

# **Orange County Sanitation District**

## **MINUTES BOARD MEETING June 27, 2001**



**ADMINISTRATIVE OFFICES  
10844 ELLIS AVENUE  
FOUNTAIN VALLEY, CALIFORNIA 92708-7018**

**ROLL CALL**

A regular meeting of the Board of Directors of the Orange County Sanitation District, was held on June 27, 2001, at 7:00 p.m., in the District's Administrative Offices. Following the Pledge of Allegiance and invocation the roll was called and the Secretary reported a quorum present as follows:

**ACTIVE DIRECTORS**

**ALTERNATE DIRECTORS**

X	Norman Z. Eckenrode, Chair	Constance Underhill
X	Peter Green, Vice Chair	Dave Garofalo
X	Steve Anderson	Steve Simonian
X	Don Bankhead	Jan Flory
X	Shawn Boyd	John Larson
X	Brian Brady	Darryl Miller
X	Guy Carrozzo	Larry Crandall
A	Brian Donahue	Bill Estrada
X	James M. Ferryman	Arlene Schafer
X	John M. Gullixson	Michael Duvall
X	Alice B. Jempsa	Arthur DeBolt
X	Tony Kawashima	Tracy Worley
X	Beth Krom	Mike Ward
X	Mark Leyes	Bruce Broadwater
X	Shirley McCracken	Tom Daly
X	Pat McGuigan	Alberta Christy
X	Roy Moore	Marty Simonoff
X	Mark A. Murphy	Joanne Coontz
X	Joy Neugebauer	Grace Epperson
A	Russell Patterson	Richard A. Freschi
X	Anna L. Piercy	Tim Keenan
X	Tod Ridgeway	Gary Adams
X	Jerry Sigler	Jim Dow
X	Jim Silva	Chuck Smith
X	Paul Walker	Kenneth Blake

**STAFF MEMBERS PRESENT:** Blake Anderson, General Manager; Penny Kyle, Board Secretary; Bob Ghirelli; Lisa Lawson; Dave Ludwin; Bob Ooten; Gary Streed; Rob Thompson; Jean Tappan; Kevin Hadden; Fred O'Brien; Mike Moore; Mike McCarthy; Paula Zeller;

**OTHERS PRESENT:** Thomas L. Woodruff, General Counsel; Don Hughes; Michelle Tuchman; Joey Racano; Irwin Haydock; Jan Vandersloot; Larry Porter; Eileen Murphy; Don Schulz; Paul Arms; Doug Korthof; Greg Woodside; Thomas Green; Robin Rustan; Curtis Zavodny; Steve Kraynak; Margene Turk; Dennis Baker; Graham Juby; Don Slaven; Kris Hardoma; Eric Hardoma; Mark Portier

MOVED, SECONDED AND DULY CARRIED: Receive and file minute excerpts from the following re appointment of active and alternate Directors, as follows: (\*Mayor)

<u>City/Agency</u>	<u>Active Director</u>	<u>Alternate Director</u>
Seal Beach	Shawn Boyd	John H. Larson

#### ELECTION OF CHAIR

General Counsel Thomas L. Woodruff briefly reviewed the provisions of the District's Rules of Procedure relating to nomination and election of the Chair and Vice Chair.

This being the annual meeting fixed by the Board at which elections are held for the office of Chair of the Orange County Sanitation District, Counsel then declared the nominations open. Director Norm Eckenrode was nominated as a candidate for the office of Chair of the Orange County Sanitation District at the May Board meeting. There being no other nominations, a motion was made, seconded and duly adopted to close nominations. A motion was then duly made, seconded and adopted to cast the unanimous ballot for Director Norm Eckenrode as the Chair of the Orange County Sanitation District.

