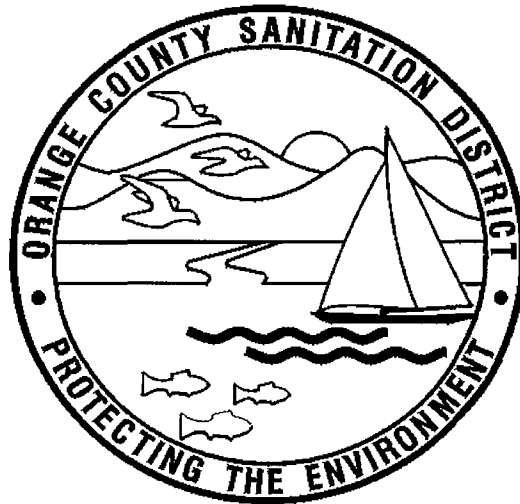


Orange County Sanitation District

MINUTES BOARD MEETING JULY 17, 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 July 17, 2002, at 6:00 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	Shirley McCracken, Chair		Tom Daly
X	Steve Anderson, Vice Chair		Steve Simonian
X	Mike Alvarez		Mark A. Murphy
X	Don Bankhead		Jan Flory
X	Brian Brady		Darryl Miller
X	Patricia Campbell		Paul Yost
	Debbie Cook	X	Connie Boardman
X	Laurann Cook		Larry Crandall
X	Brian Donahue		David Shawver
X	Norman Z. Eckenrode		Constance Underhill
X	James M. Ferryman		Arlene Schafer
	John M. Gullixson	X	Michael Duvall
X	Alice B. Jempsa		Arthur DeBolt
X	Tony Kawashima		Tracy Worley
X	Beth Krom		Greg Smith
X	Mark Leyes		Bruce Broadwater
X	Pat McGuigan		Alberta Christy
X	Roy Moore		Marty Simonoff
X	Joy Neugebauer		Grace Epperson
X	Russell Patterson		Richard A. Freschi
	Anna L. Piercy	X	Tim Keenan
	Tod Ridgeway	X	Gary Adams
X	Jerry Sigler		Jim Dow
	Jim Silva	X	Tom Wilson
X	Paul Walker		Kenneth Blake

STAFF MEMBERS PRESENT: Blake P. Anderson, General Manager; Penny Kyle, Board Secretary; Bob Ghirelli; Dave Ludwin; Greg Mathews; Patrick Miles; Bob Ooten; Gary Streed; Lisa Tomko; Jim Herberg; Jim Colston; Jim Burror; Sonja Wassgren; Charlie McGee; Ingrid Hellebrand; George Robertson; Jeff Reed; John Finias; Doug Cook; Jennifer Cabral; Lynn Jensen; Rose Marsella; Jean Tappan; Paula Zeller

OTHERS PRESENT: Thomas F. Nixon, Assistant General Counsel; Alternate Director Alberta Christy; Alternate Director Jan Flory; Kris Lindstrom; Kelli Burn-Roy; Joan Irvine Smith; Geoff Carthew; Chuck Scheid; Laura Davick; M.D. Bixby; John Roe; Mike Topo; Don Ito; Tom Riehl;

