

## AGENDA

### **BOARD OF DIRECTORS ORANGE COUNTY SANITATION DISTRICT**

**DISTRICT'S ADMINISTRATIVE OFFICES  
10844 ELLIS AVENUE  
FOUNTAIN VALLEY, CA 92708  
[www.ocsd.com](http://www.ocsd.com)**

### REGULAR MEETING

**APRIL 25, 2001 – 7:00 p.m.**

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the District's Administrative Offices not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the Board Secretary.

In the event any matter not listed on this agenda is proposed to be submitted to the Board for discussion and/or action, it will be done in compliance with Section 54954.2(b) as an emergency item, or that there is a need to take immediate action which need came to the attention of the District subsequent to the posting of the agenda, or as set forth on a supplemental agenda posted not less than 72 hours prior to the meeting date.

All current agendas and meeting minutes are also available via Orange County Sanitation District's Internet site located at [www.ocsd.com](http://www.ocsd.com). Upon entering the District's web site, please navigate to the Board of Directors section.

1. Invocation and Pledge of Allegiance
2. Roll Call
3. Consideration of motion to receive and file minute excerpts of member agencies relating to appointment of Directors, if any.
4. Appointment of Chair pro tem, if necessary
5. Public Comments: All persons wishing to address the Board on specific agenda items or matters of general interest should do so at this time. As determined by the Chair, speakers may be deferred until the specific item is taken for discussion and remarks may be limited to five minutes.

Matters of interest addressed by a member of the public and not listed on this agenda cannot have action taken by the Board of Directors except as authorized by Section 54954.2(b).

6. The Chair, General Manager and General Counsel present verbal reports on miscellaneous matters of general interest to the Directors. These reports are for information only and require no action by the Directors.

- a. Report of Chair; consideration of resolutions or commendations, presentations and awards
  - b. Report of General Manager
  - c. Report of General Counsel
7. If no corrections or amendments are made, the minutes for the regular meeting held on March 28, 2001 will be deemed approved as mailed and be so ordered by the Chair. (Minutes of the joint meeting with Orange County Water District will be submitted for approval at the May 23, 2001 board meeting.)
8. Ratifying [payment of claims](#) of the District, by roll call vote, as follows:

<u>ALL DISTRICTS</u>	<u>03/15/01</u>	<u>03/31/01</u>
Totals	\$4,825,838.23	\$5,013,868.88

**CONSENT CALENDAR**

All matters placed on the Consent Calendar are considered as not requiring discussion or further explanation and unless any particular item is requested to be removed from the Consent Calendar by a Director, staff member or member of the public in attendance, there will be no separate discussion of these items. All items on the Consent Calendar will be enacted by one action approving all motions, and casting a unanimous ballot for resolutions included on the consent calendar. All items removed from the Consent Calendar shall be considered in the regular order of business.

Members of the public who wish to remove an item from the Consent Calendar shall, upon recognition by the Chair, state their name, address and designate by number the item to be removed from the Consent Calendar.

The Chair will determine if any items are to be deleted from the Consent Calendar.

9. Consideration of motion to approve all agenda items appearing on the Consent Calendar not specifically removed from same, as follows:

**END OF CONSENT CALENDAR**

10. Consideration of items deleted from Consent Calendar, if any.

**NON-CONSENT CALENDAR**

- 11. a. Verbal report by Chair of Steering Committee re April 25, 2001 meeting.
  - b. DRAFT STEERING COMMITTEE MINUTES – NO ACTION REQUIRED (Information only): The Chair will order the draft Steering Committee Minutes for the meeting held on March 28, 2001 to be filed.
12. a. Verbal report by Chair of Operations, Maintenance and Technical Services Committee re April 4, 2001 meeting.
- b. DRAFT OPERATIONS, MAINTENANCE AND TECHNICAL SERVICES COMMITTEE MINUTES – NO ACTION REQUIRED (Information only): The

Chair will order the draft Operations, Maintenance and Technical Services Committee Minutes for the meeting held on April 4, 2001 to be filed.

13.
  - a. Verbal report by Chair of Planning, Design and Construction Committee re April 5, 2001 meeting.
  - b. DRAFT PLANNING, DESIGN AND CONSTRUCTION COMMITTEE MINUTES – NO ACTION REQUIRED (Information only): The Chair will order the draft Planning, Design and Construction Committee Minutes for the meeting held on April 5, 2001 to be filed.
  - c. Ratify Change Order No. 2 to Grit Removal System, [Job No. J-52](#), with Norman A. Olsson Construction Company, authorizing an addition of \$73,120 and 20 calendar days, increasing the total contract amount not to exceed \$811,547.
  - d. Approve the plans and specifications for the Replacement of Miller-Holder Trunk Sewer Siphon, [Contract No. 3-2-1](#), on file at the office of the Board Secretary.
  - e. (1) Approve Professional Services Agreement with Brown and Caldwell to provide engineering services for Trunk Sewer Mapping Project, Contract No.1-98, for an amount not to exceed \$1,166,000; and (2) Approve a budget amendment of \$1,354,000 for Trunk Sewer Mapping Project, [Contract No. 1-98](#), for a total budget of \$1,709,000.
  - f. Approve Addendum No. 8 to the Professional Services Agreement with Parsons Engineering Science, Inc., for Plant Reinvention/Automation Project, [Job No. J-42](#), providing additional engineering services for benefit/cost evaluation of 71 liquid stream reinvention ideas, and the production of eleven additional P&ID drawings, in the amount of \$240,945, for a total amount not to exceed \$7,736,724.
  - g. Establish a budget of \$715,000 for Clarifiers E and G Rehabilitation Project at Plant No. 2, [Job No. P2-85-1](#).
  - h. Approve [Addendum No. 2](#) to the Consulting Services Agreement with the Lewis Group to provide additional services related to the Capital Project Management Process Phase 1 Report in the amount of \$18,969, for a total amount not to exceed \$115,886.
14.
  - a. Verbal report by Chair of Finance, Administration and Human Resources Committee re the April 11, 2001 meeting.
  - b. DRAFT FINANCE, ADMINISTRATION AND HUMAN RESOURCES COMMITTEE MINUTES – NO ACTION REQUIRED (Information only): The Chair will order the draft Finance, Administration and Human Resources Committee Minutes for the meeting held on April 11, 2001 to be filed.
  - c. Receive and file [Treasurer's Report](#) for the month of March 2001.
  - d. Adopt Resolution [No. OCSD 01-09](#), amending Resolution No. 98-33, Amending Human Resources Policies and Procedures Manual.

- e. Approve 2001-02 Budget Allocation and Delegation of Discretionary Authority to the FAHR Committee for Initiation of [Forensic Audits](#) or other investigations if determined by the FAHR Committee as necessary, in an amount not to exceed \$30,000.
  - f. Approve an [At-Will Employment Policy](#) for the Executive Management Team.
  - g. Approve agreement with Steve Filarsky of Filarsky & Watt, LLP, to serve as District's Labor Representative re SPMT Group meet and confer process in accordance with the recommendations of the FAHR Committee.
- 15.
- a. Verbal report by Vice Chair of Joint Groundwater Replenishment System Cooperative Committee re April 9, 2001 meeting.
  - b. DRAFT JOINT GROUNDWATER REPLENISHMENT SYSTEM COOPERATIVE COMMITTEE MINUTES – NO ACTION REQUIRED (Information only): The Chair will order the draft Joint Groundwater Replenishment System Cooperative Committee Minutes for the meeting held on March 19, 2001, to be filed.
16. Purchase of Natural Gas, [Specification No. C2001-38-BD](#)
- (a) Authorize the General Manager to negotiate terms and conditions for a renewal of the contract with BP Energy Company, Specification No. 9900-28, at the floating Southern California Border price plus marketers premium, with provisions for four one-year extensions, for an estimated annual amount not to exceed \$3,900,000;
  - or -
  - (b) Authorize the General Manager to solicit proposals, negotiate, and award a new contract for the Purchase of Natural Gas, Specification No. C2001-38-BD, at the floating Southern California Border price plus marketers premium, with provisions for four one-year extensions effective August 1, 2001 per, for an estimated annual amount not to exceed \$3,900,000; and,
  - (c) Authorize the Director of Finance, if market conditions are favorable, to negotiate fixed prices under the new or renewed natural gas contract, before the effective date of the contract and during the duration of the contract, without further Board authorization.
17. (1) Verbal Staff Report; (2) Approve Addenda Nos. 1, 2, and 3 to the plans and specifications for Standby Power and Reliability Improvements to Treatment Plant Nos. 1 and 2, [Job No. J-33-1A](#), on file at the office of the Board Secretary; (3) Receive and file bid tabulation and recommendation; and (4) Award a contract to Southern Contracting Company for Standby Power and Reliability Improvements to Treatment Plant Nos. 1 and 2, Job No. J-33-1A, for an amount not to exceed \$6,329,000.
18. (1) Verbal Staff Report; (2) Approve Amendment No. 1 to the Letter Agreement dated September 22, 1999, with Municipal Water District of Orange County ([MWDOC](#)) for a multi-agency Water Use Efficiency Program, authorizing an increase in the annual funding of \$41,250 for years two through five of the program, increasing the total annual amount to \$866,250, and a total project amount not to exceed \$4,275,863.

19.

