

**Orange County Sanitation District**  
**MINUTES**  
**BOARD MEETING**  
**July 28, 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 July 28, 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	Larry Crandall, Chair		John Nielson
X	Troy Edgar, Vice Chair		Steve Nagel
X	John Anderson		Jim Winder
	Charles Antos	X	Gordon Shanks
X	Tom Beamish		Rose Espinoza
A	Bill Dalton		Andrew Do
X	Doug Davert		Denis Bilodeau
X	Jon Dumitru		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
X	Sal Tinajero		David Benavides
X	Constance Underhill		Scott Nelson
X	Mark Waldman		Henry Charoen
	Don Webb	X	Nancy Gardner
X	John Withers		Douglas Reinhart

**STAFF MEMBERS PRESENT:** Jim Ruth, General Manager; Bob Ghirelli, Assistant General Manager; Lilia Kovac, Associate Clerk of the Board; Nick Arhontes; Jim Herberg; Ed Torres; Lorenzo Tyner; Harmik Aghanian; Cindi Ambrose; Dean Fisher; Michael Gold; Norbert Gaia; Ludwig Lopus; Yai Phongmekhin; Jeff Reed; Juanita Skillman; Rob Thompson; Simon Watson; Ryal Wheeler; Paula Zeller.

OTHERS PRESENT: Brad Hogin, General Counsel; Drew Kolosky; Gino Rapagna; Sig Maureccher; Scott Perry; Todd Pratt

PUBLIC COMMENTS

Todd Pratt of Andritz Separation Inc. addressed the Board members in opposition of Agenda Item No. 13, the adoption of Resolution No. OCSD 10-10, Making Findings Pursuant to Public Contract Code Section 3400 in Support of the Sole Source Specification of Thickening and Dewatering Centrifuges.

REPORTS

Chair Larry Crandall recognized Director of Operations and Maintenance, Nick Arhontes, who presented a 20-year service award to Simon Watson. Chair Crandall reviewed the meeting calendar for August.

General Manager, Jim Ruth, briefly presented an update on the SARI Line; termination of the SAWPA agreement negotiations; year end review; and continued labor negotiations.

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>06/15/10</u>	<u>06/30/10</u>
Totals	\$10,172,709.01	\$16,372,380.20

Directors Dumitru, 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 June 23, 2010.

3. **MOVED, SECONDED AND DULY CARRIED:** Approve a sewer transfer agreement and quitclaim of property rights to Irvine Ranch Water District (IRWD) transferring ownership and associated easement rights for the local sewer in Equestrian Lane to IRWD at no cost to OCSD, in a form approved by General Counsel.
4. **MOVED, SECONDED AND DULY CARRIED:** a) Approve Plans and Specifications for P1 Primary Basins 3-5 Hand Rails, Project No. FE08-09, on file at the office of the Clerk of the Board;  
  
b) Approve Addendum No. 1 to the plans and specifications;  
  
c) Receive and file bid tabulation and recommendation; and,  
  
d) Reject all bids for P1 Primary Basins 3-5 Hand Rails, Project No. FE08-09.
5. **MOVED, SECONDED AND DULY CARRIED:** a) Withdraw award of purchase order agreement to Gamma Builders, Inc., due to non contract compliance, in an amount not to exceed \$496,300.00 for Plant 2 Digester "O" Repair, Specification No. FR-2010-455BD;  
  
b) Approve a purchase order agreement to the second lowest bidder J.R. Filanc Construction Company, for Plant 2 Digester "O" Repair, Specification No. FR-2010-455BD, for a total amount not to exceed \$518,000.00; and,  
  
c) Approve a contingency of \$77,700.00 (15%).

### **STEERING COMMITTEE**

Chair Crandall reported that the Steering Committee received an update on the General Manager's report; the FY 2009/10 Work Plan; state and federal funding; and on the SARI Line.

6. **MOVED, SECONDED AND DULY CARRIED:** Order Steering Committee Minutes for the regular meeting held on June 23, 2010 to be filed.
7. **MOVED, SECONDED AND DULY CARRIED:** Revise the recommendation of the approved May 26, 2010 report regarding the Santa Ana River Interceptor Line Loan (SARI) and Repayment Agreement No. D07-042 with the Orange County Flood Control District (OCFCD) to allow for the release of \$36,000,000, 30 days prior to the scheduled OCFCD Board hearing on contract award, with the remaining balance to be released 12 months later.