Greg Jewell; Sara Feldman; Joseph Milligan; Mike Wellborn; Robin Rustan; Lindell Marsh; Revonda Lamb; Chas. Lamb; Matt Hagemann; John G. Thomas; Frank Rivers Gelbeck; Lisa Rosen; Linda Nicholes; Bob Caustin; Mary Lynn Calkins; Heather McKibbin; Beth Abbott; Robin Leffler; Cindy Win; Curtis Zavodny; Michelle Farmer; Jill Hardy; Kris Hardeman; Diana Hardeman; James Hardeman; Rob Nelson; Tom Livengood; Shaun Tomson; Don McGee; Russell Penniman; Stephen Kilmer; Anna McCarthy; Ryan McClain; Irwin Haydock; Roger Wolverton; Brent Payne; Burt Price; Stephanie Borger; Daniel Price; Cindy Woods; Julie Puentes; Peter Coalar; Pervaiz Anwar; Randy Fuhrman; Geraldine Lucas; Chandra Mantecon; Tom B. Meregillano; Michelle King; Lisa Stromme; John Scott; Christie Peck; William Cook; Ingrid Austin; Harold Huffer; Deane Carr; Joanna Mueller; Nancy Donaven; Eileen Murphy; Mike Recupero; Lindsay Fullenkamp; Mary Markus; Michael Gagnet; Joe Segura; Dave Argo; Thom Burgert; Stan Ross; Beth Spencer; Ethen Thacher; Frank Berry; Barbara Howarth; Randy Howarth; Joshua Magner; John F. Scott; Linda Everett; Tina Deaton; Robin Lieberman; Dana Swanson; Scott Grady; Allan Beek; Chris Prevatt; James R. Proctor; Mark Abramowitz; Mohsen Nazemi; Donald F. Hyatt; Dan Madden; Rick Umbarger; Bill Brewer; Matt Schaefer; Angie Buyayo; Jamie Burwell; Lai Lou; Theresa Sears; Mike Sappinfield; Patty Sappinfield; Dan Madden; Denise Flanagan; Terry Martin; Dave Carro; Jan Riccardi; Adam Sage; Julia A. Jones-Utkes; Chad David Jones; Declan McCallan; Diana Mann; Regina Taylor; Bob Siebert; Christina Hohe; Paul Arms; Greg Woodside; Mike Wehner; Brian Bulletey; Ann Norris; Doug Korthoff; Jan Vandersloot; Larry Porter; Richard B. Edgar; Chris Evans; Shaun Tomson; David Beckman

3. MOVED, SECONDED AND DULY CARRIED: Receive and file minute excerpts from the Board of Supervisors re appointment of Thomas W. Wilson as an alternate director for the July 17, 2002 meeting only.

PUBLIC COMMENTS

Chair McCracken reported that over the last several months the Board of Directors has heard many hours of public comment on the District's level of treatment. Public speaking would be limited to a total of 45 minutes to allow sufficient time to have constructive dialogue and debate among the Directors prior to voting on the level of treatment.

The following persons spoke about level of treatment issues: Ann Norris; Jan Vandersloot; Julie Puentes; Shaun Thomson; Joan Irvine Smith; Chris Evans; David Beckman; Doug Korthoff; Darrell A. Nolta; Richard B. Edgar; John Roe; Ken Kramer; Larry Porter; Sara Fieldman; Judith Gielow; Greg Jewell; Ray Halowski; Dennis Kelly; Robin Rustan; John G. Thomas; Frank Golbeck; Heather Hoecherl; Thomas Lash.

Randy Fuhrman requested the June 26th minutes be corrected with regard to his public comments to the Board of Directors. He also expressed concern with the potential award of a contract to Trojan Technologies listed as Item 12(d) on the meeting agenda.

REPORT OF THE CHAIR

Chair McCracken reported that the standing committees would resume their regular meeting schedule in August. It was noted, however, that the FAHR Committee meeting would be a closed session to provide direction to staff on meet-and-confer issues, immediately following public comments. At the suggestion of FAHR Committee Chair Brian Brady, a poll was taken and approved by the committee's members to move the September 11th meeting to September 18th, in order to avoid any conflict with memorial events that might be planned for September 11th.

Directors were polled regarding a special joint meeting between the Orange County Water District and the Orange County Sanitation District board members for Wednesday, August 21st, to conduct a review and update of the groundwater replenishment system. There were no oppositions noted.

Chair McCracken announced that she was recommending staff to conduct informational workshops during the upcoming year to cover a broad range of programs and projects the District is now conducting or is planning to conduct. She stressed that the Board members need to be fully informed about these important initiatives as part of its policy-making responsibility. The Directors were referred to a blue questionnaire regarding the workshops in their agenda folders and requested the questionnaire be completed and submitted to the Board Secretary.

