

# **Orange County Sanitation District**

## **MINUTES**

### **BOARD MEETING**

**July 27, 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 July 27, 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
A	John Anderson		Jim Winder
X	Tom Beamish		Rose Espinoza
X	Joe Carchio		Matthew Harper
A	Bill Dalton		Andrew Do
X	Jon Dumitru		Denis Bilodeau
X	James M. Ferryman		Bob Ooten
X	Michael Levitt		Gordon Shanks
X	Jeffrey Lalloway		Steven Choi
X	Roy Moore		Ron Garcia
X	Prakash Narain		Doug Bailey
X	Joy Neugebauer		Al Krippner
A	Janet Nguyen	X	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
A	Harry Sidhu		Gail Eastman
X	Fred Smith		Steve Berry
X	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; Ed Torres, Director of Operations and Maintenance; Jeff Reed, Director of Human Resources; Maria Ayala, Clerk of the Board; Lilia Kovac, Associate Clerk of the Board; Cindi Ambrose; Norbert Gaia; Michael Gold; Tod Haynes; Doug Kanis; Rich Spencer; Rob Thompson; and Paula Zeller.

**OTHERS PRESENT:** Brad Hogin, General Counsel; Gino Rapagna; and, Mike Moore.

**PUBLIC COMMENTS:**

There were no public comments.

**REPORTS:**

Board Chair Crandall announced that Senator Feinstein will be delivering her Washington Report on August 25<sup>th</sup> at the Orange County Water District. Chair Crandall shared that KTLA’s Allie MacKay did a live segment at OCSD for the station’s morning show. Chair Crandall also reminded the Board that although there are no Operations Committee or Administration Committee Meetings in August, there will be a Steering Committee Meeting and Board Meeting on August 24<sup>th</sup>.

General Manager, Jim Ruth, announced that the OCSD Purchasing Department has received an Excellence Award. Mr. Ruth informed the Board that they have been provided tonight with an outline of the Sanitation District’s current accomplishments. It has been a successful year, and staff continues to streamline the organization according to the Beyond 2012 plan. Mr. Ruth shared additional good news regarding the Enertech agreement; the milestones are being reached on time, and a signed agreement was received today by the Sanitation District. Mr. Ruth updated the Board on the Teeter Plan. The Sanitation District received a letter from the County regarding the Teeter Plan stating the Sanitation District will not be allowed to exit the Teeter Plan based on California statutes. General Counsel will be exploring this further. Mr. Ruth announced that a draft of the fiscal proposed work plan was provided to the Steering Committee tonight. This report will be brought forth to the Board for approval at a later time. Lastly, Mr. Ruth announced that the Cost Savings report was being provided to the Board tonight. The Sanitation District continues to look at cost efficiencies and will further support the Beyond 2012 plan.

**CLAIMS:**

- 1. Ratify payment of claims of the District, by roll call vote, as follows:

<u>Claims Paid for the Period Ending:</u>	<u>06/15/11</u>	<u>06/30/11</u>
Totals	\$14,404,574.24	\$9,239,075.00

Directors Nelson and Nielsen abstained from discussion and voting on all warrants pursuant to California Government Code Section 84308.

**CONSENT CALENDAR:**

- 2. **MOVED, SECONDED, AND DULY CARRIED:** Approve minutes for the Regular Meeting held on June 22, 2011.

Agenda Item No. 3 was pulled from the Consent Calendar and voted on separately.

**NON-CONSENT CALENDAR:**

3. MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. OCSD 11-09, A Resolution of the Board of Directors of the Orange County Sanitation District (OCSD), approving the Memorandum of Understanding (MOU) between OCSD and the International Union of Operating Engineers, Local 501 (IUOE Local 501), for the Operations and Maintenance Unit for fiscal years 2011/12, 2012/13 AND 2013/14.

Directors Carchio, Dumitru, Lalloway, Nelson, and Rosansky opposed. Director Underhill abstained.

**STEERING COMMITTEE:**

4. MOVED, SECONDED, AND DULY CARRIED: Approve minutes of the June 22, 2011, Steering Committee meeting.
5. MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. OCSD 11-10, Authorizing a payment deferral option of Capital Facility Capacity Charges (connection fees) through June 30, 2012, to builders of large housing development projects.

**OPERATIONS COMMITTEE:**

6. MOVED, SECONDED, AND DULY CARRIED: Approve minutes of the July 6, 2011, Operations Committee meeting.
7. MOVED, SECONDED, AND DULY CARRIED: Approve a Reimbursement Agreement with the City of Fullerton for costs incurred for the modification of Orange County Sanitation District facilities within State College Boulevard, the Newhope-Placentia & Cypress Trunk Replacements, Project No. 2-65, in an amount not to exceed \$5,050,000, in a form approved by General Counsel.
8. A. MOVED, SECONDED, AND DULY CARRIED: Approve a budget increase of \$196,000 for Replacement of the Rocky Point Pump Station, Contract No. 5-50, for a total budget amount of \$20,947,000; and,  
B. Approve a contingency increase of \$335,320 (4%) to the construction contract with Kiewit/Mass, a Joint Venture, for Replacement of the Rocky Point Pump Station, Contract No. 5-50, for a total contingency of \$1,173,620 (14%).