**OPERATIONS COMMITTEE**

8. MOVED, SECONDED AND DULY CARRIED: Approve the minutes of the July 7, 2010 Operations Committee meeting as revised.
9. MOVED, SECONDED AND DULY CARRIED: a) Approve Plans and Specifications for the P1P2 Bushard Trunk Fiber Optic Link, Project No. FE07-10, on file at the office of the Clerk of the Board;
  - b) Approve Addendum No. 1 to the plans and specifications;
  - c) Receive and file bid tabulation and recommendation;
  - d) Reject the low bids from SECC Corporation, as "Non-Responsive" due to its failure to provide Industrial Safety Records, failure to provide a signed Security Bond, and for omitting a price for Bid Item No. 6;
  - e) Reject the low bids from Steiny and Company, Inc., as "Non-Responsive" due to its failure to acknowledge receipt of Addendum No. 1, failure to provide the list of current and completed projects, and failure to provide Industrial Safety Records;
  - f) Award a Construction Contract to L.A. Electricom, Inc., for P1P2 Bushard Trunk Fiber Optic Link, Project No. FE07-10, for an amount not to exceed \$129,600; and,
  - g) Approve a contingency of \$25,800 (20%).
10. MOVED, SECONDED AND DULY CARRIED: Approve an increase in contingency for the Professional Consultant Services Agreement with Butier Engineering for construction management services for Newport Trunk Sewer and Force Mains, Bitter Point Pump Station to Coast Trunk Sewer, Contract No. 5-58, for an additional \$72,437 (4%) contingency, increasing the total contingency to \$181,093 (10%).
11. MOVED, SECONDED AND DULY CARRIED: a) Approve a Professional Design Services Agreement with Brown and Caldwell for Santa Ana Trunk Sewer Rehabilitation, Project No. 1-17, providing for engineering design services for an amount not to exceed \$801,850; and,
  - b) Approve a contingency of \$80,185 (10%).

12. **MOVED, SECONDED AND DULY CARRIED:** a) Approve Change Order No. 3 to the Purchase Order No. 103610-OB, issued to U.S. Peroxide LLC, for Regional Odor and Corrosion Control Services, Specification No. C-2009-405BD for the period July 1, 2010 through June 30, 2011, to include all remaining renewal options, authorizing the addition of higher strength 65% weight Calcium Nitrate product for a delivered price of \$2.470 per gallon plus tax; the addition of higher strength 44% weight Ferric Chloride product for a delivered price of \$2.340 per gallon plus tax; the addition of higher strength 36% weight for Ferrous Chloride product at the unit price of \$2.030 per gallon plus tax; an increase per gallon for 60% weight Calcium Nitrate, for a total unit price of \$2.280 per gallon, plus tax; and additional program services including project related system and dose site development, mobilization and demobilization charges, and odor control rental services. The additional services shall not exceed the total annual amount of \$150,000; and,  
  
b) Approve Change Order No. 2 to the Purchase Order No. 103611-OB, issued to Hill Brothers Chemical Company, for Regional Odor and Corrosion Control Services, Specification No. C-2009-405BD for the period July 1, 2010 through June 30, 2011, to include all remaining renewal options, authorizing an increase for Magnesium Hydroxide for a total unit price of \$1.761 per gallon, plus tax, and additional program services including project related system and dose site development, mobilization and demobilization charges, and odor control rental services. The additional services shall not exceed the total annual amount of \$150,000 for Hill Brothers Chemical Company; and,  
  
c) Approve a 15% annual unit prices and program price contingencies.
13. Item was pulled for discussion.
14. **MOVED, SECONDED AND DULY CARRIED:** Authorize staff to negotiate Amendment No. 2 to the Professional Design Services Agreement with Malcolm Pirnie, Inc. for additional design services for the Newport Force Main Condition Assessment, Project No. 5-60.
15. **MOVED, SECONDED AND DULY CARRIED:** Authorize an agreement with OpenCEL, LLC, for installation of equipment and onsite proprietary testing of Plant No. 1 waste activated sludge treatment (Project No. SP-125-6), for a total amount not to exceed \$1,700,000 upon successful installation and testing as follows:

- a) Authorize a turn-key installation of OpenCEL equipment and all necessary auxiliary equipment and utilities for an amount not to exceed \$300,000;
- b) Approve a sole source lease purchase of OpenCEL equipment for onsite proprietary testing for a maximum of 36 months at a cost of \$32,000 per month, and a down payment of \$250,000; and,
- c) Authorize purchase of the OpenCEL equipment for a total amount not to exceed \$1,400,000 upon successful testing.

### **NON-CONSENT CALENDAR**

13. Mr. Todd Pratt from Andritz Separation Inc. addressed the Board members in opposition of Resolution No. OCSD 10-10, requesting that the resolution be reconsidered and discussed for clarification of Andritz Separation's qualifications, allowing for a more competitive bidding on the project. Staff responded to the points addressed by Mr. Pratt. It was then,

MOVED, SECONDED AND DULY CARRIED: Adopt Resolution No. OCSD 10-10, A Resolution of the Board of Directors of the Orange County Sanitation District, Making Findings Pursuant to Public Contract Code Section 3400 in Support of the Sole Source Specification of Thickening and Dewatering Centrifuges (Sludge Thickening, Dewatering and Odor Control at Plant 1, Job No. P1-101).