Ms. McCracken then thanked the Directors for their support and trust that has been implied by electing her as the Board Chair.

REPORT OF THE GENERAL MANAGER

Blake Anderson, General Manager, commented on the importance of tonight's discussion and decision on future treatment, which one newspaper called the single most important environmental decision the Orange County will ever make. He then listed his top 16 important environmental decisions that have had significant impacts on our county, beginning with the decision in the 1840s by the United States to take California from Mexico and ending with the GWRS project, the largest water reclamation system in the world, and the decision on the level of treatment the District should provide in the future for the sake of protecting public health and the environment. All of the past decisions have proven to have unanticipated consequences and he asked the Directors to consider the long-term sustainability of their choice. He then stated that staff stands ready to implement the decision in the most timely and cost-effective manner possible.

REPORT OF THE GENERAL COUNSEL

Assistant General Counsel Thomas F. Nixon had no report.

APPROVAL OF MINUTES

The Chair ordered that the minutes of the special meeting held on June 19, 2002, and the corrected minutes of the regular meeting held June 26, 2002, be deemed approved, after incorporating the revisions requested by Mr. Fuhrman.

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>06/15/02</u>	<u>06/30/02</u>
Totals	\$7,518,749.53	\$4,961,194.79

Director Leyes, Adams and Boardman abstained. Director Jempsa abstained on Warrant No. 45331.

CONSENT CALENDAR

9. a. MOVED, SECONDED AND DULY CARRIED: Receive and file Summons and Complaint, Melinda S. Sargent v. Orange County Sanitation District, et al., Orange County Superior Court Case No. 02CC11206, and authorize General Counsel to appear and defend the interests of the District.
- b. MOVED, SECONDED AND DULY CARRIED: Receive and file Summons and Complaint, Kimberly D. Ruane v. Orange County Sanitation District, et al., Orange County Superior Court Case No. 02CC11252, and authorize General Counsel to appear and defend the interests of the District.

NON-CONSENT CALENDAR

11. FUTURE LEVEL OF TREATMENT

- (1.a) Select a treatment technology appropriate for the Orange County Sanitation District that could include a range of options including any of the following:

Alternative A – Ocean Plan Permit Limits (Approx. 70% Primary and 30% Secondary)

Alternative B – Status Quo (50% Advanced Primary and 50% Secondary)

Alternative C – Conventional Activated Sludge Full Secondary

Alternative D – Alternative Advanced Technologies

- or -

- (1.b) Select a particular set of effluent Biochemical Oxygen Demand (BOD) and Suspended Solids characteristics and direct staff to recommend to the Board at a

later date the recommended technology to achieve the selected effluent characteristics; and,

- (2) Authorize the General Manager to submit an Ocean Discharge Permit application for that selected level of treatment (or selected effluent characteristics) to the EPA and the RWQCB, no later than December 3, 2002, conditional upon successfully negotiating compliance terms satisfactory to the Board; and,
- (3) Direct staff to report to the Board, on a regular basis, on the progress toward successfully negotiating satisfactory permit terms and conditions with EPA and the California RWQCB; and,
- (4) Direct Staff to modify operation of the existing treatment facilities to maximize, to the extent practical and at the earliest date practical, the removal rates of BOD and Suspended Solids through the existing treatment facilities; and,
- (5) Direct Staff to report to the Board, on a monthly basis, on the progress toward modifying operation of the existing treatment facilities and the resultant effluent Biochemical Oxygen Demand (BOD) and Suspended Solids concentrations resulting from such modifications.

Blake Anderson, General Manager, advised that Alternative C, as listed on the agenda and agenda report, should be corrected to reflect:

Alternative C - Conventional Activated Sludge or Trickling Filters Full Secondary

Mr. Anderson then reviewed the various options the Directors could choose and the impacts of the options chosen. Regardless of what option was chosen, with the exception of Alternate B, a transition plan would need to be developed to bridge any conflicts that might arise with compliance schedules.