#### ELECTION OF VICE CHAIR

It was announced that the election of the Vice Chair of the Orange County Sanitation District was in order. Nominations were then called for the post, whereupon Director Peter Green was nominated. There being no other nominations, a motion was made, seconded and duly adopted to close nominations. A motion was then duly made, seconded and adopted to cast the unanimous ballot for Director Peter Green as the Vice Chair of the Orange County Sanitation District.

#### PUBLIC COMMENTS

The following persons spoke about ocean discharge issues and expressed their opposition to the waiver: Doug Korthof; Paul Arms; Joey Racano; Jan Vandersloot; Dennis Baker; Larry Porter; Robin Rustin; Eileen Murphy.

#### REPORT OF THE CHAIR

Chair Eckenrode announced that the next workshop was scheduled for Saturday, July 14, from 8:00 a.m. to 12:00 noon. Discussions will be centered on the District's ocean monitoring program, the standards that must be achieved, permitting issues, and sewage treatment technology.

A service award was then presented to employee Jim Elo for 30 years of service to the District.

#### REPORT OF THE GENERAL MANAGER

Blake Anderson reported that in June the Orange County Grand Jury released a report on urban runoff entitled "Ready, Fire, Aim". Staff considers the report as an impartial view of providing some constructive suggestions on where to go next on managing urban runoff. The report notes the dry weather urban runoff diversion policy that the District adopted last year, as well as public education related to water quality. The Grand Jury has asked that the District respond by September 20, 2001 to the recommendations contained within the report.

Directors entered into discussions regarding coordinated efforts for the oversight of countywide watershed and urban runoff issues. Chair Eckenrode then appointed Directors Peter Green, Don Bankhead, Shawn Boyd, Tod Ridgeway, Paul Walker, and Jim Silva or a senior member of the County of Orange staff to an urban runoff subcommittee to discuss the issues and report back to the Steering Committee with their recommendations. Director Bankhead requested that staff ask the Grand Jury to send a letter of request to Sacramento requesting funding for urban runoff issues.

The General Manager then recognized Bob Ghirelli, Director of Technical Services, who gave a video and slide presentation on the recent ocean outfall sampling testing.

#### REPORT OF THE GENERAL COUNSEL

General Counsel Thomas L. Woodruff referred to a memo included in the Directors' agenda package that detailed the closing of the 11-year Montrose litigation for contamination of the pacific shoreline off Los Angeles and in Santa Monica Bay.

#### APPROVAL OF MINUTES

The Chair ordered that the minutes of the regular meeting held May 26, 2001 be deemed approved, as mailed.

#### RATIFICATION OF PAYMENT OF CLAIMS

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

<u>ALL DISTRICTS</u>	<u>05/15/01</u>	<u>05/31/01</u>
Totals	\$5,433,648.98	\$5,341,596.63

Director Leyes abstained on warrant numbers 35729 and 35816.

#### CONSENT CALENDAR

10. a. MOVED, SECONDED AND DULY CARRIED: Adopt Resolution No. OCSD 01-11, Establishing the Annual Appropriations Limit for Fiscal Year 2001-02 for the District in accordance with the Provisions of Division 9 of Title 1 of the California Government Code.
- b. MOVED, SECONDED AND DULY CARRIED: (1) Approve plans and specifications for Purchasing Conference Room at Plant No. 1, Job No. SP2000-59 on file at the office of the Board Secretary; (2) Receive and file bid tabulation and recommendation; and (3) Award a contract to Punchlist Contractors for the Purchasing Conference Room at Plant No. 1, Job No. SP2000-59, for an amount not to exceed \$108,400.

- c. **MOVED, SECONDED AND DULY CARRIED:** Approve Reimbursement Agreement with the City of Newport Beach in connection with Replacement of Back Bay Trunk Sewer, Contract No. 5-46, providing for the City of Newport Beach to reimburse the District for an estimated amount of \$120,000 for city street improvements in a form approved by General Counsel.
- d. **MOVED, SECONDED AND DULY CARRIED:** Approve Construction License Agreement with Newport Dunes for Replacement of Back Bay Trunk Sewer, Contract No. 5-46, for \$5,000 plus liquidated damages if applicable in a form approved by General Counsel.