**CLOSED SESSION:** During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

Reports relating to (a) purchase and sale of real property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time as the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

- a. Convene in closed session, if necessary
    1. Confer with General Counsel re Crow Winthrop Development Limited Partnership v. Orange County Sanitation District, Orange County Superior Court Case No. 000002012 (Government Code Section 54956.9)
  - b. Reconvene in regular session
  - c. Consideration of action, if any, on matters considered in closed session
20. Matters which a Director may wish to place on a future agenda for action and staff report
21. Other business and communications or supplemental agenda items, if any
22. Adjournment

**NOTICE TO DIRECTORS:** To place items on the agenda for the Regular Meeting of the Board of Directors shall submit items to the Board Secretary no later than the close of business 14 days preceding the Board meeting. The Board Secretary shall include on the agenda all items submitted by Directors, the General Manager and General Counsel and all formal communications.

Board Secretary:

Penny Kyle

(714) 593-7130 or  
(714) 962-2411, ext. 7130

**PDC COMMITTEE**

**AGENDA REPORT**

Meeting Date 4/5/01	To Bd. of Dir. 4/25/01
Item Number PDC01-20	Item Number 13(c)

Orange County Sanitation District

**FROM:** David Ludwin, Director of Engineering  
Originator: Dean Fisher, Project Manager

**SUBJECT:** GRIT REMOVAL SYSTEM, JOB NO. J-52

**GENERAL MANAGER'S RECOMMENDATION**

Ratify Change Order No. 2 to Grit Removal System, Job No. J-52, with Norman A. Olsson Construction Company, authorizing an addition of \$73,120 and 20 calendar days, increasing the total contract amount not to exceed \$811,547.

**SUMMARY**

Change Order No. 2 includes 5 items of added work to Job No. J-52. There is one omission and no errors associated with this change order. There is a 20 day time extension associated with this change order. Liquidated damages on this contract are \$100 per day and there are no bonus provisions.

Contract Start Date	April 26, 2000
Original Contract Completion Date	November 21, 2000
Total Number of Change Orders to Date	1
Current Contract Completion Date	November 28, 2000
Revised Completion Date	December 18, 2000
Days Subject To Liquidated Damages	0
Liquidated Damages Assessment	0

**PROJECT/CONTRACT COST SUMMARY**

Original Contract Price	\$ 715,900.00
Previously Authorized Changes	\$ 22,527.00
This Change (Add)	\$ 73,120.00
Change Orders to Date	\$ 95,647.00
Percentage Increase to Date	13.36 %
Amended Contract Price	\$ 811,547.00

**BUDGET IMPACT**

- This item has been budgeted. (Line item: Section 8, Page 68)
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

Additional funds for staff labor have been transferred from the contingency in the project budget. Please refer to the Budget Information Table.

### **ADDITIONAL INFORMATION**

Job No. J-52, Grit Removal System, includes work to retrofit a new grit removal system complete with controls in the existing headworks facilities at Plant No. 1 and Plant No. 2. Cathcart, Garcia, von Langen prepared the plans and specifications and the contract was awarded to Norman A. Olsson Construction Company on April 26, 2000. The job is 97% complete. The following summarizes the Change Order.

<b>Item No.</b>	<b>Description</b>	<b>Amount</b>	<b>Days</b>	<b>Type</b>
1	Modify Plant 1 Grit Trough	\$15,600	10	Design Change
2	Controls Modifications	\$2,976	10	Design Change
3	Pedestrian Traffic Cover	\$2,215		Design Change
4	Additional Structural Supports	\$1,920		Omission
5	Hazardous Area Classification	\$50,409		Design Change
	<b>TOTAL – Change Order No. 2</b>	<b>\$73,120</b>	<b>20</b>	

Item No. 1 modifies the configuration of the existing troughs at Plant No. 1 to meet both the system manufacturer and District O&M staff's recommendations. Item No. 5 involves upgrading electrical equipment in an area that was not classified during the design of this project.

### **ALTERNATIVES**

None

### **CEQA FINDINGS**

The Grit Removal System, Job No. J-52, was included in the Programmatic EIR for the 1989 Master Plan. The final EIR was approved on July 19, 1989 and the Notice of Determination was filed on July 20, 1989.

### **ATTACHMENTS**

1. Budget Information Table
2. Change Order Status Report
3. Change Order

**PDC COMMITTEE**

Meeting Date 4/05/01	To Bd. of Dir. 4/25/01
Item Number PDC01-21	Item Number 13(d)

**AGENDA REPORT**

Orange County Sanitation District

**FROM:** David Ludwin, Director of Engineering  
Originator: Kelly Lew, Contract Project Manager

**SUBJECT:** REPLACEMENT OF MILLER-HOLDER TRUNK SEWER SIPHON,  
CONTRACT NO. 3-2-1

**GENERAL MANAGER'S RECOMMENDATION**

Approve the plans and specifications for the Replacement of Miller-Holder Trunk Sewer Siphon, Contract No. 3-2-1, on file at the office of the Board Secretary.

**SUMMARY**

The County of Orange Public Facilities and Resources Department (PFRD) has completed plans to widen and deepen the East Garden Grove Wintersburg Flood Control Channel in Huntington Beach. Orange County Sanitation District (OCSD) is required to replace an existing sewer siphon crossing underneath the existing flood control channel. A new siphon is needed, due to conflicts with the new flood control channel-widening project.

The plans and specifications for the Replacement of Miller-Holder Trunk Sewer Siphon, Contract No. 3-2-1, were completed in November of 2000. The design was performed by Tran Consulting Engineers.

The engineer's estimate for construction of the siphon replacement is \$850,000.

**PROJECT/CONTRACT COST SUMMARY**

The total budget for the sewer siphon replacement is estimated at \$1,996,000. The construction contract budget for this project is \$1,230,000. In January 2000, the Board approved a reimbursement agreement with PFRD authorizing \$850,000 as a deposit for construction, and \$127,500 for reimbursement of administration costs, for a total amount of \$977,500.

Staff requests authorization of a budget increase of \$8,000 for Project Development and \$8,000 for Studies/Permitting be taken from the Contingency, with no change to the overall project budget. Staff requests authorization of \$273,000 for Construction Administration and \$128,000 for Construction Inspection for use during the construction phase of the project.

See the attached Budget Information Table for more information.

**BUDGET IMPACT**

- This item has been budgeted. (Line item: 2000/2001 Budget, Section 8, Page 25)
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)



A budget breakdown is included in the attached Budget Information Table. Staff requests that a budget increase for Project Development and Studies/Permitting be taken from the Contingency, with no change to the overall project budget.

### **ADDITIONAL INFORMATION**

County of Orange Public Facilities and Resources Department (PFRD) owns the right-of-way and prior rights to the East Garden Grove Wintersburg Channel. PFRD has completed plans to widen and deepen this channel. Orange County Sanitation District (OCSD) is required to relocate the existing sewer siphon and structures to avoid interference with the construction of the flood control channel-widening project.

The design consists of replacing an existing triple barrel 30-inch sewer siphon line with two 42-inch siphons. The design also includes the replacement of a 24-inch air jumper and modifications to the inlet and outlet structures. The plans and specifications for the Replacement of Miller-Holder Trunk Sewer Siphon, Contract No. 3-2-1, were completed in November of 2000. The design was performed by Tran Consulting Engineers.

The engineer's construction estimate for the siphon replacement is \$850,000.

PFRD has added OCSD plans and specifications for replacement of the siphon to its bid package. PFRD is in the process of bidding both projects under one construction contract. The bid opening is scheduled to be on May 1, 2001. PFRD will administer both projects and OCSD construction staff will be responsible for inspection of all constructed sewer work.

### **ALTERNATIVES**

There are no cost effective alternatives for this sewer siphon work. Coordinating this project with PFRD's channel construction will minimize inconvenience and cost to the public.

### **CEQA FINDINGS**

Contract No. 3-2-1 is exempt from CEQA per Article 19 (Categorical Exemptions), Section 15302 (C). CEQA documentation for this channel-widening project is being handled by PFRD.

### **ATTACHMENTS**

Budget Information Table

**PDC COMMITTEE**

**AGENDA REPORT**

Meeting Date 4-05-01	To Bd. of Dir. 4-25-01
Item Number PDC01-22	Item Number 13(e)

Orange County Sanitation District

**FROM:** David Ludwin, Director of Engineering  
Originator: Mark Tomko, Project Manager

**SUBJECT:** TRUNK SEWER MAPPING PROJECT, CONTRACT NO. 1-98

**GENERAL MANAGER'S RECOMMENDATION**

(1) Approve Professional Services Agreement with Brown and Caldwell to provide engineering services for Trunk Sewer Mapping Project, Contract No. 1-98, for an amount not to exceed \$1,166,000; and (2) Approve a budget amendment of \$1,354,000 for Trunk Sewer Mapping Project, Contract No. 1-98, for a total budget of \$1,709,000.

**SUMMARY**

The Operations and Maintenance Department (O&M) produced a sewer atlas, including paper maps for District 7 through a Professional Services Agreement (PSA) with Camp Dresser & McKee, Inc. in June 1998. The maps have proven to be beneficial for the O&M staff in performing their job. O&M now desires to pursue the development of trunk sewer maps of the entire Orange County Sanitation District (District). Engineering and Information Technology joined the O&M team to develop paper maps and electronic maps that could potentially be used by the entire District.

The PSA includes the development of paper maps, electronic maps, and the population of the Computerized Maintenance Management System (CMMS) database. The paper maps will be similar to the District 7 maps, but will be updated to the new CAD standards and contain added features that will produce maps that are easier to use and understand. The electronic maps will be produced using AutoCAD 2000 to permit the reproduction of the Trunk Sewer Maps and ability to move the maps into a Geographical Information System (GIS) application in the future. The Trunk Sewer Maps will be compatible and included in the Facilities Record and Drawing System (FRED). This will provide District-wide access to the collections system maps in an electronic format.

