

# **Orange County Sanitation District**

## **MINUTES**

### **BOARD MEETING**

**June 25, 2008**



**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 25, 2008 at 6:30 p.m., in the District's Administrative Offices. Following the Pledge of Allegiance and invocation, the roll was called and the Clerk of the Board reported a quorum present as follows:

**ACTIVE DIRECTORS**

**ALTERNATE DIRECTORS**

X	James M. Ferryman, Chair		Bob Ooten
X	Doug Davert, Vice Chair		Jim Palmer
X	Charles Antos		Gordon Shanks
X	Don Bankhead		Sharon Quirk
X	Larry Crandall		Gus Ayer
X	Bill Dalton		Steven Jones
X	Jon Dumitru		Carolyn Cavecche
X	Rose Espinoza		James Gomez
X	Richard Freschi		Brad Reese
X	Don Hansen		Jill Hardy
X	Phil Luebben		Prakash Narain
X	Patsy Marshall		Jim Dow
X	Darryl Miller		Douglas Reinhart
X	Roy Moore		Ron Garcia
X	Joy Neugebauer		Al Krippner
	Chris Norby	X	Janet Nguyen
	Ken Parker	X	Catherine Driscoll
X	Christina Shea		Steven Choi
X	David Shawver		David Cadena
X	Harry Sidhu		Lucille Kring
	Sal Tinajero	X	David Benavides
X	Constance Underhill		Joseph Aguirre
X	Mark Waldman		Henry Charoen
X	Don Webb		Leslie Daigle
X	Jim Winder		John Anderson

**STAFF MEMBERS PRESENT:** Jim Ruth, General Manager; Bob Ghirelli, Assistant General Manager; Penny Kyle, Clerk of the Board; Nick Arhontes; Jim Herberg; Ed Torres; Lorenzo Tyner; Rich Castillon; Bret Colson; Lilia Kovac; Norbert Gaia; Gail Garrett; Michael Gold; Juanita Skillman; Ryal Wheeler; Chuck Winsor

**OTHERS PRESENT:** Brad Hogin, General Counsel; Matthew Harper; Monalee Marquis; Bob Ooten

PUBLIC COMMENTS

There were no public comments.

REPORT OF THE CHAIR

Chair Ferryman presented a resolution of commendation to Director Rich Freschi and thanked him for his dedication and service to the Sanitation District.

It was reported that a letter addressed to state representatives was being circulated for signature by all board members present, requesting that special districts' property tax funds are not shifted for the purpose of balancing the State budget. Mr. Ferryman reviewed the July meeting schedule.

REPORT OF THE GENERAL MANAGER

General Manager, Mr. Jim Ruth, presented a brief report on the proposed budget, the public outreach program, and an update of the SAWPA and IRWD operating agreements.

REPORT OF THE GENERAL COUNSEL

General Counsel, Brad Hogin, did not give a report.

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>05/15/08</u>	<u>05/31/08</u>
Totals	\$17,234,017.86	\$25,971,110.02

Director Hansen abstained from discussion and voting on Warrant Nos. 10794 and 10963. Director Shawver abstained from discussion and voting on Warrant No. 11299. Directors Nguyen, Shea and Sidhu abstained from discussion and voting on all warrants. Abstentions were pursuant to California Government Code Section 84308.

CONSENT CALENDAR

7. a. MOVED, SECONDED AND DULY CARRIED: Order the minutes for the regular meeting held on May 28, 2008, to be filed and deemed approved, as mailed.

Director Nguyen abstained.

- b. **MOVED, SECONDED AND DULY CARRIED:** Approve settlement payment of \$263,875 in connection with Administrative Civil Liability Complaint No. R8-2008-0054 to the Santa Ana Regional Water Quality Control Board as follows:
  - 1. State Water Resources Control Board for \$143,875; and,
  - 2. General Manager to direct the remaining balance of \$120,000 toward Supplemental Environmental Projects proposed by the Sanitation District and approved by the Santa Ana Regional Water Quality Control Board.
  
- c. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 08-11, Establishing the Annual Appropriations Limit for Fiscal Year 2008-09, for the Orange County Sanitation District in accordance with the Provisions of Division 9 of Title 1 of the California Government Code.

