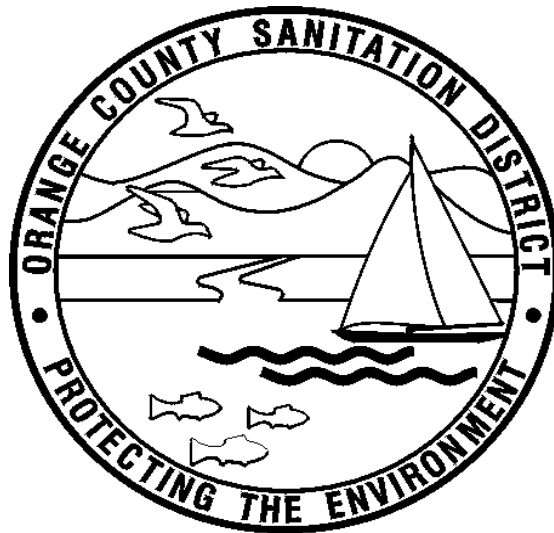


Orange County Sanitation District

MINUTES

BOARD MEETING

June 22, 2011



**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 June 22, 2011, at 6:30 p.m., in the Administration Building. Following the Pledge of Allegiance and invocation, a quorum was declared present by the Clerk of the Board as follows:

ACTIVE DIRECTORS

ALTERNATE DIRECTORS

X	Larry Crandall, Chair		Steve Nagel
X	Troy Edgar, Vice Chair		Ken Stephens
X	John Anderson		Jim Winder
X	Tom Beamish		Rose Espinoza
X	Joe Carchio		Matthew Harper
X	Bill Dalton		Andrew Do
A	Jon Dumitru	X	Denis Bilodeau
X	James M. Ferryman		Bob Ooten
X	Michael Levitt		Gordon Shanks
X	Jeffrey Lalloway		Steven Choi
X	Roy Moore		Ron Garcia
A	Prakash Narain	X	Doug Bailey
X	Joy Neugebauer		Al Krippner
X	Janet Nguyen		Shawn Nelson
X	John Nielsen		Jerry Amante
X	Sharon Quirk-Silva		Pat McKinley
X	Brad Reese		Robert Fauteux
X	Steven Rosansky		Nancy Gardner
X	David Shawver		Carol Warren
X	Harry Sidhu		Gail Eastman
X	Fred Smith		Steve Berry
A	Sal Tinajero		David Benavides
X	Constance Underhill		Joseph Aguirre
X	Mark Waldman		Steven Hwangbo
X	John Withers		Douglas Reinhart

STAFF MEMBERS PRESENT: Jim Ruth, General Manager; Bob Ghirelli, Assistant General Manager; Jim Herberg, Assistant General Manager; Nick Arhontes, Director of Facilities Support Services; Lorenzo Tyner, Director of Finance & Administrative Services; Jeff Reed, Director of Human Resources; Maria Ayala, Clerk of the Board; Lilia Kovac, Associate Clerk of the Board; Cindi Ambrose; Michael Gold; Rich Spencer; Thomas Souza; and Paula Zeller.

OTHERS PRESENT: Brad Hogin, General Counsel; Al Krippner; and Drew Kolosky.

1. MOVED, SECONDED, AND DULY CARRIED: Receive and file minute excerpt of member agency relating to appointment of Director as follows:

<u>City/Agency</u>	<u>Alternate Director</u>
Garden Grove	Kris Beard

PUBLIC COMMENTS:

There were no public comments.

REPORTS:

Board Chair Crandall briefly reported about his and Vice-Chair Edgar’s trip to Washington D.C. on behalf of the Sanitation District. They were able to meet with most of the members of Congress. Chair Crandall announced the Hydrogen Energy Commissioning Celebration is on August 16th, and invited the Board Members to attend. Chair Crandall announced the change in Committee assignments: Director Quirk-Silva will be changing to the Operations Committee; and, Director Ferryman will be changing to the Administration Committee. Lastly, Chair Crandall reviewed the calendar of upcoming meetings for July.

General Manager, Jim Ruth, announced that the District’s Leadership Development Team is diligently exploring new ideas on training and developing employees to prepare them for future leadership roles in the Sanitation District. Mr. Ruth announced that the SARI Line project bids are in and the County will be awarding the contract very soon. Lastly, Mr. Ruth announced that the District contracted an outside firm to conduct a safety audit. The audit was conducted over a period of four days. The firm was very complimentary of the procedures and processes in place.

CLAIMS:

2. 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>05/15/11</u>	<u>05/31/11</u>
Totals	\$10,010,795.13	\$8,485,402.95

Directors Bailey, Nielsen, and Sidhu abstained from discussion and voting on all warrants pursuant to California Government Code Section 84308. Director Nguyen was not present for the vote.