Staff received proposals from the following five firms on January 23, 2001: Brown and Caldwell, Carter & Burgess, Camp Dresser & McKee, Inc., Psomas, and URS Corporation. Staff reviewed and ranked the proposals. Three firms were selected for interviews: Brown & Caldwell, Camp Dresser & McKee, Inc., and Psomas. Interviews were held on February 21, 2001. Staff recommends approval of a PSA for the Trunk Sewer Mapping Project with Brown and Caldwell for an amount not to exceed \$1,166,000.

See the attached Staff Evaluation of Proposals to Provide Engineering Services for more information. The development of the paper and electronic maps is estimated to take 18 months to complete, and will begin within one month after the approval of the Professional Services Agreement (PSA).

## **PROJECT/CONTRACT COST SUMMARY**

The current total budget for the Trunk Sewer Mapping Project, Contract No. 1-98, is \$362,000. Staff requests moving \$1,354,000 from Orange County Sanitation District (District) Reserves to increase the total project budget to \$1,709,000. Authorization of \$1,166,000 for the Consultant PSA is being requested. See the attached Budget Information Table for more information.

## **BUDGET IMPACT**

- This item has been budgeted. (Line item:            )
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

The preliminary work on this project was funded through the GIS, Job No. SP-15 budget. This request includes the authorization of \$310,000 for District staff, and \$1,166,000 for the Consultant PSA. A budget breakdown is included in the attached Budget Information Table.

## **ADDITIONAL INFORMATION**

In order to accurately record and schedule maintenance work in District 7, accurate sewer maps were needed. The Operation and Maintenance Department (O&M) developed sewer maps in June 1998, for District 7, through a PSA with Camp Dresser & McKee, Inc. The maps satisfied the immediate needs of O&M, but more maps were needed for the remainder of the District's Service Area. The Computerized Maintenance Management System (CMMS) database also needed to be updated to accurately capture costs associated with maintenance. A newly proposed federal program, Capacity, Management, Operations and Maintenance (CMOM), requires the District to have accurate maps of the collections system.

Accurate maps of the collections systems are essential in Engineering for design work, issuing permits, and studies on the collections system. Engineering joined with O&M to manage the project. Information Technology has been involved with the project from the beginning, due to updating the CMMS database, and the programming involved in developing the electronic maps.

Brown and Caldwell will produce 20 color map sets of each service area that will be similar to the District 7 maps. The new maps will be produced with the new CAD standards and contain additional features that will make the maps easier to use and understand. The electronic maps will be produced using AutoCAD 2000 and the Map Product Generator developed by Brown and Caldwell. Attribute information defined by the District will be provided in AutoCAD. The electronic maps will be developed with the forward compatibility to move into a Geographical Information System (GIS) application. The electronic maps will be compatible with the Facilities Record and Drawing System developed by Job No. J-25-1. This will provide the Orange County Sanitation District (District) wide access to the collections system in electronic format. A comma separated values file will be produced with the attribute fields defined by the data dictionary to populate the Computerized Maintenance Management System (CMMS) database.

## **ALTERNATIVES**

The Professional Services Agreement may be awarded to Camp Dresser & McKee, Inc. or Psomas, the two Consultants who were not rated as highly as Brown and Caldwell.

**CEQA FINDINGS**

This project is categorically exempt from CEQA per Section 15306, Information Collection.

**ATTACHMENTS**

1. Budget Information Table
2. PSA Status Report
3. Staff Evaluation of Proposals to Provide Engineering Services

**PDC COMMITTEE**  
**AGENDA REPORT**

Meeting Date 4/5/01	To Bd. of Dir. 4/25/01
Item Number PDC01-23	Item Number 13(f)

Orange County Sanitation District

**FROM:** David Ludwin, Director of Engineering  
Originator: Jon Thomsic, Senior Engineer

**SUBJECT:** ADDENDUM NO. 8 PROVIDING BENEFIT/COST EVALUATION OF LIQUID STREAM REINVENTION IDEAS FOR THE PLANT REINVENTION/AUTOMATION PROJECT, JOB NO. J-42

**GENERAL MANAGER'S RECOMMENDATION**

Approve Addendum No. 8 to the Professional Services Agreement with Parsons Engineering Science, Inc., for Plant Reinvention/Automation Project, Job. No. J-42, providing additional engineering services for benefit/cost evaluation of 71 liquid stream reinvention ideas, and the production of eleven additional P&ID drawings, in the amount of \$240,945 for a total amount not to exceed \$7,736,724.

**SUMMARY**

J-42, the Plant Reinvention/Automation Project, automates the Orange County Sanitation District's (District) two treatment plants, modifies plant processes to optimize performance, improves reliability, and increases the amount of process information available to staff, thereby lowering overall costs.

The J-42 Project is divided into four phases:

- Phase 1 gathers Reinvention/Automation Ideas. In this phase, the plant control system is documented and reinvention ideas are listed. Phase 1 is nearing completion with the base contract completion expected in the next few months, and residual addenda work completion over the next year.
- Phase 2 is the execution of further study, benefit/cost analysis, optimization and the development of Preliminary Engineering Assessment Reports (PEARs) for selected ideas. Phase 2 has determined the method to be used to select the reinvention ideas that are to be constructed and has exercised the selection method on eleven test ideas.
- Phase 3 and 4 include the detailed design and construction of ideas that yield a 5-year or less payback.

So far, all of the process areas have completed the Phase 1 effort except for some cleanup effort on the utility systems. Also, Phase 2 has developed a benefit/cost process to select ideas for construction.

This Addendum will apply the Phase 2 benefit/cost process to 71 reinvention ideas pertaining to the liquid stream processes. The benefit/cost process enables the District to define and select the most cost-effective ideas. Ideas with an acceptable payback are developed by this process into Preliminary Engineering Assessment Reports (PEARs). This effort offsets costs normally incurred during design by substituting the PEAR for the Preliminary Design Report and thus

avoiding approximately 30% of the normal design cost. The negotiated cost for the Benefit/Cost evaluation of the 71 liquid stream reinvention ideas is \$166,145. The contract costs were reduced approximately 9% by the negotiation. An additional two months will be added to the schedule to accomplish the additional work.

The Orange County Sanitation District (District) and Parsons Engineering Science established a per-unit cost of \$6,800 for each of the as-built P&ID documents. Eleven unanticipated P&ID drawings are required in order to complete the Plant No. 1 and 2 documentation. The pre-negotiated cost for these additional drawings is \$74,800. The total addendum amount is \$240,945.

### **PROJECT/CONTRACT COST SUMMARY**

This Addendum transfers \$240,945 from the contingency budget to the Consultant Professional Services Agreement (PSA) budget, and authorizes an increase of the Consultant PSA funds from \$7,495,779 to \$7,736,724. No increase in the overall project budget is necessary. See the attached Budget Information Table for further information.

### **BUDGET IMPACT**

- This item has been budgeted. (Line item: C.4.d)
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

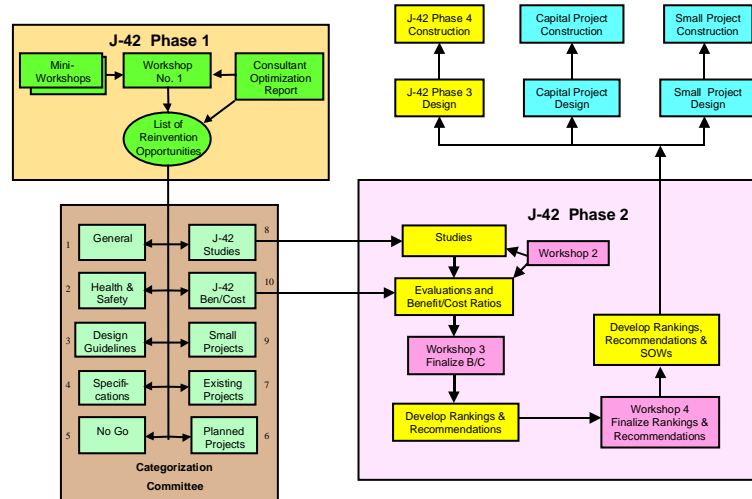
### **ADDITIONAL INFORMATION**

**Project Overview:** The Plant Automation and Reinvention Project, Job No. J-42, was created to: (1) Develop documentation for the existing automation and controls systems; (2) Provide a workshop format for the reinvention of plant operation and automation; and (3) Develop and implement plant automation to an optimum level. Through this project, the operation and maintenance of the District's two treatment plants will be reinvented to:

- Provide Operations with data that is currently not available, which will allow optimal process control and operation.
- Provide Maintenance with information to better manage and maintain plant equipment and controls.
- Reduce operating costs through more efficient chemical usage and reduced staffing levels by application of automation and centralized monitoring and control.
- Provide for a more efficient and cost-effective design process because of the development of accurate and up-to-date information about existing conditions.

The Plant Automation/Reinvention Project is divided into four phases:

- Phase 1 gathers reinvention/automation ideas. The plant control system is documented and reinvention ideas are compiled in this phase. Phase 1 is nearing completion; over 2,000 ideas for improvements have been generated and categorized in Phase 1. This Addendum No. 8 adds extra work to Phase 1 to bring this phase of the project to closure.