### **NON-CONSENT CALENDAR**

12. **DRAFT STEERING COMMITTEE MINUTES:** A verbal report was presented by Director Eckenrode, Chair of the Steering Committee, re the June 27, 2001 meeting.

The Chair ordered the draft Steering Committee Minutes for the meeting held on May 23, 2001 to be filed.

13. **DRAFT OPERATIONS, MAINTENANCE AND TECHNICAL SERVICES COMMITTEE MINUTES:** A verbal report was presented by Director McGuigan, Chair of the Operations, Maintenance and Technical Services Committee.

The Chair ordered the draft Operations, Maintenance and Technical Services Committee Minutes for the meeting held on June 6, 2001 to be filed.

- c. **MOVED, SECONDED AND DULY CARRIED:** Authorize the General Manager to issue a sole source agreement with US Peroxide, Inc. for Alternative Liquid Treatment for Collection System Odor and Corrosion Control Study, in an amount not to exceed \$414,000.
- d. **MOVED, SECONDED AND DULY CARRIED:** (1) Approve Change Order No. 1 to Purchase Order No. 1004810B issued to Vulcan Performance Chemicals for the Purchase of Hydrogen Peroxide (Specification No. 9900-02), for an additional amount of \$273,000, for a total amount not to exceed \$1,014,000; (2) approve Change Order No. 2 to Purchase Order No. 1004810B issued to Vulcan Performance Chemicals for the Purchase of Hydrogen Peroxide (Specification No. 9900-02), providing a time extension of six months and option to provide six one-month extensions, for an additional amount of \$575,000, (annual amount not to exceed \$1,367,000 for six-month extension and six one-month extensions) for a total amount not to exceed \$2,381,000; and (3) Competitively bid and authorize the General Manager to award a contract for Purchase of Hydrogen Peroxide, Specification No. C-2001-48BD, to the lowest responsible bidder for an amount not to exceed \$1,617,000

- e. **MOVED, SECONDED AND DULY CARRIED:** Approve a sole source Consultant Services Agreement with Gerald Jones dba Linjer Company, for services in connection with the O&M Reinvention Project, for a one-year period in an amount not to exceed \$109,800, and an option to renew for one year.
  - f. **MOVED, SECONDED AND DULY CARRIED:** Approve District funding for Cooperative Projects for FY01-02 related to inflow and infiltration reduction totaling \$1,729,195, as recommended by the Guidance Review Committee.
  - g. **MOVED, SECONDED AND DULY CARRIED:** Approve a Study Agreement with the University of California, Riverside to support the testing of biotrickling filters as an air emissions control technology for an amount not to exceed \$145,000.
14. **DRAFT PLANNING, DESIGN AND CONSTRUCTION COMMITTEE MINUTES:** A verbal report was presented by Director Anderson, Chair of the Planning, Design and Construction Committee, re the June 7, 2001 meeting.

The Chair then ordered the draft Planning, Design and Construction Committee Minutes for the meeting held June 7, 2001 to be filed.

