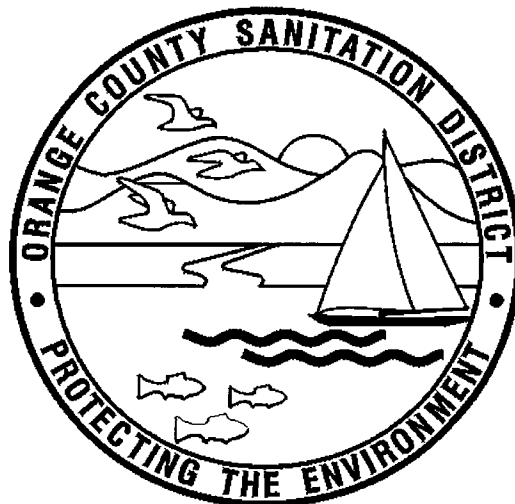


# **Orange County Sanitation District**

## **MINUTES BOARD MEETING AUGUST 22, 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 August 22, 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 Carozzo		Larry Crandall
A	Brian Donahue		Bill Estrada
	James M. Ferryman	X	Arlene Schafer
	John M. Gullixson	X	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
X	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 P. Anderson, General Manager; Penny Kyle, Board Secretary; Bob Ghirelli; Dave Ludwin; Patrick Miles; Lisa Murphy; Gary Streed; Lisa Tomko; Mike Moore; Layne Baroldi; Mark Tomko; Jim Colston; Juanita Skillman; Dierdre Hunter; Brian Bingman; Ryal Wheeler; Sonja Wassgren

**OTHERS PRESENT:** Thomas L. Woodruff, General Counsel; Alternate Director Alberta Christy; Don Hughes; Jamel Demir; Andrew Dickman; Jim Sullivan; Fred Froushiam; Terry Lane; Greg Jewell; Joey Racano; Kris Hardeman; Irwin Haydock; Jan Vandersloot; Eileen Murphy; Don Schulz; Doug Korthof; Don Slaven; Don McGee; Dennis Sato; Curtis Zavodny; Dennis Baker; Chris Hillman; Dean Reinemann; Kimo Look

### PUBLIC COMMENTS

The following persons spoke about ocean discharge issues and expressed their opposition to the waiver: Doug Korthof; Greg Jewell; Dennis Baker; Jan Vandersloot; Larry Porter; Kris Hardeman; Cindy Huynh; Joey Racano; Don Slaven; Curtis Zavodny; Dennis Sato; Don McGee; Eileen Murphy; Irwin Haydock; Bill Gregory; Dean Reinemann

### REPORT OF THE CHAIR

Chair Eckenrode recognized Andrew Dickman, a student at the Orange County School of Arts, who created the District's mural for the booth at the Orange County Fair.

It was then announced that the Resources Agency and the State Water Resources Control Board have selected the Santa Ana River Watershed Project as one of ten projects for study under a pilot project included in AB2117. Detailed information was included in the General Manager's monthly letter.

A copy of a letter of support on the groundwater replenishment system project that had been received from the Los Angeles Department of Water and Power had been included in the Directors' meeting folders that evening.

Chair Eckenrode announced the Urban Runoff Ad Hoc Committee would be meeting on Wednesday, August 29<sup>th</sup> at 4:00 p.m. The members of the committee are: Peter Green, Shawn Boyd, Tod Ridgeway, Steve Anderson, Don Bankhead, Beth Krom, Jim Silva and Norm Eckenrode.

The Directors were reminded that if they left the Boardroom during the meeting for conflict of interest or similar purposes during a vote, they must notify the Board Secretary or other minute taker that their action should be reflected in the minutes. Otherwise, temporarily leaving the room will not be noted in the minutes.

### REPORT OF THE GENERAL MANAGER

The General Manager had no report

### REPORT OF THE GENERAL COUNSEL

General Counsel Thomas L. Woodruff indicated a need to add an additional item needing immediate action, and the need for said action came to the attention of the District subsequent to the posting of the Agenda. He reported that an additional item could be added pursuant to Government Code Section 54954.2(b) upon a two-thirds vote of the Directors.