1/26/01

**J-42 Automation/Reinvention Project**

- Phase 2 evaluates the ideas and selects the ideas that provide an acceptable benefit for the cost. The Benefit/Cost Process was defined earlier by Addendum No. 6; this Addendum No. 8 funds the Benefit/Cost Process for 71 ideas related to the liquid stream.
- Phase 3 and 4 include the detailed design and construction of ideas that yield a payback of 5 to 7 years.

**Phase 1 Documentation and Reinvention Workshops:** The control systems are field-checked and documented in drawings called Process & Instrumentation Diagrams (P&IDs), Instrumentation Loop Diagrams (ILDs), Control Logic Diagrams (CLDs), and Instrumentation and Equipment Data Sheets. Then the Orange County Sanitation District (District) teams responsible for an area are brought together with outside experts in a series of workshops to generate as many improvement ideas for the area as possible. The workshop approach has been far more successful in creating ideas than was anticipated — over 2,000 reinvention ideas came out of Phase 1.

**Idea Categorization Process:** All workshop ideas are then submitted to the District Categorization Committee for categorization. The Categorization Committee groups ideas in one of ten categories: (1) General ideas affecting a department policy or procedure are sent to the appropriate department for action; (2) Ideas involving health or safety matters are sent to the Safety Department; (3) and (4) Some ideas are not practical to implement on existing facilities but are valid for future projects; these are embedded in the District Design Guidelines or the District Master Specifications; (5) Ideas that are unclear, unlikely to have a 7-year payback, or are comments are categorized “NO - GO” and are returned to the originating group; (6) Ideas that affect an area with a planned project or; (7) Ideas that affect an area with an existing construction project are dropped into those projects to be evaluated as part of the project design process; Low-cost ideas that clearly meet the 7-year payback criteria are sent to the District Small Projects group for immediate implementation or (8) through the work order system for implementation by District maintenance crews; and (9) Ideas where the payback is uncertain or (10) Ideas that need further study to clarify them are processed by the J-42 Benefit/Cost Process.

**Benefit/Cost Process:** The benefit/cost process enables the District to define and select the most cost-effective ideas that have a payback of 5 to 7 years or less. Ideas with an acceptable payback are developed by this process into Preliminary Engineering Assessment Reports (PEARs). The PEARs are roughly equivalent to the Preliminary Design Reports required of all design projects and support the Phase 3 Design and Phase 4 Construction of the J-42 project.

This Addendum No. 8 provides funding to Benefit/Cost the 71 liquid stream reinvention ideas for both Plant Nos.1 and 2. The negotiated cost for the Benefit/Cost evaluation of the 71 liquid stream reinvention ideas is \$166,145. A future Addendum will fund the Benefit/Cost Process for the solid stream ideas for both plants. An additional two months will be added to the schedule to accomplish the additional work.

**Design and Construction:** The PEAR provides enough detail for the Orange County Sanitation District (District) consultants to proceed with detailed design, and then construction via the normal District design and construction mechanisms. The PEAR replaces the engineering design effort that normally culminates in the Preliminary Design Report (PDR). This reduces the overall design cost by approximately 10% by eliminating the preliminary engineering effort required to generate the PDR. Funding for the design and construction is available in the J-42 budget.

**Additional As-Built Documentation:** Neither the District nor the Consultant could accurately estimate the as-built effort required by the Phase 1 documentation effort. Consequentially the District and Parsons Engineering Science established a per-unit cost for each of the as-built documents. The negotiated cost for each P&ID drawing is \$6,800. Eleven unanticipated P&ID drawings are required in order to complete the Plant No. 1 and 2 documentation. These drawings were not included in previous drawing counts because they are either not directly process related or they are detail drawings of a delivered system. The drawings have been requested by the Maintenance Department, and will be used as part of the Lock-out, Tag-out safety procedures. The required drawings are 2-natural gas systems, 4-hot water circulation systems, 2-chilled water circulation systems, and 3-gas compressor gas dryers. The pre-negotiated cost for these additional drawings is \$74,800.

## **ALTERNATIVES**

No other alternatives have been identified as this project represents the recommendations of the DART process.

## **CEQA FINDINGS**

This project is included in the Strategic Plan EIR, certified by the OCSD Board on October 27, 1999. A Notice of Determination was filed on October 28, 1999.

## **ATTACHMENTS**

1. Budget Information Table
2. PSA Status Report



Professional Services Agreement Status Report

PLANT REINVENTION/AUTOMATION PROJECT  
JOB NO. J-42

Total Project Budget: \$25,760,000  
 Consultant: Parsons Engineering Science, Inc.  
 Start Date of Project: May 27, 1998

<u>Date</u>	<u>Addendum</u>	<u>Description</u>	<u>Cost</u>
5/27/98	Original PSA	J-42 is the Plant Reinvention and Automation Project that will increase plant automation to an optimum level. It is a capital project that will implement physical changes to the plant process control systems and equipment to support both Operations and Maintenance	\$4,383,400
4/1/99	1*	Provide facilitator for Area 10/20 Workshop 1	\$16,500
7/21/99	2	Additional Miscellaneous Services	\$80,537
7/21/99	3	Plant Tagging Services	\$616,393
10/26/99	4*	Correction to Agreement Language	\$0
4/26/00	5	Virtual Tags	\$420,000
7/19/00	6	Phase 2 Vision and Goals	\$82,763
8/23/00	7	Drawing Count Adjustment	\$1,896,186
Pending	8	Liquid Stream Benefit/Cost Analysis	\$240,945

\* **GM Approval**

**PDC COMMITTEE**

**AGENDA REPORT**

Meeting Date 4/05/01	To Bd. of Dir. 4/25/01
Item Number PDC01-24	Item Number 13(g)

Orange County Sanitation District

**FROM:** David Ludwin, Director of Engineering  
Originator: Jim Burror, Project Manager

**SUBJECT:** CLARIFIERS E AND G REHABILITATION PROJECT AT PLANT  
NO. 2, JOB NO. P2-85-1

**GENERAL MANAGER'S RECOMMENDATION**

Establish a budget of \$715,000 for the Clarifiers E and G Rehabilitation Project at Plant No. 2, Job No. P2-85-1.

**SUMMARY**

The Operations and Maintenance (O&M) Department has been proceeding with the Circular Clarifier Drive Replacement/Upgrade at Plant No. 2, Job No. P2-85. During Job No. P2-85's Project Development phase, two clarifiers were discovered with nearly continuous horizontal circumferential cracks in the concrete structure. The O&M Department investigated the cracking, and determined that corrosion and expansion in the reinforcing bars had cracked, lifted, and rotated the concrete walls.

These basins must be repaired prior to next winter to ensure reliable wet weather operations. The proposed fix includes the removal and replacement of the existing outer walls of Clarifiers E and G at an estimated cost of \$715,000.

**PROJECT/CONTRACT COST SUMMARY**

The total budget estimate for the Clarifiers E and G Rehabilitation Project at Plant No. 2, Job No. P2-85-1, is \$715,000. Authorization of \$5,000 for project development is being requested. See the attached Budget Information Table for more information.

**BUDGET IMPACT**

- This item has been budgeted.
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

The project is not currently budgeted. This budget request will allow for the rehabilitation of Clarifiers E and G at Plant No. 2. This budget request includes \$5,000 for project development, \$15,000 for Design staff, \$20,000 for a Consultant PSA, \$500,000 for a Construction Contract, \$25,000 for Construction Administration, \$50,000 for Construction Inspection, and \$100,000 for Project Contingencies. A budget breakdown is included in the attached Budget Information Table for this project.

## **ADDITIONAL INFORMATION**

### **Background**

Primary Clarifiers E and G were originally constructed in 1961 and 1963, respectively. The horizontal cracking was discovered in early 2000, and an investigation commenced in conjunction with Circular Clarifier Drive Replacement/Upgrade at Plant No. 2, Job No. P2-85.

The Operations and Maintenance (O&M) Department investigated several repair solutions, and determined that replacement of the deteriorating outer walls is the best alternative. This is because the reinforcing bars have been significantly corroded. The corrosion could be from the following: (1) Poor quality concrete that has allowed salt laden ocean air to seep into the concrete and corrode the reinforcing bars, (2) Imperfections or cracks in the concrete lining has allowed wastewater to seep into the concrete and corrode the reinforcing bars; or (3) A combination of both of the above.

Based on the O&M investigation, the walls will not last much longer. However, these clarifiers must be in service during high flow events caused by the rainy season from October to April. O&M's investigation did include an inspection and the preparation of an Engineer's Estimate by a Structural Engineer. The Engineer's Estimate for the project is \$500,000.

This project was considered for inclusion into two other projects, Job No. P2-85 or the future Primary Clarifier rehabilitation project. However, Job No. P2-85 is a mechanical equipment replacement project and the Contractor is the equipment manufacturer. Thus, this was ruled out because the Contractor does not have the expertise necessary for this construction project. The second option, inclusion into the scheduled rehab for the Plant No. 2 Primary Clarifiers, was also ruled out because the project has not been started, the project is not scheduled for two years, and the addition of other project elements will delay this project by 12 to 18 months.

### **Conclusion**

To complete this project by October and maintain the existing capacity of Plant No. 2, the project as described needs to be approved. The addition of other project elements will delay this project beyond the given window of opportunity. The project construction documents will be prepared and advertised for construction bidding with approval of this Agenda Report.

## **ALTERNATIVES**

The project could be delayed or cancelled; however, this could lead to the collapse of the clarifier walls and the reduction of Plant No. 2's treatment capacity.