### **ADMINISTRATION COMMITTEE**

16. MOVED, SECONDED AND DULY CARRIED: Approve minutes of the July 14, 2010, meeting of the Administration Committee.
17. MOVED, SECONDED AND DULY CARRIED: Adopt Resolution No. OCSD 10-11, Delegating Authority to the General Manager to Act on Behalf of the Orange County Sanitation District with respect to the California State Association of Counties Excess Insurance Authority.
18. MOVED, SECONDED AND DULY CARRIED: Adopt Resolution No. OCSD 10-12, Adopting the Records Management Program Policy and Procedures, Retention Schedule and Record Series Definitions, Authorizing Destruction of Obsolete Records, and Repealing Resolution No. OCSD 09-07.

19. **MOVED, SECONDED AND DULY CARRIED:** a) Adopt Resolution No. OCSD 10-13, to Authorize the Execution and Delivery by the District of a First Supplemental Trust Agreement and Replacement of the Standby Certificate Purchase Agreement with Lloyds TSB Bank as Credit Facility on the Orange County Sanitation District Refunding Certificates of Participation, Series 2000-A and Series 2000-B; Approving a Negotiated Agreement with Lloyds TSB Bank as Credit Facility on the Orange County Sanitation District Refunding Certificates of Participation, Series 2000-A and Series 2000-B; Authorizing the Distribution of a Remarketing Memorandum in Connection Therewith, and Authorizing the Execution of Necessary Documents and Related Actions; and,
- b) That the Orange County Sanitation District Financing Corporation approve the draft documents supporting the Replacement of the Orange County Sanitation District Refunding Certificates of Participation, Series 2000-A and Series 2000-B, Standby Certificate Purchase Agreement.
20. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 10-14, 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 2010-11; and, Repealing Resolution No. OCSD 09-10.

**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 July 12, 2010.

**NON-CONSENT CALENDAR**

No items were considered.

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**ORANGE COUNTY SANITATION DISTRICT FINANCING CORPORATION**

22. A regular meeting of the Board of Directors of the Orange County Sanitation District Financing Corporation was held on July 28, 2010 at 7:08 p.m., in the Administrative Offices. The roll was called and the Associate Clerk of the Board reported a quorum present as follows:



**ACTIVE DIRECTORS**

**ALTERNATE DIRECTORS**

X	Larry Crandall, Chair		John Nielson
X	Troy Edgar, Vice Chair		Steve Nagel
X	John Anderson		Jim Winder
	Charles Antos	X	Gordon Shanks
X	Tom Beamish		Rose Espinoza
A	Bill Dalton		Andrew Do
X	Doug Davert		Denis Bilodeau
X	Jon Dumitru		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
X	Sal Tinajero		David Benavides
X	Constance Underhill		Scott Nelson
X	Mark Waldman		Henry Charoen
	Don Webb	X	Nancy Gardner
X	John Withers		Douglas Reinhart

**STAFF MEMBERS PRESENT:** Jim Ruth, General Manager; Bob Ghirelli, Assistant General Manager; Lilia Kovac, Associate Clerk of the Board; Nick Arhontes; Jim Herberg; Ed Torres; Lorenzo Tyner

**OTHERS PRESENT:** Brad Hogin, General Counsel

- b. **MOVED, SECONDED AND DULY CARRIED:** Approve the minutes for the meeting held on April 28, 2010.
- c. Lorenzo Tyner, Director of Finance, reported that the Financing Corporation would need to adopt Resolution No. FC-12 in order to proceed with the agreement with Lloyds TSB Bank as Credit Facility for OCSD refunding Certificates of Participation Series 2000-A and Series 2000-B.

- d. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. FC-12, Authorizing the Execution and Delivery by the District of a First Supplemental Trust Agreement and Replacement of the Standby Certificate Purchase Agreement with Lloyds TSB Bank as Credit Facility on the Orange County Sanitation District Refunding Certificates of Participation, Series 2000-A and Series 2000-B; Approving a Negotiated Agreement with Lloyds TSB Bank as Credit Facility on the Orange County Sanitation District Refunding Certificates of Participation, Series 2000-A and Series 2000-B; Authorizing the Distribution of a Remarketing Memorandum in Connection Therewith, and Authorizing the Execution of Necessary Documents and Related Actions.

**ADJOURNMENT:** The Chair declared the meeting of the Orange County Sanitation District Financing Corporation adjourned at 7:10 p.m..


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**RECONVENE IN REGULAR SESSION:** The Board of Directors of the Orange County Sanitation District reconvened in regular session at 7:10 p.m.

**CLOSED SESSION**

There was no closed session.

**ADJOURNMENT:** The Chair declared the meeting adjourned at 7:11 p.m.

  
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Lilia Kovac  
Associate Clerk of the Board  
Orange County Sanitation District