MOVED, SECONDED AND DULY CARRIED: That the matter re Church Mutual Insurance Co. v. Orange County Sanitation District, et al., Orange County Superior Court Case No. 01CC08942, be added to the agenda; and,

MOVED, SECONDED AND DULY CARRIED: Receive and file Summons and Complaint, Church Mutual Insurance Co. v. Orange County Sanitation District, et al., Orange County Superior Court Case No. 01CC08942, re Complaint in Subrogation for Damages for alleged damages in connection with a sewage back-up at Hope Christian Church in Tustin; and authorize General Counsel to appear and defend the interests of the District.

Mr. Woodruff briefly reported on the CASA conference recently held in San Diego. He reported there were a number of legislative matters pending that may have an impact on the District and the cities, including Public Records Act issues and Brown Act amendments. The Directors will be advised when the issues are finalized.

APPROVAL OF MINUTES

The Chair ordered that the minutes of the workshop held July 14, 2001 and the regular meeting held July 18, 2001 be deemed approved, as mailed.

Directors Ridgeway and Krom abstained.

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>07/15/01</u>	<u>07/31/01</u>
Totals	\$10,003,478.00	\$18,246,660.22

Director Leyes abstained.

CONSENT CALENDAR

9. a. MOVED, SECONDED AND DULY CARRIED: Receive and file Summons and Petition for Order Permitting Late Claim Against Governmental Entity re Edison Mays, et al. v. Orange County Sanitation District, et al., Orange County Superior Court Case No. 01CC09746, and authorize General Counsel to appear and defend the interests of the District.
- b. MOVED, SECONDED AND DULY CARRIED: Approve Assignment of Lease from Village Nurseries, L.P., a California Limited Partnership to Village Nurseries Wholesale, LLC, a California limited liability company (Specification No. L-013-1) in a form approved by General Counsel.
- c. MOVED, SECONDED AND DULY CARRIED: (1) Receive and file petition from Mark Sandford, Mark Moshayedi, Greg Winner and Kathleen Yang requesting annexation of 4.701 acres to the Orange County Sanitation District (District), in the vicinity of Hillside Drive and Meads Avenue in the unincorporated area of Orange Park Acres; and (2) Adopt Resolution No. OCSD 01-14 authorizing initiation of proceedings to annex said territory to the District (Proposed Annexation No. OCSD-14 – Meads Annexation).
- d. MOVED, SECONDED AND DULY CARRIED: (1) Receive and file petition from Jerry Tone requesting annexation of 39.195 acres to the Orange County Sanitation District (District) in the vicinity of Seal Beach Boulevard and Forrestal Lane in the City of Seal Beach; (2) Approve Agreement deferring annexation fees with Hellman Properties; and (3) Adopt Resolution No. OCSD 01-15, authorizing initiation of proceedings to annex said territory to the District (Proposed Annexation No. OCSD-20 - Hellman Properties Annexation).

**NON-CONSENT CALENDAR**

11. DRAFT STEERING COMMITTEE MINUTES: A verbal report was presented by Director Eckenrode, Chair of the Steering Committee, re the August 22, 2001 meeting.

Committee Chair Eckenrode reported that a presentation was made on the benefits of a countywide leadership retreat for elected officials. The Steering Committee authorized the General Manager to provide \$5,000 to fund a countywide leadership retreat for elected officials and to confirm participation in the retreat by the District. The Chair then asked for the Board's concurrence. Directors Bankhead, Leyes, Murphy and Patterson opposed.

The Chair ordered the draft Steering Committee Minutes for the meeting held on July 18, 2001 to be filed.

- c. MOVED, SECONDED AND DULY CARRIED: Receive verbal report of Steering Committee and proposed Memorandum of Understanding with Santa Ana Watershed Project Authority re Santa Ana River Interceptor Relocation and Protection, Contract No. 2-41.

12. 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, re the August 1, 2001 meeting.

The Chair ordered the draft Operations, Maintenance and Technical Services Committee Minutes for the meeting held on August 1, 2001 to be filed.

