution No. OCSD 07-10, providing for Administration Committee change in meeting time to 5:30 p.m.
4. The Clerk of the Board announced a correction to the contract amount in item 4(a) as follows:

MOVED, SECONDED AND DULY CARRIED: a) Withdraw award of a purchase order agreement with Global Connect LLC, in an amount not to exceed \$169,320 for Purchase of Cisco Parts, Specification No. E-2010-453BD;

b) Approve a purchase order agreement with CDW-G, for Purchase of Cisco Parts, Specification No. E-2010-453BD, for an amount not to exceed \$182,678, including tax; and,

c) Approve a contingency of \$18,267 (10%).
5. **MOVED, SECONDED AND DULY CARRIED:** a) Approve a purchase order agreement with Gamma Builders, Inc., for Plant 2 Digester "O" Repair, Specification No. FR-2010-455BD, for a total amount not to exceed \$496,300.00; and,

b) Approve a contingency of \$74,445.00 (15%).
6. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 10-07, Establishing the Annual Appropriations Limit for Fiscal Year 2010-11, for the District in accordance with the Provisions of Division 9 of Title 1 of the California Government Code.

STEERING COMMITTEE

Chair Davert reported that the committee received an update on state and federal legislative issues; approved the lobbyist contracts; and met in closed session.

7. **MOVED, SECONDED AND DULY CARRIED:** Order Steering Committee Minutes for the regular meeting held on May 26, 2010 to be filed.
8. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 10-08, Authorizing a Payment Deferral Option of Capital Facility Capacity Charges (connection fees) through June 30, 2011, to Builders of Large Housing Development Projects.

OPERATIONS COMMITTEE

9. **MOVED, SECONDED AND DULY CARRIED:** Approve the minutes of the June 2, 2010 Operations Committee meeting.
10. **MOVED, SECONDED AND DULY CARRIED:** Approve a contingency increase of \$71,084 (6%) to the Professional Services Design Agreement with Black & Veatch Corporation, for Power Monitoring and Control Systems, Job No. J-33-3, for a total contingency of \$378,472 (32%).
11. **MOVED, SECONDED AND DULY CARRIED:** Approve Amendment No. 3 to Purchase Order No. 102907-OB issued to Hampton-Tedder Technical Services providing for Electrical Acceptance Testing Services for Collection System and Treatment Plant Projects, Specification No. PSA-2007-003, extending the contract term to June 30, 2011.
12. **MOVED, SECONDED AND DULY CARRIED:** a) Authorize the General Manager to competitively bid and subsequently award a facility repair contract to the lowest responsive and responsible bidder for the Plant No. 1 Sunflower Pump Station Auger and Trough Rehabilitation, Project No. FE08-14-R, for an amount not to exceed \$625,000; and,

b) Approve a contingency of \$125,000 (20%).
13. **MOVED, SECONDED AND DULY CARRIED:** Approve a Sewer Transfer Agreement with the city of Orange, transferring ownership and associated easement rights for local sewers in four formerly unincorporated islands known as AD3A and AD6, which have been annexed by the city of Orange, in a form approved by General Counsel.
14. **A MOVED, SECONDED AND DULY CARRIED:** Approve Amendment No. 1 to the Professional Consultant Services Agreement with Project Partners, Inc. for Facilities Records Group Staffing Support, Specification No. CS-2009-408BD, for a time extension from July 1, 2010 through December 31, 2010, and decreasing the contract by \$200,000, for a total amount not to exceed \$679,000.
15. **MOVED, SECONDED AND DULY CARRIED:** Approve a contingency increase of \$115,530 (12%) to the construction contract with LH Engineering Company, Inc., for Temporary Upgrades to Plant Security Barriers, Job No. J-108, for a total contingency of \$259,943 (27%).