- c. **MOVED, SECONDED AND DULY CARRIED:** (1) Ratify Change Order No. 5 to Chemical Facility Modifications, Job No. P1-46-2, and Chemical Flow Pacing for Primary Influent, Job No. J-53, with SS Mechanical Corporation, authorizing an addition of \$25,373 and a time extension of 5 calendar days, increasing the total contract amount to \$2,629,220; and (2) Approve a budget amendment of \$768,000 to Chemical Facility Modifications, Job No. P1-46-2, and Chemical Flow Pacing for Primary Influent, Job No. J-53, for a total budget of \$4,536,000.
- d. **MOVED, SECONDED AND DULY CARRIED:** (1) Ratify Change Order No. 6 to Standby Power and Reliability Improvements, Job No. J-33-1, with Southern Contracting Company, authorizing an addition of \$34,228 and 329 calendar days, increasing the contract amount to \$1,561,901; and (2) Accept Standby Power and Reliability Improvements, Job No. J-33-1, as complete, authorizing execution of the Notice of Completion and approving the Final Closeout Agreement.
- e. **MOVED, SECONDED AND DULY CARRIED:** (1) Ratify Change Order No. 1 to Improvements to Central Generation Starting Air Systems at Plant Nos. 1 and 2, Job No. J-63, with Adams Mallory Construction Company, Inc. for an addition of \$13,570 and 130 calendar days, increasing the total contract amount to \$96,295; (2) Approve a budget amendment of \$34,633, increasing the total project budget to \$175,333; and (3) Accept Improvements to Central Generation Starting Air Systems at Plant Nos. 1 and 2, Job No. J-63, as complete, authorizing execution of the Notice of Completion and approving the Final Closeout Agreement.

- f. **MOVED, SECONDED AND DULY CARRIED:** Approve Addendum No. 2 to the Professional Services Agreement with Black & Veatch for Facilities Modifications for Odor Control, Job No. J-71-3, for design and construction support services required to comply with the Orange County Sanitation District's new design standards in the amount of \$196,628, for a total amount not to exceed \$525,233.
  - g. **MOVED, SECONDED AND DULY CARRIED:** (1) Authorize the General Manager to negotiate and approve Addendum No. 2 to the Professional Services Agreement with Brown & Caldwell for the Santa Ana River Interceptor Relocation and Protection, Contract No. 2-41, providing for additional engineering services including evaluation of additional options to relocate and/or protect the interceptor in place, performing a risk assessment study, preparing a short and long-term maintenance program, and authorizing a reallocation of funds in an amount not to exceed \$700,000, with no increase in the total contract amount of \$3,807,047; and, (2) Authorize staff to reallocate the remaining \$1,533,833 of the Professional Services Agreement with Brown & Caldwell to provide for a change in the scope of work for the Santa Ana River Interceptor Relocation and Protection, Contract No. 2-41.
  - h. **MOVED, SECONDED AND DULY CARRIED:** (1) Approve Professional Services Agreements with Brinderson and Associates, CGvL Engineering, Lee & Ro Incorporated, Marmac Engineering, RMS Engineering & Design, Incorporated, R. W. Beck, Incorporated, SPEC Services, and Tran Consulting Engineers, for services related to Facilities Engineering projects, in amounts not to exceed \$200,000 for each agreement; and (2) Approve Professional Services Agreements with Boyle Engineering and Realtime Systems Corporation for software development services, in amounts not to exceed \$200,000 for a total amount not to exceed \$2,000,000.
  - i. **MOVED, SECONDED AND DULY CARRIED:** Approve Addendum No. 3 to the Professional Services Agreement with Carollo Engineers, P.C. for Electrical Power System Studies, Job No. J-25-4, for additional engineering services in the amount of \$199,916, for a total amount not to exceed \$2,277,292.
  - j. **MOVED, SECONDED AND DULY CARRIED:** Approve Addendum No. 3 to the Professional Services Agreement with Boyle Engineering Corporation for Bushard Trunk Sewer Rehabilitation, Contract No. I-2-4, providing for additional design engineering services in the amount of \$85,000, for a total amount not to exceed \$967,908.
15. **DRAFT FINANCE, ADMINISTRATION AND HUMAN RESOURCES COMMITTEE MINUTES:** A verbal report was presented by Director McCracken, Chair of the Finance, Administration and Human Resources Committee, re the June 13, 2001 meeting.

The Chair then ordered the draft Finance, Administration and Human Resources Committee Minutes for the meeting held June 13, 2001 to be filed.