- c. MOVED, SECONDED AND DULY CARRIED: (1) Authorize the General Manager to initiate and conduct due diligence research of the Inland Composting and Organic Recycling site for the use as a biosolids composting facility in an amount not to exceed \$55,000;
- (2) Authorize the General Manager to deposit into an escrow account (ADAM431) with First American Title Company \$15,000 per month for lost opportunity compensation, for a period of up to three months, in order to extend the escrow during the performance of due diligence on the Inland Composting and Organic Recycling site;
- (3) Approve an Agreement with California Soil Products to manage a minimum of 100 wet tons per day of the District's biosolids through the production of a Class A biosolids product for a term of five years with two additional five-year options for a fee of \$32.70 per wet ton for an annual amount not to exceed \$2,550,000;
- (4) Enter into negotiations with Tule Ranch to pursue an Agreement to produce and manage a chemically stabilized Class A biosolids product at Tule Ranch; and,

(5) Approve an Agreement with Waste Markets for an emergency biosolids management option to landfill up to 400 wet tons of biosolids per day for a fee of \$56.50 per wet ton and a guarantee of landfill access fee of \$600 per month for a term of 18 months.

Director Kawashima abstained on Item 12(c)(2).

13. DRAFT PLANNING, DESIGN AND CONSTRUCTION COMMITTEE MINUTES: A verbal report was presented by Director Patterson, Vice Chair of the Planning, Design and Construction Committee, re the August 2, 2001 meeting.

The Chair then ordered the draft Planning, Design and Construction Committee Minutes for the meeting held August 2, 2001 to be filed.

- c. MOVED, SECONDED AND DULY CARRIED: Accept Chlorine Building Mechanical Equipment Demolition at Plant No. 1, Job No. J-60, as complete, authorizing execution of the Notice of Completion, and approving the Final Closeout Agreement with Harbor Bay, Inc.
- d. MOVED, SECONDED AND DULY CARRIED: (1) Ratify Change Order No. 4 to Goldenwest Street Trunk Sewer Replacement, Contract No. 11-17-3, and Heil Avenue Interceptor, Contract No. 11-20, with Ken Thompson, Inc., authorizing an addition of \$45,963.10, and 78 calendar days, increasing the total contract amount to \$6,531,963.10; (2) Ratify Change Order No. 5 for an Adjustment of Engineer's Quantities authorizing a deduction of \$152,380.29, decreasing the total contract amount to \$6,379,582.81; and (3) Accept Goldenwest Street Trunk Sewer Replacement, Contract No. 11-17-3, and Heil Avenue Interceptor, Contract No. 11-20, as complete, authorizing execution of the Notice of Completion and approving the Final Closeout Agreement.
- e. MOVED, SECONDED AND DULY CARRIED: Approve the sole source purchase of Woodward digital engine governors from Hatch & Kirk Incorporated for an amount not to exceed \$112,860, in connection with Central Generation Automation, Job No. J-79.
- f. MOVED, SECONDED AND DULY CARRIED: Approve Addendum No. 4 to the Professional Services Agreement with Carollo Engineers for design of Headworks Improvements at Plant No. 2, Job No. P2-66, for an additional amount of \$12,628,299, increasing the total amount not to exceed \$13,277,372.
- g. MOVED, SECONDED AND DULY CARRIED: Approve Addendum No. 1 to the Professional Services Agreement with Black & Veatch Corporation for Effluent Pump Station Annex, Job No. J-77, providing for additional design engineering services in the amount of \$1,273,113, for a total amount not to exceed \$3,481,923.
- h. MOVED, SECONDED AND DULY CARRIED: Authorize the General Manager to negotiate the sale of an excess portion of the "A" Street Pump Station in connection with Rehabilitation of the "A" Street Pump Station, Contract No. 5-52, to the City of Newport Beach.

- i. **MOVED, SECONDED AND DULY CARRIED:** Authorize the General Manager to negotiate the purchase of real property located at 1514 West Balboa Boulevard, Newport Beach, for Rehabilitation of the 14<sup>th</sup> Street Pump Station, Contract No. 5-51.
- j. **MOVED, SECONDED AND DULY CARRIED:** Approve Addendum No. 1 to the Professional Services Agreement with RBF Consulting for additional design engineering services for the Carbon Canyon Dam Sewer and Pump Station Abandonment, Contract No. 2-24-1, for an additional amount of \$136,000, increasing the total amount not to exceed \$210,000.
- k. **MOVED, SECONDED AND DULY CARRIED:** Authorize the General Manager to negotiate Addendum No. 2 with Fluor Signature Services for Phase II of the Space Allocation and Interior Renovation at Plant No. 1, Job No. J-84, providing for a detailed conceptual design.

