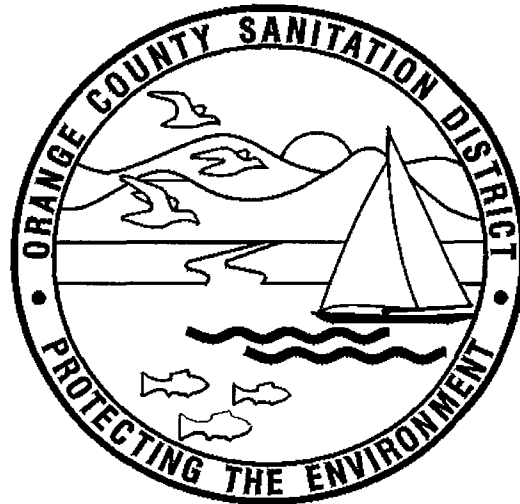


Orange County Sanitation District

MINUTES BOARD MEETING FEBRUARY 27, 2002



**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 February 27, 2002, 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	Shirley McCracken, Vice Chair		Tom Daly
X	Mike Alvarez		Mark A. Murphy
X	Steve Anderson		Steve Simonian
X	Don Bankhead		Jan Flory
X	Shawn Boyd		John Larson
X	Brian Brady		Darryl Miller
	Debbie Cook	X	Connie Boardman
X	Laurann Cook		Larry Crandall
A	Brian Donahue		David Shawver
A	James M. Ferryman		Arlene Schafer
	John M. Gullixson	X	Michael Duvall
X	Alice B. Jempsa		Arthur DeBolt
X	Tony Kawashima		Tracy Worley
A	Beth Krom		Greg Smith
X	Mark Leyes		Bruce Broadwater
X	Pat McGuigan		Alberta Christy
X	Roy Moore		Marty Simonoff
A	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
	Paul Walker	X	Kenneth Blake

STAFF MEMBERS PRESENT: Blake P. Anderson, General Manager; Penny Kyle, Board Secretary; Bob Ghirelli; Dave Ludwin; Greg Mathews; Patrick Miles; Lisa Murphy; Bob Ooten; Gary Streed; Lisa Tomko; Mike Moore; Juanita Skillman; Ingrid Hellebrand; Sonja Wassgren; Jeff Reed; Mark Esquer; Ryal Wheeler; Paula Zeller

OTHERS PRESENT: Thomas L. Woodruff, General Counsel; Don Hughes; David M. Hernandez; Irwin Haydock; Jan Vandersloot; Terry Lane; Larry Porter; Randy Fuhrman; Joey Racano; Dennis Baker; Doug Korthof; Don McGee; Eileen Murphy; Bill Butler; Dave Wielenga;

Les Jones; Ann Norris; Kris Hardeman; Nariman Hadhoud; Keith Bohn; Bob Caustin; Larry Martinez; Greg Jewell; Paul Arms; Robert Feenstra

3. **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>
Board of Supervisors	James W. Silva	Charles V. Smith

PUBLIC COMMENTS

The following persons spoke about ocean discharge issues and expressed their opposition to the waiver: Dennis Baker; Irwin Haydock; Paul Arms; Larry Porter; Jan Vandersloot; Don McGee; Greg Jewell; Eileen Murphy; Bob Caustin; Larry Martinez; Joey Racano; Doug Korthoff.

David Hernandez (former probationary employee) addressed the Directors regarding his employment termination from the District.

Robert Feenstra, Executive Director of the Milk Producers Council, spoke to the Directors commending the District's biosolids management program and its positive effects on agriculture.

RESOLUTION OF COMMENDATION

MOVED, SECONDED AND DULY CARRIED: That the Board of Directors adopt a Resolution of Commendation expressing appreciation to outgoing Director Peter Green for his contribution and dedication to public service upon his retirement from the District.

REPORT OF THE CHAIR

It was announced that Agenda Item No. 18(d) would need to be removed due to developments at the Joint Groundwater Replenishment System Cooperative Committee meeting. The item, approval of the Joint Exercise of Powers Agreement, would be considered at a later date.

Chair Eckenrode then reported that Jeff Brown, Senior Engineer in the Air Quality and Special Projects Division, has been appointed to the Board of Trustees of the North Orange County Community College District, which is the third largest community college district in California.

The calendar for the working committees was reviewed for the month of March.

REPORT OF THE GENERAL MANAGER

Blake Anderson, General Manager, updated the Directors on what is happening on the federal level with regard to the Clean Water Act and 301(h) waiver permits.