## **CEQA FINDINGS**

This project is exempt from CEQA under section 15302. A Notice of Exemption will be filed at the County Clerk's Office.

## **ATTACHMENTS**

Budget Information Table

**PDC COMMITTEE**

**AGENDA REPORT**

Meeting Date 4/05/01	To Bd. of Dir. 4/25/01
Item Number PDC01-25	Item Number 13(h)

Orange County Sanitation District

**FROM:** David Ludwin, Director of Engineering  
Originator: Jim Herberg, Engineering Supervisor

**SUBJECT:** CAPITAL PROJECT MANAGEMENT PROCESS REINVENTION

**GENERAL MANAGER'S RECOMMENDATION**

Approve Addendum No. 2 to the Consulting Services Agreement with the Lewis Group to provide additional services related to the Capital Project Management Process, Phase 1 Report in the amount of \$18,969, for a total amount not to exceed \$115,886.

**SUMMARY**

In June 2000, the Engineering Department initiated an effort to improve project management and project delivery practices. This effort is referred to as the Capital Project Management Process (CPMP) Reinvention, and is planned as a three-phase project. Phase 1, assess present procedures, identifies the Orange County Sanitation District's (District) project management requirements, and develops specific recommendations for improvements.

These improvements include implementation of practices from the Project Management Institute *Project Management Body of Knowledge* (PMBOK) that have been found to be applicable to the District's projects. The Project Management Institute (PMI) is an international organization fostering professionalism and providing guidelines and education in the field of project management. These reinvented project management practices are intended to improve the timeliness, quality and cost for delivery of the District's \$1.5 Billion Capital Improvement Program.

Staff recommends awarding Addendum No. 2 to the Phase 1 contract with the Lewis Group in the amount of \$18,886. The Addendum is required to cover additional work necessary for developing recommendations and getting consensus on the concept of reinventing the structure and function of the Engineering Department. This level of effort was not included in the Lewis Group's original Scope of Services, and is a key component of reinventing our project delivery system.

**PROJECT/CONTRACT COST SUMMARY**

Please refer to the attached Consulting Services Agreement Status Report.

**BUDGET IMPACT**

- This item has been budgeted.
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

The proposed Addendum No. 2 increases the Consulting Services Agreement fee, not to exceed \$115,886. This effort is included in the Engineering Department Joint Operating budget. The budget includes a total of \$460,000 from FY2000/01 through FY2001/02 for Capital Project Management Process (CPMP) Reinvention. The estimated expenditure for Phase 1 in FY2000/01 is \$116,000, leaving \$344,000 to complete the project in FY2001/02.

### **ADDITIONAL INFORMATION**

With Phase 1 completed, a Scope of Work has been developed for Phase 2. Phase 2 of the CPMP Reinvention will develop an implementation plan for the 37 recommended improvements, including development of customized written guidelines for project management. Phase 3 will consist of implementation of the procedures developed in Phase 2, including a training program.

The Addendum to Phase 1, and the work required for Phase 2, were presented to the April PDC Committee. The PDC Committee recommended approval of Addendum No. 2 to the Phase 1 contract. However, the Committee requested that Consulting Services for Phase 2 be forwarded to the May meeting for further consideration.

### **ALTERNATIVES**

None.

### **CEQA FINDINGS**

Not Applicable

### **ATTACHMENTS**

1. Consulting Services Agreement Status Report
2. Consultant Proposal Letter for Addendum No. 2 for Phase 1 Services.

**BOARD OF DIRECTORS**

**AGENDA REPORT**

Meeting Date 04/11/01	To Bd. of Dir. 04/25/01
Item Number FAHR01-17	Item Number 14(c)

Orange County Sanitation District

**FROM:** Gary Streed, Director of Finance  
Originator: Michael White, Controller

**SUBJECT:** TREASURER’S REPORT FOR THE MONTH OF MARCH 2001

**GENERAL MANAGER'S RECOMMENDATION**

Receive and file Treasurer’s Report for the month of March 2001.

**SUMMARY**

Pacific Investment Management Co. (PIMCO), serves as the District’s professional external money manager, and Mellon Trust serves as the District’s third-party custodian bank for the investment program.

The District’s Investment Policy, adopted by the Board, includes reporting requirements as listed down the left most column of the attached PIMCO Monthly Report for the “Liquid Operating Monies” and for the “Long-Term Operating Monies” portfolios. The District’s external money manager is operating in compliance with the requirements of the District’s Investment Policy. The District’s portfolio contains no reverse repurchase agreements.

Historical cost and current market values are shown as estimated by both PIMCO and Mellon Trust. The District’s portfolios are priced to market (“mark-to-market”) as of the last day of each reporting period. The slight differences in value are related to minor variations in pricing assumptions by the valuation sources at the estimate date.

**PROJECT/CONTRACT COST SUMMARY**

None.

**BUDGET IMPACT**

- This item has been budgeted. (Line item: )
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

**ADDITIONAL INFORMATION**

Schedules are attached summarizing the detail for both the short-term and long-term investment portfolios for the reporting period. In addition, a consolidated report of posted investment portfolio transactions for the month is attached. The attached yield analysis report is presented as a monitoring and reporting enhancement. In this report, yield calculations based on book values and market values are shown for individual holdings, as well as for each portfolio. Mellon Trust, the District's custodian bank, is the source for these reports. Transactions that were pending settlement at month end may not be reflected.

These reports accurately reflect all District investments and are in compliance with California Government Code Section 53646 and the District's Investment Policy. Sufficient liquidity and anticipated revenues are available to meet budgeted expenditures for the next six months.

The table below details the book balances of the District's funds at month-end. A graphical representation of month-end balances is shown by the attached bar chart.

Funds/Accounts	Book Balances March 28, 2001	Estimated Yield (%)
State of Calif. LAIF	\$ 14,243,079	6.2
Union Bank Checking Account	382,954	N/A
Union Bank Overnight Repurchase Agreement	913,000	4.69
PIMCO – Short-term Portfolio	34,616,963	3.2
PIMCO - Long-term Portfolio	379,184,719	6.0
District 11 GO Bond Fund 921	1,761	5.8
Debt Service Reserves w/Trustees	35,633,622	5.5
Petty Cash	8,000	N/A
TOTAL	<u>\$464,984,098</u>	

**ALTERNATIVES**

None.

**CEQA FINDINGS**

None.

**ATTACHMENTS**

1. Monthly Investment Reports
2. Monthly Transaction Report

**FAHR COMMITTEE**  
**AGENDA REPORT**

Meeting Date 04/11/01	To Bd. of Dir. 04/25/01
Item Number FAHR01-20	Item Number 14(d)

Orange County Sanitation District

**FROM:** Lisa Tomko, Director of Human Resources and Employee Development  
Originator: Janet Gray, Human Resources Assistant

**SUBJECT:** CHANGES AND ADDITIONS TO HUMAN RESOURCES POLICIES AND PROCEDURES AS AUTHORIZED BY RESOLUTION 98-33.

**GENERAL MANAGER'S RECOMMENDATION**

Adopt Resolution No. OCSD 01-09, amending Resolution No. OCSD 98-33, Amending Human Resources and Policies Procedures Manual.

**SUMMARY**

The attached policies are routine updates or additions to maintain consistent language with the Memorandums of Understanding (MOU) and/or new legislation or to explain procedures more clearly.

Copies of all policies affected are attached. Additional language is highlighted in gray; deleted language is lined through.

**PROJECT/CONTRACT COST SUMMARY**

None

**BUDGET IMPACT**

- This item has been budgeted. (Line item: )
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

**ADDITIONAL INFORMATION**

<b>Policy Number And Subject</b>	<b>From</b>	<b>To</b>	<b>Reason For Change</b>
<b>B80.00 Employment of Former Employees</b>	Current Language	Revised Language	Procedural Revisions
<b>B150.00 Recruitment</b>		New Policy	Define Recruitment Procedures
<b>C10.00 Classification</b>	<i>Current Language</i>	<i>Delete Policy C10.00</i>	<i>Replaced with C10.10</i>
<b>C20.00 Compensation</b>	<i>Current Language</i>	<i>Delete Policy C20.00</i>	<i>Replaced with C10.10</i>
<b>C10.10 Classification and Compensation</b>		New Policy	Replaces C10.00 & C20.00 Combines and Revises Policies
<b>C150.00 Deferred</b>	Current	Revised	Inclusion of Investment



<b>Compensation</b>	Language	Language	Incentive Salary information
<i>D40.00 Conferral/Donation of Leave</i>	<i>Current Language</i>	<i>Delete Policy D40.00</i>	<i>Replaced with Policy D110.00</i>
<b>D110.00 Catastrophic Illness Leave Bank Program</b>		New Policy	Replaces Policy D40.00 to Provide for Leave Bank Program

**ALTERNATIVES**

N/A

**CEQA FINDINGS****N/A****ATTACHMENTS**

1. B80.00 – Employment of Former Employees
2. B150.00 – Recruitment
3. C10.10 - Classification and Compensation
4. C150.00 - Deferred Compensation
5. D110.00 - Catastrophic Illness Leave Bank Program

## **FAHR COMMITTEE**

### **AGENDA REPORT**

Meeting Date 4/11/01	To Bd. of Dir. 4/25/01
Item Number FAHR01-21	Item Number 14(e)

Orange County Sanitation District

**FROM:** Blake P. Anderson, General Manager  
Originator: Gary G. Streed, Director of Finance

**SUBJECT:** CONSIDERATION OF 2001-02 BUDGET ALLOCATION AND  
DELEGATION OF DISCRETIONARY AUTHORITY TO THE FAHR  
COMMITTEE FOR INITIATION OF FORENSIC AUDITS

#### **GENERAL MANAGER'S RECOMMENDATION**

Approve 2001-02 Budget Allocation and Delegation of Discretionary Authority to the FAHR Committee for Initiation of Forensic Audits or other investigations if determined by the FAHR Committee as necessary in an amount not to exceed \$30,000.