14. **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 August 8, 2001 meeting.

The Chair then ordered the draft Finance, Administration and Human Resources Committee Minutes for the meeting held August 8, 2001 to be filed.

- c. **MOVED, SECONDED AND DULY CARRIED:** Receive and file Treasurer's Report for the month of July 2001.
- d. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 01-16, amending Resolution No. OCSD 98-33, amending Human Resources Policies and Procedures Manual.
- e. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 01-17, Declaration of Official Intent to Reimburse Certain of the District's Capital Reserve Funds for Expenditures Made in Advance for FY 2001-02 Capital Improvement Projects from Proceeds of a Future Long-Term Financing.
- f. **MOVED, SECONDED AND DULY CARRIED:** Receive and file Quarterly Investment Management Program Report for the period April 1, 2001 through June 30, 2001.
- g. **MOVED, SECONDED AND DULY CARRIED:** Authorize staff to issue a purchase contract to Carollo Engineers for Phase II and Phase III of the Coordinated Commercial Enterprise Study, for a total amount not to exceed \$113,000.

15. **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 August 13, 2001.

The Chair ordered the draft Joint Groundwater Replenishment System Cooperative Committee Minutes for the meeting held on July 9, 2001 and July 30, 2001 to be filed.

Director Eckenrode abstained approving minutes for July 9, 2001.

- c. **MOVED, SECONDED AND DULY CARRIED:** (1) Approve agreement between Orange County Water District (OCWD) and the Orange County Flood Control District (OCFCD), providing for construction of the Groundwater Replenishment (GWR) System Pipeline within OCFCD right-of-way, and providing for payment of OCFCD inspection fees at an estimated cost of \$100,000, with OCWD and Orange County Sanitation District (OCSD) having equal shares in the amount of \$50,000; and,
- (2) Approve agreement between OCWD and River View Golf (RVG), providing for construction of the GWR System Pipeline within the RVG course, and providing for payment to RVG for lost revenue, advertising, legal charges, and restoration for an estimated amount of \$255,000 with OCWD and OCSD having equal shares in the estimated amount of \$127,500.

16. APPROVE CONTRACT WITH JAMISON ENGINEERING CONTRACTORS, INC. FOR SANTA ANA RIVER INTERCEPTOR (SARI) EMERGENCY REPAIRS AND MAINTENANCE, CONTRACT NO. 2-41-2

Dave Ludwin, Director of Engineering, reported that a portion of the SARI line is within the floodplain of the Santa Ana River in the Yorba Linda area. When it was constructed approximately 25 years ago, the line had about 20 feet of cover over it. The last several years water flows released from Prado Dam have eroded the cover down to three feet in some areas. Various studies, environmental documentation, and engineering work have been conducted since 1994 to find a way to protect or relocate the line. Design was near completion with projected costs near \$90 million. Several easements were needed from residents in the Yorba Linda area who objected to the realignment. In March 2001, the Board of Directors directed staff to stop the design. Staff is taking another look at various alternatives to see if costs can be reduced or find a better alignment, which will delay completion of the project until 2005.

In the interim Mr. Ludwin reported there is a need to protect the existing line within the flood plain from high flows that come down the river in the wintertime. The request to issue a sole source contract will allow construction of access roads to the manholes and minor construction work to help reinforce the existing manholes within the riverbed so the line will be protected for the coming winter. Work cannot start until September 15<sup>th</sup> because of endangered bird species that nest in the area, and all work must be complete by December 1<sup>st</sup> in anticipation of winter flows, thus a request to award a sole source contract to start construction within the next few weeks is being requested.