There are four 301(h) permit holders in the state of California: San Diego, Goleta, Morro Bay, and Orange County Sanitation District. Approximately 30 other permit holders are held throughout the United States including Honolulu, Juneau, the Puerto Rico area, the New England area, and Pacific Islands area.

Mr. Anderson stated that Goleta and Honolulu have short outfalls about 1½ miles long, and they disinfect their effluent in order to protect beach uses. San Diego does not disinfect its effluent because of its long outfall and prevailing currents that keep their plume away from recreational waters.

The permits for San Diego and Goleta are currently up for renewal in California. EPA has released the draft permit and a tentative affirmative decision granting San Diego a renewal. On March 13 the EPA and the San Diego Regional Water Quality Control Board will hold a joint hearing to adopt the final waiver permit for the city of San Diego. The EPA has also indicated that it will soon release the draft permit and tentative decision granting the city of Goleta a renewal of its 301(h) permit.

Mr. Anderson then reported a need to add an item to the agenda which arose subsequent to the posting of the agenda and which requires action at this time.

MOVED, SECONDED AND DULY CARRIED: (1) find that the matter arose subsequent to the posting of the Agenda, pursuant to authority of California Government Code Section 54954.2(b)(2); and (2) Add Item No. 21 to the Agenda, consideration of actions in connection with Short-Term Outfall Bacteria Reduction Project, Job No. J-87.

The General Manager then announced that the District's annual marine monitoring report is available by compact disc as well as paper format, and will also be available on the District's website soon. The report covers the monitoring data from July 1, 2000 to June 30, 2001. The 2001 summer studies off the Huntington Beach shoreline are not included in this report. An independent third-party panel of oceanographic experts is currently reviewing that information.

REPORT OF THE GENERAL COUNSEL

Thomas L. Woodruff, General Counsel, reported a need to add two items to the Closed Session, needing immediate action, which arose subsequent to the posting of the Agenda. General Counsel stated that these items could be added pursuant to California Government Code Section 54954.2(b)(2) upon a two-thirds vote of the Board.

It was moved, seconded and duly carried to: (1) Find that the matters arose subsequent to the posting of the Agenda, pursuant to authority of California Government Code Section 54954.2(b)(2); and (2) Add two closed session items, as Item Nos. 19(a)(3) and (4), to the Agenda, to wit: Crow Winthrop Development Limited Partnership v. Orange County Sanitation District, et al., Orange

County Superior Court Case No. 01CC11349 (Government Code Section 54956.9); and 3121 Michelson Drive LLC v. Orange County Sanitation District, et al., Orange County Superior Court Case No. 01CC16520 (Government Code Section 54956.9).

APPROVAL OF MINUTES

The Chair ordered that the minutes of the regular meeting held February 27, 2002 be deemed approved, as mailed.

Directors Ken Blake, Connie Boardman and Jim Silva 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>01/15/02</u>	<u>01/31/02</u>
Totals	\$4,257,294.08	\$15,001,835.49

Directors Shawn Boyd, Connie Boardman, Mark Leyes and Jim Silva abstained. Director Alice Jemsa abstained on Warrant No. 42004.

CONSENT CALENDAR

10. a. MOVED, SECONDED AND DULY CARRIED: (1) Receive and file petition from Allen Brian requesting annexation of 1.343 acres to the District in the vicinity of Cowan Heights Drive and Rangeview Drive in the unincorporated area of Orange County; and (2) Adopt Resolution No. OCSD 02-03, authorizing initiation of proceedings to annex said territory to the District (Proposed Annexation No. OCSD-22 - Brian Annexation).
- b. MOVED, SECONDED AND DULY CARRIED: Receive and file Summons and Complaint re Brown and Caldwell v. Orange County Sanitation District, et. al., Contra Costa County Superior Court Case No. C-02-0033, and authorize General Counsel to appear and defend the interests of the District.
- c. MOVED, SECONDED AND DULY CARRIED: Ratify Change Order No. 1 to Purchase Order No. 100536-OB, issued to OCB Reprographics for Specification No. 9900-05, for an additional amount of \$10,000, for a total amount not to exceed \$110,000, providing for additional copying services.

NON-CONSENT CALENDAR

12. DRAFT STEERING COMMITTEE MINUTES: A verbal report was presented by Director Eckenrode, Chair of the Steering Committee, re the February 27, 2002 meeting.

The Chair then ordered the draft Steering Committee Minutes for the meeting held on January 23, 2002 to be filed.