#### **SUMMARY**

The FAHR Committee approved staff's recommendation for a five-year contract with Moreland & Associates to provide independent financial audit services. The staff recommendation was made after RFPs were mailed, proposals were reviewed and interviews were held with other auditing firms. The independent auditor attends the FAHR Committee meeting each year to deliver the audit report and to answer any questions that the Directors may have. The 1999-2000 audit report and Comprehensive Annual Financial Report (CAFR) were approved by the Committee and the Board in November 2000.

At the March FAHR Committee meeting Director Gullixson asked to have an item put on the next agenda so that he could initiate a discussion of audit services, auditor providers, relationships with staff and Directors, and the advisability of providing the FAHR Committee authority and funds to initiate forensic audits.

#### **PROJECT/CONTRACT COST SUMMARY**

The financial statement audit for 1999-00, performed by Moreland & Associates, cost \$42,600 and required 827.5 hours of auditor services. The contract contains extension provisions for two additional years with fee increases of four percent each year to cover increased costs.

Director Gullixson has suggested that between \$10,000 and \$30,000 be added to the 2001-02 budget to allow the FAHR Committee to initiate forensic audits or other investigations as they determine necessary.

## **BUDGET IMPACT**

- This item has been budgeted. (Line item:            )
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

## **ADDITIONAL INFORMATION**

Auditing plays a critical role in public finance. Indeed, auditing is essential to the credibility of accounting and financial reporting by state and local governments. Yet, despite the undeniable importance of auditing, it is not always well understood by many outside the auditing profession.

Generally, there are four categories of audits in the public sector:

- Financial Statement Audits are designed to provide users of financial statements with assurance concerning their reliability. This is the type of audit that Moreland & Associates prepares.
- Economy and Efficiency Audits are generally conducted to determine if governments are performing their duties in the most economical and efficient manner possible. These audits are also commonly called "performance audits" or "operational audits" and are similar to the Finance Department review work provided by Ernst & Young in 1995 and DMG-Maximus in 1999.
- Program Results Audits are designed to establish whether specific government programs are meeting their stated goals and objectives.
- Forensic Audits are usually performed after malfeasance has been detected and are set up to determine what controls failed, who was involved and the full extent of the losses. Forensic Audits can be performed prior to any indication of malfeasance by focusing on those portions of an operation that appear to have the greatest exposure to loss or opportunity for malfeasance.

Management is responsible for protecting the District's assets and for ensuring the integrity, accuracy and comprehensiveness of the books and financial reports. The policies and procedures established by staff to meet these goals, as well as the overall "control environment" at the District, make up our internal control structure. The independent financial auditors are required to report to the FAHR Committee on the adequacy of our internal controls each year.

Examples of good internal controls include segregation of duties, where no one person is in a position to both commit and to conceal an irregularity, controlled access to assets and records, use of pre-numbered documents and independent checks of performance, like bank reconciliations and physical inventories.

Independent financial auditors test our internal control structure and operation each audit. An important advantage of a sound internal control structure, such as the District's, is that it can reduce the amount of transaction testing that the auditor must perform, thereby reducing the audit cost or increasing the scope of services. For example, if there were poor internal controls in the accounts receivable area, the auditor would need to perform extensive tests of receivable balances and accounts to support an opinion. These tests would take time that could be devoted to other areas or would simply increase the cost of the audit. Generally accepted

auditing standards require that auditors make management aware of any significant deficiencies in internal controls.

Director Gullixson has expressed his concerns that oftentimes financial statement auditors, who must work closely with staff, can forget that they are employed by the Board of Directors and not by staff or the General Manager. It has been his experience that there is often not enough interaction between the auditor and the governing board, including the board's involvement in the selection and hiring process, providing work direction to the auditor regarding their approach to the audit and receiving candid and complete reports from the auditor.

While staff doesn't necessarily agree with the concern caused by this working relationship, we do absolutely agree with the value of a completely neutral party conducting a Forensic Audit of any portion of our systems. For this reason, staff supports the suggestion of Director Gullixson and recommends up to a \$30,000 contingency budget for conducting such an audit. Staff further recommends that the FAHR Committee appoint a subcommittee to develop the scope and schedule of such an audit and the procedures necessary for the FAHR Committee to hire, direct and monitor the auditor independent of staff, should the Committee desire such an audit.

### **ALTERNATIVES**

Continue the current financial statement audit practice and not authorize this additional expense and delegation of authority. If this alternative is selected, then staff recommends that the auditor attend a FAHR Committee meeting at the start of the audit to hear any concerns of the Directors and to reinforce the reporting relationship.

### **CEQA FINDINGS**

N/A

### **ATTACHMENTS**

None.

## BOARD OF DIRECTORS

### AGENDA REPORT

Meeting Date 04/11/01	To Bd. of Dir. 4/25/01
Item Number FAHR01-22	Item Number 14(f)

Orange County Sanitation District

**FROM:** Blake Anderson, General Manager  
Originator: Lisa Tomko, Director Human Resources & Employee Development

**SUBJECT:** At-Will Employment Agreements for the Executive Management Team

#### GENERAL MANAGER'S RECOMMENDATION

Approve an At-Will Employment Policy for the Executive Management Team

#### SUMMARY

In 1995, Don McIntyre was the first employee hired on an at-will basis at the Orange County Sanitation District. Since that time, all newly appointed or newly promoted members of the Executive Management Team (EMT) have entered into at-will employment agreements, as authorized by Policy C10.00.

At the present time, the General Manager is authorized to enter into at-will employment agreements with new members of the EMT. He is authorized to negotiate only salary, provided the salary does not exceed the top of the approved range for the EMT position in question. Currently benefits for all EMT members such as accumulated vacation, sick leave, etc., are governed by policies within the Board-adopted Human Resources Policies and Procedures Manual.

The employment relationship with at-will employees is different from that of a regular exempt or non-exempt employee. Specifically, at-will employees serve at the pleasure of the General Manager; they possess reduced job security, as there is no requirement for progressive discipline procedures. Because these employees assume additional risk, there is an expectation to negotiate the terms of an at-will employment agreement.

The General Manager requests the authorization to enter into at-will employment agreements with each member of the EMT, allowing the General Manager to negotiate salary and benefit packages within the guidelines listed in the attached policy. These proposed guidelines, in summary, would be:

- Salary must be negotiated within the approved salary range identified for the position.
- Severance packages will not exceed 6 months salary.
- Benefits may differ from those offered to other employees; however, the total benefits package offered to each EMT member (e.g. medical, dental, vision coverage, retirement, LTD, STD, vacation leave, sick leave, etc.) will not exceed (in value) 37% of the incumbent's cash compensation (salary plus any applicable non-base building merit increase). This 37% value of all benefits to cash compensation rate is a fair value based on the current benefit value of EMT members and the market. See attachment 2.
- The value of the total compensation package will be evaluated annually against the market. Adjustments will be considered where market comparisons and other factors indicate they

would be appropriate, and after results are first reported to the Finance, Administration and Human Resources Committee. Market would be determined through the use of the annual Executive Management Compensation and Benefits Survey.

- Approval of each employment agreement by General Counsel (as to form).

Four of eight members of the EMT are currently not participating in the at-will program due to various circumstances. The additional flexibility requested herein should provide sufficient incentive to get all members of the EMT on an at-will program. This additional flexibility will allow the General Manager to implement a consistent compensation program for all EMT members, as well as provide a powerful managerial tool to effectively manage his direct reports.

It is necessary to modify a bargaining unit for the classification of Assistant to the General Manager effective July 1, 2001. This classification is currently in the Professional bargaining unit. As a direct report of the General Manager and based on the nature of the work performed, the General Manager recommends that this classification should be moved to the Executive Management Team group. This change, effective July 1, 2001 is consistent with the provisions of the Employer –Employee Relations Resolution 99-24. See attachment 3.

### **PROJECT/CONTRACT COST SUMMARY**

Additional cost of EMT benefit compensation packages for FY01/02 compared to present EMT benefit compensation packages is small, approximately \$72,000. Increased costs will be incurred related to minimal additional vacation time, increased sick-leave payouts, etc.

### **BUDGET IMPACT**

- This item has been budgeted. (Line item:            )
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

Budget impact should be negligible in comparison to existing EMT compensation packages.

### **ADDITIONAL INFORMATION**

N/A

### **ALTERNATIVES**

1. Require individual at-will employment agreements be approved by the Board of Directors.
2. Establish more stringent guidelines for at-will employment agreements than proposed in the attached policy.

### **CEQA FINDINGS**

N/A

### **ATTACHMENTS**

1. Proposed at-will policy for EMT members.
2. Benefit Rate Value chart.
3. Human Resources Policy and Procedure C10.00, Exhibit A, Salary Schedule.