In response to Directors' questions regarding SAWPA's responsibility for a portion of the costs, Mr. Ludwin stated that SAWPA is responsible for 75% of the costs but currently there is not a commitment from SAWPA to pay their portion for this project. General Counsel is currently working with SAWPA to develop a memorandum of understanding (MOU). SAWPA is demanding equal ruling authority on the project and attempting to modify the existing agreement, which was approved in 1972. It was reported that direction was given by the Steering Committee to go forward with General Counsel's draft of the MOU that includes verbiage that if there be an impasse between the two parties, the District's decision would prevail.



MOVED, SECONDED AND DULY CARRIED: (1) Approve the transfer of \$600,000 from the Santa Ana River Interceptor (SARI) Relocation and Protection, Contract No. 2-41 approved budget to the Santa Ana River Interceptor Emergency Repairs and Maintenance, Contract No. 2-41-2; and (2) approve a Sole Source Time and Materials Construction Contract with Jamison Engineering Contractors, Inc., for Santa Ana River Interceptor Emergency Repairs and Maintenance, Contract No. 2-41-2, for an amount not to exceed \$450,000.

17. General Counsel Tom Woodruff reported the proposed agreements with Southern California Edison (SCE) include SCE's agreement to buy from the District at a price that allows the District to recover the cost of supplemental fuel that may be needed.

MOVED, SECONDED AND DULY CARRIED: Authorize the General Manager to execute contract amendments to the existing "As Available Capacity and Energy Power Purchase Agreements" with Southern California Edison, as follows, in a form approved by General Counsel:

- Amendment No. 1 To Power Purchase Agreement – QFID 2640 (for Plant 1)
- Agreement Amending Amendment No. 1 To Power Purchase Agreement – QFID 2640 (for Plant 1)
- Amendment No. 1 To Power Purchase Agreement – QFID 1098 (for Plant 2)
- Agreement Amending Amendment No. 1 To Power Purchase Agreement – QFID 1098 (for Plant 2)

18. ESTABLISHING A POLICY AND PROCEDURE FOR DISCLOSURE OF CONTACTS OR COMMUNICATIONS BETWEEN BOARD MEMBERS OF PROSPECTIVE CONTRACTORS BIDDING FOR WORK IN CONNECTION WITH THE GROUNDWATER REPLENISHMENT SYSTEM

General Counsel gave a brief report on the recommendation of the District's Joint Cooperative Committee members and the Steering Committee for a policy requiring disclosure of contact with vendors regarding the groundwater replenishment system project. The draft resolution only refers to the groundwater replenishment system project but could include all District projects if desired. The resolution, as drafted, has no enforcement mechanisms to penalize for violation. The resolution provides that if a Director violates the policy requiring the disclosure of contacts with a consultant, then the contract awarded to the consultant can be set aside. The agreements with the vendors would need to include a provision that would stipulate any contacts with Directors would need to be reported.

Directors entered into a lengthy discussion about the need for a disclosure policy. General Counsel answered questions on reporting requirements and the possibility of putting the reporting responsibilities on potential vendors rather than Directors.

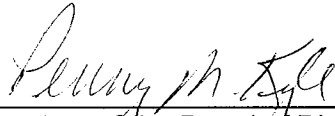
A motion was moved, seconded and duly carried to table the approval of a resolution establishing policy and procedure for disclosure of contacts or communications between board members and prospective contractors bidding for work in connection with the groundwater replenishment system.

Director Anderson abstained. Directors McGuigan, Brady, and Eckenrode opposed.

19. CONVENE IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9 and 54957.6: The Board convened in closed session at 9:21 p.m., pursuant to Government Code Section 54957.6, to discuss Agenda Item No. 19 (a)(1). Confidential Minutes of the Closed Session held by the Board of Directors have been prepared in accordance with California Government Code Section 54957.2, and are maintained by the Board Secretary in the Official Book of Confidential Minutes of Board and Committee Closed Meetings. No reportable action was taken re Agenda Item No. 19(a)(1).

RECONVENE IN REGULAR SESSION: At 9:37 p.m., the Board reconvened in regular session.

ADJOURNMENT: The Chair declared the meeting adjourned at 9:40 p.m.

  
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Secretary of the Board of Directors of  
Orange County Sanitation District