Directors entered into discussion and expressed their opinions, concerns and frustrations with the policy decision before them. Several voiced concern with liability issues and fines that could be levied by regulatory agencies if a waiver application was not filed regardless of the treatment option selected. Several Directors stated that higher standards of the effluent should be met before discharging into the ocean. However, they did not want staff to be confined to the methodology of meeting those standards.

Many of the Directors indicated continuing support for the GWRS project, under any future treatment scenario. Many of the Directors also indicated continuing concern for urban runoff impacts and indicated a continuing support for our involvement. There was an abiding interest expressed by all Directors that a clean ocean is everyone's objective. Their differences lie in the approach to be taken to accomplish the objective.

A prepared motion was offered by Director Brian Brady and seconded to adopt Resolution No. OCSD 02-14, which would establish the policy for the level of treatment of wastewater discharged into the ocean. The policy would require the District to treat all wastewater discharges into the ocean to secondary treatment standards, thereby providing for continued public safety, marine ecosystem protection and water

reclamation opportunities. Staff would be directed to immediately proceed with the planning, design, and implementation of treatment methods that would allow the agency to meet Federal Clean Water Act secondary treatment standards. Staff would also be directed to prepare and adopt a plan of work for facilities to meet secondary treatment standards, and submit the necessary documentation to EPA and the State of California, with the expressed purpose of eliminating a waiver under Section 301(h) of the Federal Clean Water Act. Staff would also be directed to expeditiously negotiate permit terms and conditions that would accomplish the integrated goals of achieving secondary treatment standards, eliminating the need for Section 301(h) Clean Water Act permit, and minimize the risk of enforcement liability during the transition period from the present effluent standards to secondary treatment standards.

Directors continued discussion and asked questions of staff, general counsel and district's consultants, regarding the proposed resolution and impacts. There was discussion on possible negotiations with regulatory agencies for a compliance schedule the District could meet to limit exposure for non-compliance fines.

A motion was then moved and seconded to call for the question.

MOVED, SECONDED AND DULY CARRIED: Approve Resolution No. OCSD-14, Establishing the Policy for Level of Treatment of Wastewater Discharged into the Ocean, by roll call vote as follows:

AYES: Shirley McCracken, Chair; Steve Anderson, Vice Chair; Gary Adams; Mike Alvarez; Don Bankhead; Connie Boardman; Brian Brady; Patty Campbell; Laurann Cook; James Ferryman; Beth Krom; Paul Walker; Tom Wilson.

NOES: Brian Donahue; Michael Duvall; Norm Eckenrode; Alice Jempsa; Tim Keenan; Tony Kawashima; Mark Leyes; Pat McGuigan; Roy Moore; Joy Neugebauer; Russ Patterson; Gerald Sigler.

Director Jempsa noted that her opposition to the motion was because the motion did not precisely follow the direction provided to her from her city council.

RECESS: The Chair declared a ten-minute recess at 9:37 p.m.

RECONVENE: The Chair reconvened the meeting at 9:48 p.m.

12. DRAFT FINANCE, ADMINISTRATION AND HUMAN RESOURCES COMMITTEE MINUTES: A verbal report was presented by Director Brady, Chair of the Finance, Administration and Human Resources Committee, re the July 10, 2002 meeting.

The Chair ordered the draft Finance, Administration and Human Resources Committee Minutes for the meeting held on July 10, 2002 to be filed.

- c. **MOVED, SECONDED AND DULY CARRIED:** Receive and file Treasurer's Report for the month of June 2002.
- d. Director Brady reported the FAHR Committee was split by a 4/4 vote to approve the recommendation to award a contract to Trojan Technologies for various reasons, two of which were that the firm is a Canadian-based firm, and no operations and maintenance agreement exists with Orange County Water District with regard to the groundwater replenishment system project. Directors were then advised that Trojan Technologies had agreed to utilize United States materials for approximately 65% of materials needed.