16. **MOVED, SECONDED AND DULY CARRIED:** a) Receive and file Recommendation for Award memorandum for Rehabilitation of the Magnolia Trunk Sewer, Contract No. 3-58, constituting the Orange County Sanitation District's basis of award pursuant to Public Contract Code §§ 20785 and 20133;
- b) Receive and file letter dated May 4, 2010 from Instituform Technologies, Inc. protesting award to Kiewit Pacific Company;
- c) Receive and file letter dated May 20, 2010 to Instituform Technologies, Inc. responding to the protest of award;
- d) Reject award protest filed by Instituform Technologies, Inc.; and,
- e) Award a Design-Build Contract Agreement with Kiewit Pacific Company for the Rehabilitation of the Magnolia Trunk Sewer, Contract No. 3-58, for a firm, fixed price of \$15,190,000; and,
- f) Approve a contingency of \$1,519,000 (10%).

ADMINISTRATION COMMITTEE

17. **MOVED, SECONDED AND DULY CARRIED:** Approve minutes of the June 9, 2010, meeting of the Administration Committee.
18. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 10-09, Establishing Annual Use Charges for the FY 2010-11 Pursuant to the Wastewater Treatment and Disposal Agreement with the Santa Ana Watershed Project Authority.
19. **MOVED, SECONDED AND DULY CARRIED:** a) Renew the District's Excess General Liability for the period July 1, 2010 through June 30, 2011, in an amount not to exceed \$351,450;
- b) Renew the District's Excess Workers' Compensation Insurance for the period July 1, 2010 through June 30, 2011, at a rate not to exceed .002853 of payroll (approximately \$185,429);
- c) Renew the District's All-Risk Property and Flood for the period July 1, 2010 through June 30, 2011, in an amount not to exceed \$436,740; and,
- d) Renew the District's Boiler & Machinery Insurance Program for the period July 1, 2010 through June 30, 2011, in an amount not to exceed \$16,578.

20. Item pulled for discussion.

NON-CONSENT CALENDAR

General Manager, Jim Ruth, briefly reviewed the budget highlights. Director of Finance, Lorenzo Tyner, presented the budget executive summary and the wastewater processing overview which includes budget figures.

20. **MOVED, SECONDED AND DULY CARRIED:** Approve proposed Operating, Capital, Debt/COP Service and Self-Insurance Budgets for FY 2010-11 and 2011-12 as follows:

	<u>2010-11</u>	<u>2011-12</u>
Net Operations, Maintenance & Working Capital	\$150,021,700	\$156,090,770
Worker's Compensation Self Insurance	1,005,000	550,000
General Liability and Property Self-Insurance	1,506,200	1,606,200
Net Capital Improvement Program	180,136,000	122,423,000
Debt/COP Service	89,735,040	97,052,940
Intra-District Joint Equity Purchase/Sale ⁽¹⁾	<u>36,612,400</u>	<u>29,690,000</u>
Joint Equity Payment to IRWD ⁽²⁾	<u>36,612,400</u>	<u>29,690,000</u>
TOTAL	<u>\$495,628,740</u>	<u>\$437,102,910</u>

⁽¹⁾Cash to Revenue Area 14 (RA14) in exchange for capital assets to Consolidated Revenue Area 15 (RA15).

⁽²⁾Payment from RA 14 to the Irvine Ranch Water District, the agency responsible for funding the capital requirements of RA14, and entitled to the equity sale back proceeds noted in footnote (1).

GWRS SYSTEM STEERING COMMITTEE

21. **MOVED, SECONDED AND DULY CARRIED:** Receive and file minutes of the Joint Groundwater Replenishment System Steering Committee meeting held on May 10, 2010.

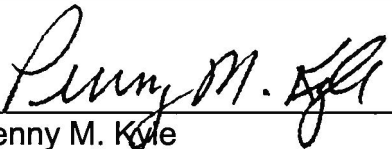
NON-CONSENT CALENDAR

No items to be considered.

CLOSED SESSION

There was no closed session.

ADJOURNMENT: The Chair declared the meeting adjourned at 7:03 p.m.



Penny M. Kyle
Clerk of the Board
Orange County Sanitation District