- c. MOVED, SECONDED AND DULY CARRIED: Receive and file Treasurer's Report for the month of May 2001.
- d. MOVED, SECONDED AND DULY CARRIED: Adopt Resolution No. OCSD 01-12, amending Resolution No. OCSD 98-33, amending Human Resources Policies and Procedures Manual.
- e. MOVED, SECONDED AND DULY CARRIED: Adopt Resolution No. OCSD 01-13, Authorizing the District's Treasurer to Invest and/or Reinvest District's Funds; Adopting District's Investment Policy Statement and Performance Benchmarks for FY 2001-02; and Repealing Resolution No. OCSD 00-16.
- f. MOVED, SECONDED AND DULY CARRIED: Approve proposed Operating, Capital, Debt/COP Service and Self-Insurance Budgets for 2001-02, as follows:

Joint Works Operating/Working Capital	\$52,155,100
Worker's Compensation Self Insurance	425,000
General Liability and Property Self-Insurance	1,920,500
Collection System Operating	13,810,000
Capital Improvement Program	143,913,000
Debt/COP Service	38,937,000

h. RENEWAL OF ALL-RISK PROPERTY AND EARTHQUAKE INSURANCE

The Directors received a verbal report summarizing the report given by the District's insurance broker to the FAHR Committee concerning the status of the market and high premiums. Directors entered into discussion regarding the need for earthquake insurance and the cost to acquire it.

A substitute motion was made to self-insure the earthquake insurance if there were no impacts to future claims with FEMA or any other adverse impacts of being self-insured; and if there would be adverse financial impacts, to authorize the General Manager to approve the recommended earthquake insurance. The substitute motion failed.

It was moved and seconded to renew the District's All-Risk Property including Earthquake Insurance coverage for the period July 1, 2001 through June 30, 2002, for a premium amount not to exceed \$1,137,500. The primary motion was then voted upon and duly carried.

Directors also requested staff to evaluate self-insuring for earthquake coverage and to report back to the FAHR Committee prior to the next policy renewal.

- i. MOVED, SECONDED AND DULY CARRIED: Renew the District's Excess General Liability Insurance Program for the period July 1, 2001 through June 30, 2002, in an amount not to exceed \$122,641.



- j. **MOVED, SECONDED AND DULY CARRIED:** Renew the District's Excess Worker's Compensation Insurance Program for the period July 1, 2001 through June 30, 2002, in an amount not to exceed \$38,500.

- 16. **DRAFT JOINT GROUNDWATER REPLENISHMENT SYSTEM COOPERATIVE COMMITTEE MINUTES:** A verbal report was presented by Director Anderson, representative on the Joint Groundwater Replenishment System Cooperative Committee, re the meeting held on June 11, 2001.

The Chair ordered the draft Joint Groundwater Replenishment System Cooperative Committee Minutes for the meeting held on May 14, 2001 to be filed.

- 17. **MOVED, SECONDED AND DULY CARRIED:** Authorize the General Manager to enter into a professional services agreement with Carollo Engineers to plan, design, purchase equipment, hire contractors, supervise installation and operate a demonstration-scale test of a microfiltration process, treating primary effluent for ocean discharge, in an amount not to exceed \$1,495,000.

Director Bankhead opposed.

- 18. **MOVED, SECONDED AND DULY CARRIED:** (1) Approve plans and specifications for Air Compressor Upgrades at Plant No. 1, Job No. SP2001-02 on file at the office of the Board Secretary; (2) Receive and file bid tabulation and recommendation; and (3) Award a contract to R. Fox Construction Company for Air Compressor Upgrades at Plant No. 1, Job No. SP2001-02, for an amount not to exceed \$287,700.

- 19. **MOVED, SECONDED AND DULY CARRIED:** (1) Approve purchase of easement located within the Newport Dunes Resort parking lot from the County of Orange for a total amount of \$6,500; (2) Approve Addenda Nos. 1, 2, and 3 to the plans and specifications; (3) Receive and file bid tabulation and recommendation; and (4) Award a contract to Ken Thompson, Inc. for Replacement of Back Bay Trunk Sewer, Contract No. 5-46, for an amount not to exceed \$5,500,000.