MOVED, SECONDED AND DULY CARRIED: (1) Approve Trojan Technologies as the Ultraviolet Light (UV) Equipment manufacturer for the Groundwater Replenishment System (GWR System) based on lowest calculated present worth life cycle cost of \$20,253,000, and a total capital cost of \$9,749,405, plus tax; (2) Approve a Pre-Selection Agreement between Orange County Water District (OCWD) and Trojan Technologies to provide engineering details for the equipment design in the total amount of \$250,000, to be equally shared between OCWD and Orange County Sanitation District; (3) Grant authority to the Board of Directors of OCWD to assign the value of the UV Equipment to the construction contract to install the demonstration UV system at a total cost of \$849,842, plus tax; and (4) Grant authority to the Board of Directors of OCWD to assign the value of the UV Equipment to the contract to install the permanent UV system at a total estimated capital cost of \$8,649,563, plus tax.

- e. **MOVED, SECONDED AND DULY CARRIED:** Approve SAFETY-POL-109 and 203, as provided for in Resolution No. OCSD 02-5, regarding the District's Injury and Illness Prevention Program Policy.
- f. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 02-12, Approving First Amendment to the Deferred Compensation Plan for Officers and Employees of the District.
- g. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 02-13, Authorizing the District's Treasurer to Invest and/or Reinvest District's Funds; Adopting District's Investment Policy Statement and Performance Benchmarks for FY 2002-03; and Repealing Resolution No. OCSD 01-13.
- h. Item removed.
- i. **MOVED, SECONDED AND DULY CARRIED:** Renew the District's Excess General Liability Insurance Program for the period July 1, 2002 through June 30, 2003, in an amount not to exceed \$201,500.

- 13. **DRAFT JOINT GROUNDWATER REPLENISHMENT SYSTEM COOPERATIVE COMMITTEE MINUTES:** A verbal report was presented by Director Russ Patterson, representative on the Joint Groundwater Replenishment System Cooperative Committee, re the meeting held on July 8, 2002.

The Chair ordered the Joint Groundwater Replenishment System Cooperative Committee Minutes for the meeting held on June 10, 2002 to be filed.

14. **MOVED, SECONDED AND DULY CARRIED:** (1) Receive and file Addendum No. 6 to the Certified 1999 Strategic Plan Final Program Environmental Impact Report, prepared by Environmental Science Associates, for the Temporary Short-Term Bacteria Reduction Project, Job No. J-87; (2) Authorize staff to proceed with the Short-Term Bacteria Reduction Project, Job No. J-87, contingent upon the Regional Water Quality Control Board approval of Order No. R8-2002-0055; and (3) Adopt Resolution No. OCSD 02-15, Approving a Temporary Short Term Bacteria Reduction Program, Job No. J-87, contingent upon the Regional Water Quality Board approval of Order No. R8-2002-0055; and making certain findings relating to Addendum No. 6 to the 1999 Strategic Plan Final Program Environmental Impact Report.

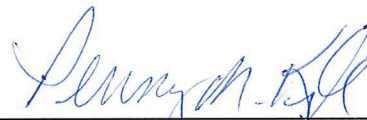
Director Boardman opposed.

16. Director Anderson requested that a policy be considered regarding "Buy American", and asked staff to prepare a report.

Director Leyes requested a workshop be held to discuss what the District must do in order to accomplish the level of treatment that was approved.

Director Laurann Cook requested that members of the Ocean Outfall Group be contacted and asked to assist staff in negotiations with EPA, as well as Sacramento, so that AB 1969 could be defeated.

ADJOURNMENT: The Chair adjourned this meeting in the memory of Samantha Runnion. The Chair then declared the meeting adjourned at 10:10 p.m.



Secretary of the Board of Directors of
Orange County Sanitation District