### **COMMITTEE REPORTS AND RECOMMENDED ACTIONS**

#### 8. **STEERING COMMITTEE**

Chair Ferryman reported the Steering Committee had considered an update on the Builders Industry Association request to defer connection fees, as well as approval for two directors to travel to Stockholm, Sweden to attend a water conference and receive a prestigious award in connection with the GWR System.

#### **Consent Calendar**

- a. **MOVED, SECONDED AND DULY CARRIED:** Order Steering Committee Minutes for the meeting held on May 28, 2008, to be filed.

Director Nguyen abstained.

- b. Item moved to non-consent for consideration.

#### **Non-Consent Calendar**

- b. Approve out-of-country travel for a maximum of two Directors to accept the Stockholm Industry Water Award in Stockholm, Sweden, in connection with the Groundwater Replenishment System project, and authorize travel, lodging and per diem costs to be paid by the Sanitation District.

Chair Ferryman reported that additional details had been received by staff identifying expenses, excluding airfare, were offered to be paid by the Stockholm Water Foundation and the Stockholm International Water Institute for two Directors to attend the 2008 World Water Week conference.

A motion was made and seconded but failed to be approved by a roll call vote count of 19 nays and 6 yeas.

A substitute motion was made and seconded to authorize one Director to attend the conference and limiting the stipend for one day, but failed to be approved by a roll call vote count of 13 nays and 12 yeas.

It was then:

**MOVED, SECONDED AND DULY CARRIED:** Approve out-of-country travel for two Directors to attend the Stockholm International Water Institute Conference in Sweden and accept an award in connection with the Groundwater Replenishment System project, authorizing travel and per diem costs not to exceed \$5,000.

Directors Dumitru, Luebben, Marshall, Miller, Sidhu, Underhill and Winder opposed.

- c. **MOVED, SECONDED AND DULY CARRIED:** 1) Adopt Resolution No. OCSD 08-08, Establishing a Policy for Naming Facilities and the Placement of Monuments and Other Memorials; and,
- 2) Dedicate and name the Ellis Pump Station in memory of Past Chair Steve Anderson.

9. OPERATIONS COMMITTEE

Consent Calendar

- a. **MOVED, SECONDED AND DULY CARRIED:** Order Operations Committee Minutes for the meeting held on June 12, 2008, to be filed.
- Director Nguyen abstained.
- b. **MOVED, SECONDED AND DULY CARRIED:** 1) Award a contract to Jones Chemicals Inc., for the Purchase of Sodium Hypochlorite -NaOCl (Bleach) Solution, Specification No. C-2008-374BD for a unit price of \$0.5331 per gallon, plus freight of \$0.0600 per gallon, plus applicable sales tax for an estimated amount of \$7,295,600 for the contract period August 11, 2008 through August 10, 2009, with four one-year renewal options; and
- 2) Approve a 10% annual cost escalation contingency.