- 20. **Purchase of Ocean Monitoring Vessel (Specification No. V2001-43-BD):**

- a. Bob Ghirelli gave a detailed report on the proposed ocean monitoring vessel program and responded to numerous questions from Directors.
- b. **MOVED, SECONDED AND DULY CARRIED:** Authorize the General Manager to approve an amount not to exceed \$50,000 from the FY 2001-02 budget for a naval architect to provide a preliminary design and cost analysis for an ocean monitoring vessel;
- c. **MOVED, SECONDED AND DULY CARRIED:** Approve in concept the purchase of an ocean monitoring vessel (Specification No. V2001-43-BD) for a total amount not to exceed \$1,300,000 for FY 2001-2002.

21. Consideration of the following actions relative to proposed Ordinance No. OCSD-15, An Ordinance of the Board of Directors of Orange County Sanitation District Adopting Sewer Service Charges; Adopting Capital Facilities Connection Charges; Establishing Miscellaneous Charges and Fees Relating to Industrial Dischargers, Source Control Permittees and Wastehaulers; and Repealing Ordinance Nos. OCSD-05, OCSD-06, OCSD-11, and OCSD-13:

General Counsel Thomas L. Woodruff gave a brief report on the proposed ordinance

OPEN HEARING: The Chair declared the hearing opened at 9:50 p.m.

No persons requested to speak. The Board Secretary reported that no written communications had been received.

CLOSE HEARING: The Chair declared the hearing closed at 9:51 p.m.

MOVED, SECONDED AND DULY CARRIED: Read Ordinance No. OCSD-15, An Ordinance of the Board of Directors of Orange County Sanitation District Adopting Sewer Service Charges; Adopting Capital Facilities Connection Charges; Establishing Miscellaneous Charges and Fees Relating to Industrial Dischargers, Source Control Permittees and Wastehaulers; and Repealing Ordinance Nos. OCSD-05, OCSD-06, OCSD-11, and OCSD-13, by title only, and waive reading of entire Ordinance.

MOVED, SECONDED AND DULY CARRIED: Adopt Ordinance No. OCSD-15, An Ordinance of the Board of Directors of Orange County Sanitation District Adopting Sewer Service Charges; Adopting Capital Facilities Connection Charges; Establishing Miscellaneous Charges and Fees Relating to Industrial Dischargers, Source Control Permittees and Wastehaulers; and Repealing Ordinance Nos. OCSD-05, OCSD-06, OCSD-11, and OCSD-13.

Directors Gullixson and Leyes opposed.

22. Consideration of Proposed Agreement with Southern California Edison addressing renewable energy pricing and payment issues:

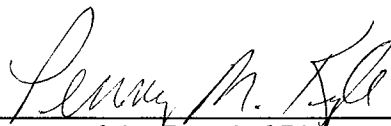
General Counsel gave a detailed report on the proposed agreement by Southern California Edison and the negotiations that had occurred to date. The General Manager gave a report that he and his staff had met on several occasions to review the outstanding debt from Edison; the production of excess electrical energy by the District and the prices of natural gas and the revenue from Edison. He reported that his staff committee was unanimous in recommending that the agreement not be approved. Considerable discussion followed by the Directors.

MOVED, SECONDED AND DULY CARRIED: Not to approve Agreement Addressing Renewable Energy Pricing and Payment Issues.

MOVED, SECONDED AND DULY CARRIED: To table approval to engage necessary consultants to evaluate District's Central Generation Project and related excess energy sales program.

23. There was no closed session.

ADJOURNMENT: The Chair declared the meeting adjourned at 9:56 p.m.

  
Secretary of the Board of Directors of  
Orange County Sanitation District