**BOARD OF DIRECTORS**

**AGENDA REPORT**

Meeting Date	To. Brd. 4/25/01
Item Number	Item Number 16

Orange County Sanitation District

**FROM:** Bob Ooten, Director of Operations and Maintenance  
Originator: Mark Esquer, Process Engineering

**SUBJECT:** PURCHASE OF NATURAL GAS, SPECIFICATION NO. C2001-38-BD

**GENERAL MANAGER'S RECOMMENDATION**

(a) Authorize the General Manager to negotiate terms and conditions for a renewal of the contract with BP Energy Company, Specification No. 9900-28, at the floating Southern California Border price plus marketers premium, with provisions for four one-year extensions, for an estimated annual amount not to exceed \$3,900,000;

- or -

(b) Authorize the General Manager to solicit proposals, negotiate, and award a new contract for the Purchase of Natural Gas, Specification No. C2001-38-BD, at the floating Southern California Border price plus marketers premium, with provisions for four one-year extensions effective August 1, 2001 per, for an estimated annual amount not to exceed \$3,900,000; and,

(c) Authorize the Director of Finance, if market conditions are favorable, to negotiate fixed prices under the new or renewed natural gas contract, before the effective date of the contract and during the duration of the contract, without further Board authorization.

**SUMMARY**

The volatile nature of the natural gas market requires quick negotiations and agreements between buyer and sellers. To permit staff to negotiate natural gas contract renewals, new contract awards and respond to opportunities for fixing pricing the General Manager needs the authority from the Board to immediately act on staff recommendations regarding contract negotiations and fix price opportunities. By having this ability, staff will be able to reduce costs. Staff has experience in procuring this commodity and a good history of savings. Staff has fixed prices twice in the last six months, saving the District over \$500,000.

The natural gas markets have seen an unprecedented increase in unit prices starting last spring. The average market price for gas at the California border has increased over 530%. The District historically paid about \$3 per unit of gas purchased. Current costs are over \$16.00 per unit. Because the market has become very volatile, the risks to the gas marketers who buy and sell on a continuous basis have increased. The marketers can now only make offers that are valid for a few minutes to a few hours, requiring quick actions by customers to negotiate contracts and take advantage of market opportunities for fixed pricing. Staff is recommending negotiating terms and conditions for a contract extension with the current vendor. This vendor has been responsive and has provided market timing assistance that has helped the District. Staff will issue a Request for Proposals if the negotiations with the current vendor are not successful.

Additional discussion of the gas market and the District's plans for minimizing costs and risks is provided in the Additional Information section of this Item.

### **PROJECT/CONTRACT COST SUMMARY**

The budget for this item is being proposed under the Fiscal year 2001/02 District Operating budget. Once the Board takes action on said document; the purchase of natural gas for next fiscal year will be funded.

### **BUDGET IMPACT**

- This item has been budgeted. (Line item:            )
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

### **ADDITIONAL INFORMATION**

Natural gas is primarily used in the Central Generation facilities at both plants to produce the electricity needed for the wastewater treatment facilities. The gas is obtained through a contract with a natural gas marketer who procures the gas and arranges for its transportation to the California border. The Southern California Gas Company transports the gas from the border to our plants.

The natural gas markets have seen an unprecedented increase in unit prices starting last spring. The average market price for gas at the California border has increased over 530%. The District historically paid about \$3 per unit of gas purchased. Current costs are over \$14.75 per unit which is made up of the cost of the gas itself, the cost of transportation and the marketer's markup (premium). Because the market has become very volatile, the risk to the gas marketers who buy and sell on a continuous basis has increased. Due to the increased risk, the premium charged above the market price in the last nine months has ranged from \$0.0075 to \$1.15 per unit of natural gas. Under the existing contract the premium is fixed at \$0.0075 per unit. This premium is paid to marketers for handling the management, administration, and risk associated with procuring and transporting natural gas to the California border

The Director of Finance currently has Board approval to direct the gas marketer to lock-in future prices. Staff has used this ability twice in the last 6 months once in the December through February period and now for the April through July period. The net effect of these actions has saved the District an estimated \$500,000.

As a result of the market volatility, marketers cannot guarantee price offers for more than a few minutes to a few hours. With the flexibility to act quickly in order to take advantage of market opportunities, staff can secure exceptionally good prices.

The contract with our existing gas provider, BP Energy Company, expires on July 31, 2001. The contract allows a negotiated renewal but because of the market volatility BP cannot offer the same terms. Staff requests the authority to negotiate contract renewal terms with BP and take advantage of the rapidly changing market prices. If unsuccessful, staff will issue a Request for Proposals to select a new marketer for the next year.



The State of California has developed a speedy price negotiation process. After an evaluation of written proposals, selected proposers will fax their bids to the District at a prescribed day and time; the District will review the bids and make an award within 45 minutes. The use of their procedure will require delegation of the Board's approval authority to staff.

Staff requests the authority to negotiate and sign a contract before August 1, 2001 and lock-in future prices, if attractive.

With some significant action by the federal government, the gas markets could become less volatile in the next few months allowing the existing marketer to be able to offer a contract renewal at the existing favorable terms. If it happens, the District will have a very short time to act on the offer. The General Manager will need the authority to negotiate the renewal if the marketplace provides the opportunity.

### **ALTERNATIVES**

1. Purchase natural gas from the Gas Company. This alternative has traditionally been more expensive than purchasing natural gas from a marketer.
2. Bid the contract in the normal manner and select the successful bidder based on their estimated pricing. The bidder will dictate the price when the contract is signed and the District will lose the control and leverage that a quickly executed negotiation will provide.

### **CEQA FINDINGS**

None Required

### **ATTACHMENTS**

None

## BOARD OF DIRECTORS

### AGENDA REPORT

Meeting Date	To Bd. of Dir. 4-25-01
Item Number	Item Number 17

Orange County Sanitation District

**FROM:** David Ludwin, Director of Engineering  
Originator: Jim Mullins, Engineer

**SUBJECT:** STANDBY POWER AND RELIABILITY IMPROVEMENTS TO TREATMENT  
PLANT NOS. 1 AND 2, JOB NO. J-33-1A

#### **GENERAL MANAGER'S RECOMMENDATION**

(1) Approve Addenda Nos. 1, 2, and 3 to the plans and specifications for Standby Power and Reliability Improvements to Treatment Plant Nos. 1 and 2, Job No. J-33-1A, on file at the office of the Board Secretary; (2) Receive and file bid tabulation and recommendation; and (3) Award a contract to Southern Contracting Company for Standby Power and Reliability Improvements to Treatment Plant Nos. 1 and 2, Job No. J-33-1A, for an amount not to exceed \$6,329,000.

#### **SUMMARY**

Job No. J-33-1A is being implemented to upgrade or replace many existing electrical equipment items at both treatment plants, which were determined to be deficient by prior electrical studies.

The plans and specifications for Standby Power and Reliability Improvements to Treatment Plant Nos. 1 and 2 were completed in October 2000. SPEC Services, Inc. performed the design.

The plans and specs were bid on March 15, 2001. Summary information on the budget and bids is as follows:

Project Budget	\$19,856,058
Construction Budget	\$13,703,000
Engineer's Estimate	\$11,850,000
Low Responsible Bid	\$ 6,329,000
High Bid	\$ 9,320,100
Number of Bids	7

The Engineer's Estimate is higher than all bids received due to (1) a reduction in work scope of \$1,954,000 due to overlap with other projects and (2) cost factors totaling \$2,771,000 to cover variations in field conditions and contractor contingencies. When these figures are deducted from the Engineer's Estimate of \$11,850,000, the result is \$7,125,000, a price only slightly higher than the second lowest bid of the seven submitted.

#### **PROJECT/CONTRACT COST SUMMARY**

Authorization is being requested for \$6,329,000 in construction contract funds. Authorization is also being requested for \$300,000 for construction administration as indicated in the attached Budget Information Table.

### **BUDGET IMPACT**

- This item has been budgeted. \* (Line item: 2000/01 Budget, Section 8 – Page 97)
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

\* The project budget was increased by the Board of Directors at the December 2000 Board Meeting (Item Number 13(g))

### **ADDITIONAL INFORMATION**

The design contract for the overall J-33-1 project was awarded to SPEC Services, Inc., in September 1998.

The scope of the project includes the installation of additional standby generators and replacement of deteriorated and underrated electrical equipment such as main 12,000 Volt Switchgear lineups, 480 Volt Switchgear and Motor Control Centers (MCC's), Uninterruptible Power Systems (UPS's). Wherever possible, new equipment has been designed to route power through at least two pathways to increase the reliability of power to downstream processes.

The existing equipment items being replaced in this project have been specifically targeted for replacement by previous electrical studies. These items represent less than half of the overall plant power distribution systems. Job No. J-25-4, Electrical Power Studies, is in the process of evaluating the remaining parts of the distribution systems that need attention less urgently.

Staff decided early in 1999, to accelerate completion of one scope item, the Plant No. 2 Headworks Standby Power Facility, in order to be prepared for possible Y2K related power outages. The construction contract for that facility was designated Job No. J-33-1. After completing the design of that portion, SPEC Services, Inc., continued design on the remaining scope items of the project, completing in October 2000.

The construction contract for the remaining work has been designated as Job No. J-33-1A to distinguish it from the first construction contract.

The remaining construction work will involve many parts of the power systems of both treatment plants, especially Plant No. 2. Construction outages must be carefully phased to keep disruptions of plant processes to a minimum. In addition, outages will not be permitted during rainy weather. At least two years are necessary for the construction contract to allow for this phasing of the work.