CONSENT CALENDAR:

3. MOVED, SECONDED, AND DULY CARRIED: Approve minutes for the Regular Meeting held on May 25, 2011.
4. A. MOVED, SECONDED, AND DULY CARRIED: Approve Plans and Specifications for Power Monitoring and Control Systems, Job No. J-33-3, on file at the office of the Clerk of the Board;
 - B. Approve Addendum Nos. 1, 2, and 3 to the plans and specifications;
 - C. Receive and file bid tabulation and recommendation;
 - D. Ratify withdrawal of low bid from Miron Electric Construction Corporation at their request due to inadvertent calculation error and return of their bid security as allowed under Public Contract Code §5100 et seq.;
 - E. Award a construction contract to Morrow-Meadows Corporation for Power Monitoring and Control Systems, Job No. J-33-3, for a total amount not to exceed \$3,984,600; and,
 - F. Approve a contingency of \$398,460 (10%).
5. A. MOVED, SECONDED, AND DULY CARRIED: Approve a Professional Services Agreement with Vertech Industrial Systems to provide programming services during construction for Power Monitoring and Control Systems, Job No. J-33-3, for an amount not to exceed \$548,121.
 - B. Approve a contingency of \$27,406 (5%).
6. MOVED, SECONDED, AND DULY CARRIED: Approve Flow Accommodation Agreement with County Sanitation District No. 18 of Los Angeles County from June 8, 2011 to June 7, 2012, incorporating by reference the terms of an existing one-year extension scheduled to expire, in a form approved by General Counsel.
7. MOVED, SECONDED, AND DULY CARRIED: Approve Flow Accommodation Agreement with County Sanitation District No. 19 of Los Angeles County from July 14, 2011 to July 13, 2012, incorporating by reference the terms of an existing one-year extension scheduled to expire, in a form approved by General Counsel.
8. MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. OCSD 11-07, Establishing the Annual Appropriations Limit for Fiscal Year 2011-12, for the Sanitation District in accordance with the Provisions of Division 9 of Title 1 of the California Government Code.

NON-CONSENT CALENDAR:

Director Bilodeu thanked the staff for closely examining this issue.

9. A. MOVED, SECONDED, AND DULY CARRIED: Cease OCSD participation in the County of Orange Teeter Plan;
- B. Direct staff to notify the County of Orange prior to July 1, 2011; and,
- C. Authorize the return of the advance portion of the property tax and special assessments (approximately \$8.1 million) to the County of Orange.

STEERING COMMITTEE:

10. MOVED, SECONDED, AND DULY CARRIED: Approve minutes of the May 25, 2011, Steering Committee meeting.

ADMINISTRATION COMMITTEE:

11. MOVED, SECONDED, AND DULY CARRIED: Approve minutes of the June 8, 2011, Administration Committee meeting.
12. A. MOVED, SECONDED, AND DULY CARRIED: Approve a Purchase Order Agreement with CDW-G, the lowest responsive and responsible bidder, for Purchase of Cisco Parts, Specification No. E-2011-481BD, for an amount not to exceed \$225,354; and,
 - B. Approve a contingency of \$22,535 (10%).
13. A. MOVED, SECONDED, AND DULY CARRIED: Renew the Sanitation District's Excess General Liability Insurance for the period July 1, 2011 through June 30, 2012, in an amount not to exceed \$366,000.
 - B. Renew the Sanitation District's Excess Workers' Compensation Insurance for the period July 1, 2011 through June 30, 2012 at a rate not to exceed .00342 (estimated premium of \$213,100 based on estimated 2011-12 payroll).
 - C. Renew the Sanitation District's All-Risk Property and Flood Insurance for the period July 1, 2011 through June 30, 2012, in an amount not to exceed \$450,000.
 - D. Renew the Sanitation District's Boiler & Machinery Insurance Program for the period July 1, 2011 through June 30, 2012, in an amount not to exceed \$16,500.

14. MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. OCSD 11- 08, Establishing Use Charges for the FY 2011-12 Pursuant to the Wastewater Treatment and Disposal Agreement with the Santa Ana Watershed Project Authority.

NON-CONSENT CALENDAR:

General Manager Ruth gave a brief overview of the proposed budget plan.

15. Approve the proposed revisions to the Operating, Capital, Debt/COP Service and Self-Insurance Budgets for FY 2011-12, as follows:

	Originally Adopted Budget FY 2011-12	Proposed Revised Budget FY 2011-12
Operations & Maintenance	\$156,090,770	\$152,545,540
Capital Improvement Program	122,423,000	129,169,900
Debt/COP Service	97,052,940	92,162,910
Re-Purchase of Excess Capacity	29,690,000	29,690,000
General Liability and Property Self-Insurance	1,606,200	1,606,200
Worker's Compensation Self Insurance	550,000	550,000
TOTAL	<u>\$407,412,910</u>	<u>\$405,724,550</u>

Director Bailey abstained from voting.

CLOSED SESSION:

CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS: 54956.8, 54957(b)(1), and 54954.5(f).

The Board convened in closed session at 6:51 p.m. to discuss three matters. 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.

RECONVENE IN REGULAR SESSION: The Board reconvened in regular session at 7:38 p.m.

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

The Board voted to approve the labor proposal for Local 501. Directors Lalloway and Rosansky opposed. Directors Bilodeau, Bailey, Neilsen abstained from voting.

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

Director Withers announced that the General Manager for the Irvine Ranch Water District will be resigning as he has accepted a position with another organization.

ADJOURNMENT:

The Chair declared the meeting adjourned at 7:39 p.m.

Maria E. Ayala
Clerk of the Board