9. A. MOVED, SECONDED, AND DULY CARRIED: Approve a Purchase Agreement with Jamison Engineering for On-Call Contractor Support Services, Specification No. S-2011-483BD, for the period July 1, 2011 through June 30, 2012 for a total annual amount not to exceed \$875,272.00, with four one-year renewable options; and,
  - B. Approve a contingency of \$87,527.20 (10%), annually, if needed.
10. A. MOVED, SECONDED, AND DULY CARRIED: Award a contract to Polydyne, Inc. for the purchase of Anionic Polymer, Specification No. C-2011-476BD, for the period September 1, 2011 through August 31, 2012, for a unit price of \$2.75 per active pound delivered, plus applicable sales tax for a total annual amount not to exceed \$413,000 with four one-year renewal options; and,
  - B. Approve an annual unit price contingency of \$41,300 (10%)
11. A. MOVED, SECONDED, AND DULY CARRIED: Approve a Professional Design Services Agreement with The Austin Company to provide professional design services for Title 24 Access Compliance and Building Rehabilitation Project, Project No. P1-115, for an amount not to exceed \$2,200,000; and,
  - B. Approve a contingency of \$220,000 (10%).
12. A. MOVED, SECONDED, AND DULY CARRIED: Approve a Professional Design Services Agreement with Brown and Caldwell for Sludge Dewatering and Odor Control at Plant No.2, Job P2-92, providing for engineering design services for the amount not to exceed \$5,682,963; and,
  - B. Approve a contingency of \$568,296 (10%).
13. MOVED, SECONDED, AND DULY CARRIED: Authorize the General Manager to negotiate and subsequently approve Amendment No. 5 to the Agreement with Air Products and Chemicals, Inc., for Private Operation and Maintenance of Oxygen Generation System at Plant No. 2, Purchase Order No. 43063-OB to include the following:
  - A. Extend the agreement with Air Products and Chemicals, Inc. for an additional three (3) month period beginning February 2, 2012, through April 30<sup>th</sup>, 2012, at the current monthly rate of \$27,411.76, and,
  - B. Authorization for Air Products to refurbish the liquid oxygen storage and delivery system, for a total amount not to exceed \$1,300,000; and,
  - C. Approve a contingency of \$260,000 (20%) for the liquid oxygen refurbishment.
14. MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. OCSD 11-11, Adopting a Policy Regarding the Transfer of Local Sewers.

## **ADMINISTRATION COMMITTEE:**

15. MOVED, SECONDED, AND DULY CARRIED: Approve minutes of the July 13, 2011, Administration Committee meeting.
16. MOVED, SECONDED, AND DULY CARRIED: Authorize the General Manager to issue new fixed rate Certificates of Participation (COP), to be referred to as Wastewater Revenue Obligations, in an amount sufficient to refund up to \$191.5 million of COP Series 2003 and up to \$113.8 million of COP Series 2000 for a total of up to \$305.3 million.
17. MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. OCSD 11-12, 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 10-14.

## **CLOSED SESSION:**

CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS: 54956.9(a), 54956.9(c), 54956.8, 54954.5(f), and 54957(b)(1).

The Board convened in closed session at 6:45 p.m. to discuss five 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 7:55 p.m.

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

MOVED, SECONDED, AND DULY CARRIED: **Closed Session Items Nos. (2) and (3)**, the Board of Directors, authorized legal counsel to appear and defend the interest of the Sanitation District in the lawsuit filed by Mladen Buntich related to the Newport Trunk Sewer Project for delayed damages and extra work, and also authorized legal counsel to file a counter suit against Mladen Buntich for property damaged to the levees in other areas caused by tunneling.

The vote was unanimous.

MOVED, SECONDED, AND DULY CARRIED: **Closed Session Item No. (4)** the Board of Directors voted to approve the negotiation which resulted in an agreement to sell the Kings County property to Francisco Rodriguez at a sale price of \$1,225,000.

Director Dumitru opposed.

MOVED, SECONDED, AND DULY CARRIED: **Closed Session Item No. (5)** the Board of Directors voted to ratify the Memorandum of Understanding (MOU) negotiated with the Orange County Employees Association (OCEA) regarding wage, hours and other terms. The material terms of the MOU were as follows: Retirement formula for new hires at 1.667% at 57 ½ years of age; Higher co-pays and deductibles for medical insurance; and, Salary increase of 2.5% over 3 years.

Directors Carchio, Dumitru, Nelson, Rosansky and Lalloway opposed.

**NON-CONSENT CALENDAR:**

18. MOVED, SECONDED, AND DULY CARRIED: Authorize the General Manager to enter into an agreement to sell the Orange County Sanitation District's ownership of its property located in King's County to Francisco Rodriguez, in a form approved by General Counsel.

Director Dumitru opposed.

19. MOVED, SECONDED, AND DULY CARRIED: Adopt Resolution No. OCSD 11-13, A Resolution of the Board of Directors of the Orange County Sanitation District (OCSD), approving the Memorandum of Understanding (MOU) between OCSD and Orange County Employees Association (OCEA) for fiscal years 2011/12, 2012/13 AND 2013/14.

Directors Carchio, Dumitru, Lalloway, Nelson, and Rosansky opposed.

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

Chair Crandall reminded the Board that the only meetings in August are the Steering and Board Meetings on August 24<sup>th</sup>.

**ADJOURNMENT:**

The Chair declared the meeting adjourned at 8:02 p.m.

  
Maria E. Ayala  
Clerk of the Board