- d. DRAFT URBAN RUNOFF AD HOC COMMITTEE MINUTES: The Chair ordered the draft Urban Runoff Ad Hoc Committee Minutes for the meeting held on January 24, 2002 to be filed.

Vice Chair Shirley McCracken presided over the remainder of the meeting as Chair Eckenrode had to excuse himself from the remainder of the meeting.

MOVED, SECONDED AND DULY CARRIED: That Item No. 21 be considered out of order.

21. Short-Term Outfall Bacteria Reduction Project, Job No. J-87

Blake Anderson, General Manager, advised the Board of Directors that he was seeking approval to move forward with the construction and operation of disinfection facilities, with the goal of beginning disinfection within 90 days, subject to regulatory approval. Final budget approval would be requested after the costs are better known.

Mr. Anderson and Bob Ghirelli, Director of Technical Services, gave a presentation on the need for the project. Disinfection kills bacteria and viruses. The process would meet beach water quality standards at the District's outfall, which is 4.2 miles offshore and in 200 feet of water. It would remove all doubt that the District's discharge is a source of bacteria on the beach. It was also reported that if bacteria exceedances occur at the beach this summer, the source would conclusively not be the District.

Mr. Ghirelli reviewed the monitoring program the District has been undertaking since 1972. There is no scientific data available to date that would indicate our plume has caused bacterial contamination of the beach. However, monitoring data received on February 11 indicated the District's plume came very close to the Newport Beach pier, and bacteria levels were detected at or near the water surface at offshore stations in the Newport Canyon area. The occurrence of combined conditions at the same time during the monitoring on one day were unique: Santa Ana winds, deep currents moving the plume down coast, and 6' high tides that were moving the water towards shore.

Initial chemical costs for disinfection were estimated at \$10 million annually. A 15% bleach solution would most probably be used, which is much safer than liquid chlorine. The effluent would be closely monitored to insure that no chlorine residual was being produced that would be harmful to the sea life around the outfall.

The design, construction and operation of the facilities were estimated at \$4 million. Long-term disinfection options were also briefly reviewed to include: non-chlorine-based chemical disinfection; ultraviolet light; microfiltration; ozone. It will probably be a three to five year project before a long-term system would be in place.

Other issues discussed were (a) that disinfection and secondary treatment are separate issues; (b) that disinfection is targeted towards public health, bacteria and virus issues; and (c) secondary treatment is primarily an environmental issue with respect to biochemical oxygen demand and suspended solids.

It was then moved and seconded to approve authorization for the general Manager to negotiate and procure services, materials, goods and construction contracts required to implement Short-Term Outfall Bacteria Reduction Project, Job No. J-87, at an undetermined cost to be subject to future ratification by the Board of Directors.

Directors entered into a lengthy discussion and asked for clarification on estimated costs. Staff answered Directors' questions with regard to the process of disinfection; length of time process would be implemented; possibility of utilizing different chemicals; environmental review and process; improving water quality v. masking the problem; and disinfecting all wastewater. In response to some of the questions, Mr. Anderson reported that there is no direct evidence that the plume has reached the beach, but the data received on February 11 showed it to be closer to the surface than all prior readings. He noted that the bacteria level was only at 1% of the allowable state standard and thus posed no health hazard. He stated that by going forward with disinfection within 90 days would remove the District from any possibility whatsoever of being the responsible source this summer if there are any beach contamination issues.

The following persons expressed their opposition of the disinfection project as proposed: Bob Caustin; Larry Porter; Joey Racano; Jan Vandersloot; Irwin Haydock; Paul Arms.

A substitute motion was then made to continue consideration of authorization for the General Manager to negotiate and procure services, materials, goods and construction contracts required to implement Short-Term Outfall Bacteria Reduction Project, Job No. J-87, at an undetermined cost to be subject to future ratification by the Board of Directors, for 30 days.

Following further discussion among the Directors, the substitute motion was amended.

MOVED, SECONDED AND DULY CARRIED: Authorize the General Manager to negotiate and procure services related to Short-Term Outfall Bacteria Reduction Project, Job No. J-87, in an amount not to exceed \$200,000; provide a written report to the Board with more accurate estimates of costs for chemical and other disinfection alternatives; and include the 1996 20-Meter Study as a part of the written report for consideration and approval at the March 2002 meeting.

Four votes in opposition to the substitute motion, as amended, were recorded.

13. **DRAFT OPERATIONS, MAINTENANCE AND TECHNICAL SERVICES COMMITTEE MINUTES:** The Chair ordered the draft Operations, Maintenance and Technical Services Committee Minutes for the meeting held on February 6, 2002 to be filed.