The Engineer's estimate is higher than all bids received for the following reasons:

1. The original Scope of Work for Job No. J-33-1A included replacement of Main Sewage Pump (MSP) variable frequency drives at Plant 1 Headworks No. 2 and at Plant 2 Headworks "C". However, during the bid process, staff determined that Headworks upgrade projects P1-71 and P2-66 will require larger drives than those presently being used. Consequently, MSP drive replacements were deleted from the work scope in Bid Addendum No. 3. The Engineer's Estimate was not subsequently reduced in the Addendum. The estimated cost for these replacements is \$1,954,000.

2. Most of the work scope of Job No. J-33-1A involves replacement of existing operating electrical equipment under field conditions of varying difficulty. Accordingly, the Engineer's Estimate includes overall factors of 20% to allow for variations in field conditions and 10% for contractor contingency. However, these factors are variables governed by the aggressiveness of the respective bidders. The lumping of these two factors together represents an estimated cost of \$2,771,000.

When the costs of (1) and (2) above are deducted from the Engineer's Estimate of \$11,850,000, the result is \$7,125,000, a price only slightly higher than the second lowest bid of the seven submitted.

### **ALTERNATIVES**

No cost-effective alternatives are proposed because the recommendation is to award the contract to the lowest responsible bidder.

### **CEQA FINDINGS**

This project is included in the Strategic Plan EIR, certified on October 27, 1999. A Notice of Determination was filed on October 29, 1999.

### **ATTACHMENTS**

1. Budget Information Table
2. Bid Tabulation and Recommendation
3. Bid Summary

## **BOARD OF DIRECTORS**

### **AGENDA REPORT**

Meeting Date	To Bd. of Dir. 04/25/01
Item Number	Item Number 18

Orange County Sanitation District

**FROM:** David Ludwin, Director of Engineering  
Originator: Jim Herberg, Engineering Supervisor

**SUBJECT:** AGREEMENT FOR PARTICIPATING IN MUNICIPAL WATER DISTRICT OF ORANGE COUNTY WATER USE EFFICIENCY PROGRAM, WATER CONSERVATION, JOB NO. J-72

#### **GENERAL MANAGER'S RECOMMENDATION**

Approve Amendment No. 1 to the Letter Agreement dated September 22, 1999 with Municipal Water District of Orange County (MWDOC) for a multi-agency Water Use Efficiency Program, authorizing an increase in the annual funding of \$41,250 for years two through five of the program, increasing the total annual amount to \$866,250, and a total project amount not to exceed \$4,275,863.

#### **SUMMARY**

In October 1999, the Orange County Sanitation District (District) entered into a 5-year agreement with the Municipal Water District of Orange County (MWDOC) for a multi-agency Water Use Efficiency Program to implement a Project to distribute Ultra-Low Flush Toilets (ULFT's) to single and multi family participants which reside within the District's service area.

In February 2001, MWDOC reported that CTSI, the vendor responsible for distributing the ULFTs was experiencing financial difficulty, which compromised CTSI's ability to satisfactorily implement the program. Without additional financial support to CTSI, and a decline in program services, MWDOC on behalf of the funding partners proceeded with the selection of a new consultant through the Request for Proposal (RFP) process.

Based on the proposals received, United Conservation Management (UCM) was selected as the best firm among the four submitting proposals. To award the contract to UCM, and continue the implementation of the ULFT Program, additional funding has been requested from the funding partners.

Under the District's current agreement with MWDOC, the District contributes \$15 per toilet. The current program targets 55,000 retrofits per year for a total of 275,000 retrofits over a 5-year period. During the first 18 months of program implementation, a total of 73,850 toilets have been retrofitted, which represents 27% of the 5-year goal. The flow reduction to the District from these retrofits to date is estimated to be approximately 2 million gallons per day (mgd), with an annual savings of \$233,000.

MWDOC is requesting that the District provide an additional \$0.75 per toilet, for a total contribution of \$15.75 per ULFT retrofit. The annual increased contribution to the District is \$ 41,250 for a contribution not to exceed \$866,250 (\$15.75 x 55,000 retrofits) per year through June 30, 2004. The total project budget for Job No. J-72, Water Conservation, remains unchanged at \$4,644,000.

**PROJECT/CONTRACT COST SUMMARY**

Please refer to the attached Letter Agreement Status Report

**BUDGET IMPACT**

- This item has been budgeted. (Line item:            )
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

Under the Orange County Sanitation District's (District) current agreement with Municipal Water District of Orange County (MWDOC), the District contributes \$15 per toilet for 55,000 retrofits at \$825,000 per year. A total of 275,000 retrofits are to be distributed over a 5-year period for a total amount of \$4,125,000.

Based on the revised MWDOC Agreement, the funding amount will be increased by from \$4,125,000 to \$ 4,275,863, a cost difference of \$150,863 to the overall program.

**TABLE A  
Cost Comparison of Proposed vs. Existing ULFT Program**

<b>Budget Amount for Job No. J-72, Water Conservation</b>		
\$4,644,000	Total budget amount for Job No. J-72, Water Conservation	
-		
<u>\$1,107,750</u>	Cost incurred to date on the ULFT Program	
\$3,536,250	Remaining budget amount	

<b>Cost Difference of Proposed vs. Existing ULFT Program</b>		
\$4,275,863	Amount required for Proposed ULFT Program	
-		
<u>\$4,125,000</u>	Amount allocated to Existing Agreement	
<b>\$ 150,863</b>	Cost difference to be paid by the District for overall program	

<b>Breakdown of Cost to Support Revised Agreement</b>		
\$3,168,113	Cost to support the remaining three and one-half years of the agreement at \$15.75 per retrofit	(201,150 retrofits x 15.75)
+		
<u>\$1,107,750</u>	Amount spent to date on ULFT Program	(\$73,850 retrofits distributed x 15.00)
\$4,275,863	Total amount required to support the revised ULFT Program	

<b>Breakdown of Cost of Existing Agreement</b>		
\$4,125,000	Amount of funds allocated to the ULFT Program based on 5-year agreement	(275,000 retrofits over 5-years x 15.00)
-		
<u>\$1,107,750</u>	Amount spent to date on ULFT Program	(\$73,850 retrofits distributed x 15.00)
\$3,017,250	Remaining amount of agreement	(201,150 retrofits x 15.00) or (191, 570 retrofits x 15.75) which would result in fewer benefits in flow reduction

## **ADDITIONAL INFORMATION**

A Consultant Selection Committee, comprised of the following eight agency representatives, was formed to evaluate proposals for distribution of ULFTs:

- El Toro Water District
- Inland Empire Utility Agency
- Mesa Consolidated Water District
- Municipal Water District of Orange County
- Metropolitan Water District of Southern California
- Orange County Sanitation District
- Santa Margarita Water District

Four proposals were received by MWDOC and evaluated by the selection committee from: (1) Advance, (2) CTSI Corporation / Southwest Water Company, (3) Honeywell DMC; and (4) UCM.

The ULFT distribution program is jointly funded by Metropolitan Water District of Southern California (MWD), MWDOC, Orange County Water District (OCWD), and the Orange County Sanitation District (District). The District only pays contributions for toilets installed in our service area. Based on the competitive market for ULFT and the need to maintain the current multi-agency agreement, an increase in funding is required for the ULFT Program.

The amount of additional funding required by the two best firms, ranged between \$1.50 and \$6.75 per toilet (refer to Attachment A), an annual increase range of \$82,500 to \$371,250 in program funding to be shared equally by OCWD and the District, depending on the vendor selected (CTSI/Southwest Water Company or UCM). Based on discussions with MWDOC, OCWD, and the District's ability to support the additional funding, it was recommended that UCM be awarded the contract, since UCM provided the lowest cost per Ultra-Low Flush Toilet (ULFT).

The District's 1999 Strategic Plan Water Conservation Study showed that the District can experience significant savings in Capital and Operations & Maintenance costs through water conservation programs, such as the District's participation with MWDOC in the ULFT Program. By 2020, the District's water conservation efforts are anticipated to result in an estimated influent flow reduction of 13 million gallons per day.

## **ALTERNATIVES**

If the District does not approve the additional funding, an amendment to the MWDOC Agreement would still be required. The amendment would be necessary to reflect a reduction in the amount of ULFT's distributed throughout the District's service area. As a result of the ULFT reduction, the District would anticipate fewer benefits from flow reduction.

## **CEQA FINDINGS**

None.

## **ATTACHMENTS**

1. Letter Agreement Status Report
2. ULFT Toilet Program Cost Comparison (Attachment A)

**BOARD OF DIRECTORS**

**AGENDA REPORT**

Meeting Date	To Bd. of Dir. 04/25/01
Item Number	Item Number 8

Orange County Sanitation District

**FROM:** Gary Streed, Director of Finance  
Originator: Lenora Crane, Administrative Assistant

**SUBJECT:** PAYMENT OF CLAIMS OF THE ORANGE COUNTY SANITATION DISTRICT

**GENERAL MANAGER'S RECOMMENDATION**

Ratify Payment of Claims of the District by Roll Call Vote.

**SUMMARY**

See attached listing.

**PROJECT/CONTRACT COST SUMMARY**

N/A

**BUDGET IMPACT**

- This item has been budgeted. (Line item: N/A)
- This item has been budgeted, but there are insufficient funds.
- This item has not been budgeted.
- Not applicable (information item)

**ADDITIONAL INFORMATION**

None.

**ALTERNATIVES**

N/A

**CEQA FINDINGS**

N/A

**ATTACHMENTS**

1. Copies of Claims Paid reports from 03/01/01 - 03/15/01 and 03/16/01 - 03/31/01