- c. **MOVED, SECONDED AND DULY CARRIED:** Approve a Professional Services Agreement with Black and Veatch to provide engineering services for the design and installation support of Primary Clarifier Drive Replacement, Job No. P2-85, and Sludge Blanket Indicator Installation, Job No. SP-73, for an amount not to exceed \$353,000.
 - d. **MOVED, SECONDED AND DULY CARRIED:** Award a sole source contract with Hill Brothers Chemical Company for the Purchase of Magnesium Hydroxide Solution, for the period of March 18, 2002 through June 30, 2002, for an estimated amount not to exceed \$95,000.
 - e. **MOVED, SECONDED AND DULY CARRIED:** Approve additional funding for Cooperative Projects for FY2001-02 Phase II related to inflow and infiltration reduction in the amount of \$3,480,206, increasing the total FY2001-02 funding amount from \$2,555,213 to \$6,035,419, as recommended by the Guidance Review Committee.
 - f. **MOVED, SECONDED AND DULY CARRIED:** Approve an increase in Cooperative Projects funding for sewer rehabilitation work with Sunset Beach Sanitary District, Contract No. CP-0118, in the amount of \$21,920, increasing the project from \$47,800 to an amount not to exceed \$69,720.
 - g. **MOVED, SECONDED AND DULY CARRIED:** (1) Suspend the payment of \$15,500 per month for an escrow extension into an account (ADAM431) with First American Title Company for lost opportunity compensation during the performance of due diligence on ICOR; and (2) Continue to conduct due diligence research of the ICOR site for the use as a biosolids composting option.
14. **DRAFT PLANNING, DESIGN AND CONSTRUCTION COMMITTEE MINUTES**
The Chair ordered the draft Planning, Design and Construction Committee Minutes for the meeting held February 7, 2002 to be filed.
- c. **MOVED, SECONDED AND DULY CARRIED:** Accept Fuzzy Filter Pipe Installation, Job No. SP2000-41, with Olsson Construction Company as complete, authorizing execution of the Notice of Completion and approving the Final Closeout Agreement.
 - d. **MOVED, SECONDED AND DULY CARRIED:** (1) Ratify Change Order No. 1 to Tenant Improvements to Fleet Services, Job No. SP19990022, with MVP Commercial, Inc., authorizing an addition of \$7,215, increasing the total contract amount to \$93,715; and (2) Accept Tenant Improvements to Fleet Services, Job No. SP19990022, as complete, authorizing execution of the Notice of Completion and approving the Final Closeout Agreement with MVP Commercial, Inc.

- e. **MOVED, SECONDED AND DULY CARRIED:** (1) Approve a budget amendment of \$190,000 to Junction Structure Upgrade, Job No. SP2000-29, for a total budget of \$472,200; and (2) Ratify Change Order No. 1 to Junction Structure Upgrade, Job No. SP2000-29, with Mike Prlich and Sons, Inc., authorizing an addition of \$163,552.97 and a time extension of 44 days, increasing the total contract amount to \$352,252.97.
 - f. **MOVED, SECONDED AND DULY CARRIED:** Approve Addendum No. 10 to the Professional Services Agreement with Parsons Engineering Science, Inc., for Plant Reinvention/Automation Project, Job No. J-42, providing additional engineering services for reinvention idea benefit/cost evaluation for an additional amount of \$106,218, increasing the total amount not to exceed \$9,468,816.
 - g. **MOVED, SECONDED AND DULY CARRIED:** Approve Addendum No. 6 to the Professional Services Agreement with Brown and Caldwell for Design of Primary Clarifiers 16-31 and Related Facilities, Job No. P1-37, providing for additional engineering services in the amount of \$1,602,797 for a total amount not to exceed \$5,205,904.
 - h. **MOVED, SECONDED AND DULY CARRIED:** (1) Approve plans and specifications for Landscape and Irrigation at Plant No. 2, Job No. P2-84, on file at the office of the Board Secretary; and (2) Authorize the General Manager to establish the date for receipt of bids for Landscape and Irrigation at Plant No. 2, Job No. P2-84.
 - i. **MOVED, SECONDED AND DULY CARRIED:** Approve a sole source purchase order with OCB for reprographics services for Headworks Improvements at Plant No. 2, Job No. P2-66, in the amount of \$200,000.
 - j. **MOVED, SECONDED AND DULY CARRIED:** (1) Approve a budget amendment of \$2,480,000 for a total budget of \$36,186,000 for Bushard Trunk Sewer Rehabilitation, Job No. I-2-4; and (2) Approve Addendum No. 4 to the Professional Services Agreement with Boyle Engineering Corporation for Bushard Trunk Sewer Rehabilitation, Job No. I-2-4, providing for additional design engineering services for an additional amount of \$237,567, increasing the total amount not to exceed \$1,205,475.
15. **DRAFT FINANCE, ADMINISTRATION AND HUMAN RESOURCES COMMITTEE MINUTES:** The Chair ordered the draft Finance, Administration and Human Resources Committee Minutes for the meeting held on February 13, 2002 to be filed.
- c. **MOVED, SECONDED AND DULY CARRIED:** Receive and file Treasurer's Report for the month of January 2002.
 - d. **MOVED, SECONDED AND DULY CARRIED:** Receive and file the Mid-Year Financial Report for the period ending December 31, 2001.

- e. MOVED, SECONDED AND DULY CARRIED: Receive and file Quarterly Investment Management Program Report for the period October 1, 2001 through December 31, 2001.
 - f. MOVED, SECONDED AND DULY CARRIED: Adopt Resolution No. OCSD 02-04, Establishing a Business Mentor Program In Cooperation with the Orangewood Children's Foundation.
 - g. MOVED, SECONDED AND DULY CARRIED: Adopt Resolution No. 02-05, Adopting Policies and Procedures for Establishing the District's Written Injury and Illness Prevention Program Policy, SAFETY-POL-101, and Subsequent Safety Policies Named Therein.
 - h. MOVED, SECONDED AND DULY CARRIED: Adopt Resolution No. OCSD 02-06, Amending Resolution No. OCSD 98-33, Amending Human Resources and Policies Procedures Manual, providing for immediate reinstatement of a Safety Supervisor classification at pay range E11 (\$65,164-\$92,192).
16. 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, providing for the method of payment by Edison of money owed to the District for power sold to Edison from November 2000 through March 2001, in a form approved by General Counsel:
- Amendment No. 1 to Agreement Implementing Section 4.4 of Amendment No. 1 to Power Purchase Agreement – QFID 2640 (for Plant 1), including Conditional Release and Waiver
 - Amendment No. 1 to Agreement Implementing Section 4.4 of Amendment No. 1 to Power Purchase Agreement – QFID 1098 (for Plant 2), including Conditional Release and Waiver
- Director Shawn Boyd abstained.
17. MOVED, SECONDED AND DULY CARRIED: Approve plans and specifications for Investigation and Repair of Ocean Outfalls, Job No. J-39, on file at the office of the Board Secretary; (2) Approve Addendum No. 1 to the plans and specifications; (3) Receive and file Bid Tabulation and Recommendation; and (4) Award a contract to Connolly-Pacific Company for Investigation and Repair of Ocean Outfalls, Job No. J-39, for an amount not to exceed \$4,873,000.
18. DRAFT JOINT GROUNDWATER REPLENISHMENT SYSTEM COOPERATIVE COMMITTEE MINUTES: The Chair ordered the Joint Groundwater Replenishment System Cooperative Committee Minutes for the meetings held on January 14, 2002 and January 28, 2002 to be filed.

- c. **MOVED, SECONDED AND DULY CARRIED:** Approve Professional Services Agreement between Orange County Water District and Montgomery Watson Harza to provide construction management services for four years for the Groundwater Replenishment System, Job No. J-36, for a total amount not to exceed \$10,993,038, with Orange County Sanitation District and Orange County Water District paying equal shares not to exceed \$5,496,519.

Director Brian Brady opposed. Director Steve Anderson abstained.

- d. Item removed.

19. **CONVENE IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9:** The Board convened in closed session at 9:29 p.m., pursuant to Government Code Section 54956.9, to discuss Agenda Item Nos. 19 (a)(1), (2), (3) and (4). 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 Nos. 19(a)(1) and (3). A report of the action taken re Agenda Item No. 19(a)(2) will be reported at the time the approved action becomes final.

RECONVENE IN REGULAR SESSION: At 9:46 p.m., the Board reconvened in regular session.

It was moved, seconded and unanimously carried to (1) receive and file Summons and Petition for Writ of Mandate, 3121 Michelson Drive LLC v. Orange County Sanitation District, et al., Orange County Superior Court Case No. 01CC16520; and (2) authorize General Counsel to appear and defend the interests of the District.

ADJOURNMENT: The Vice Chair declared the meeting adjourned at 9:46 p.m.


Secretary of the Board of Directors of
Orange County Sanitation District