- c. **MOVED, SECONDED AND DULY CARRIED:** 1) Award a contract to Jones Chemicals Inc, for the purchase of Sodium Bisulfite Solution ( $\text{NaHSO}_3$ ), Specification No. C-2008-379BD for contract period August 11, 2008 through August 31, 2009 for a unit price of \$0.7539 per gallon plus freight of \$0.0600 per gallon, plus applicable sales tax for an estimated amount of \$523,380 with four one-year renewal options; and,
- 2) Approve a 10% annual cost escalation contingency.
- d. **MOVED, SECONDED AND DULY CARRIED:** 1) Award a sole-source contract with US Peroxide, LLC, for the application of a proprietary chemical process which uses hydrogen peroxide regenerated iron for odor and corrosion control, for the period August 1, 2008 through June 30, 2009, for the unit prices of \$1.25/gallon delivered, plus tax for ferrous chloride; \$1.59/gallon delivered, plus tax for hydrogen peroxide (27%); and \$2.85/gallon delivered, plus tax for hydrogen peroxide (50%), for an estimated annual amount of \$2,128,000; and,
- 2) Authorize a 10% unit cost escalation contingency.
- e. **MOVED, SECONDED AND DULY CARRIED:** 1) Approve Plans and Specifications for the Temporary Primary Sludge Diversion from Plant 1 to Plant 2, Contract No. P1-101A, on file at the office of the Clerk of the Board;
- 2) Receive and file bid tabulation and recommendation;
- 3) Reject low bid from Caliaqua, Inc. as "Non Responsive" due to its failure to provide the information required under Public Contract Code §4100 et seq. in its Bid;
- 4) Award a construction contract to Orion Construction Corporation for Temporary Primary Sludge Diversion from Plant 1 to Plant 2, Contract No. P1-101A, for a total amount not to exceed \$567,000; and,
- 5) Approve a contingency of \$56,700 (10%).
- f. **MOVED, SECONDED AND DULY CARRIED:** 1) Approve a Budget increase of \$700,000 for Rehabilitation of Westside Pump Station, Contract No. 3-52, for a total budget amount of \$9,540,000;
- 2) Approve Plans and Specifications for the Rehabilitation of Westside Pump Station, Contract No. 3-52, on file at the office of the Clerk of the Board;
- 3) Approve Addendum No. 1 to the plans and specifications;
- 4) Receive and file bid tabulation and recommendation;

5) Award a contract to Norman A. Olsson Construction Inc. for the construction of the Rehabilitation of Westside Pump Station, Contract No. 3-52, for a total amount not to exceed \$5,885,000; and,

6) Approve a contingency of \$294,250 (5%).

10. ADMINISTRATION COMMITTEE

Consent Calendar

- a. **MOVED, SECONDED AND DULY CARRIED:** Order Administration Committee Minutes for the meeting held on June 12, 2008, to be filed.  
  
Director Nguyen abstained.
- b. Staff requested this item to be pulled for consideration at a future date.
- c. **MOVED, SECONDED AND DULY CARRIED:** 1) Renew the Sanitation District's Excess General Liability Insurance Program for the period July 1, 2008 through June 30, 2009, in an amount not to exceed \$370,525;  
  
2) Renew the Sanitation District's Excess Workers' Compensation Insurance for the period July 1, 2008 through June 30, 2009, with the California State Association of Counties Excess Insurance Authority, at a rate not to exceed \$.0030 (estimated premium of \$175,998 based on current payroll);  
  
3) Renew the Sanitation District's All-Risk Property and Flood for the period July 1, 2008 through June 30, 2009, in an amount not to exceed \$469,100; and,  
  
4) Renew the Sanitation District's Boiler & Machinery Insurance Program for the period July 1, 2008 through June 30, 2009, in an amount not to exceed \$17,000.
- d. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 08-09, Establishing Use Charges for the Fiscal Year 2008-09 Pursuant to the Wastewater Treatment and Disposal Agreement with the Santa Ana Watershed Project Authority.

Non-Consent Calendar

- e. **MOVED, SECONDED AND DULY CARRIED:** Approve proposed Operating, Capital, Debt/COP Service and Self-Insurance Budgets for FY 2008-09 and 2009-10 as follows:

	<u>2008-09</u>	<u>2009-10</u>
Net Operations, Maintenance & Working Capital	\$146,771,180	\$154,038,030
Worker's Compensation Self Insurance	490,000	535,000
General Liability and Property Self-Insurance	1,506,200	1,606,200
Net Capital Improvement Program	373,657,000	228,907,000
Debt/COP Service	74,623,000	84,297,030
Intra-District Joint Equity Purchase/Sale	<u>3,961,700</u>	<u>(2,099,300)</u>
<b>TOTAL</b>	<b><u>\$601,009,080</u></b>	<b><u>\$467,283,960</u></b>

11. GWR SYSTEM STEERING COMMITTEE (GWRSSC)

GWRSSC Consent Calendar

- a. **MOVED, SECONDED AND DULY CARRIED:** Order Joint Groundwater Replenishment System Steering Committee Minutes for the meeting held on May 12, 2008, to be filed.

Director Nguyen abstained.

**NON-CONSENT CALENDAR**

12. **MOVED, SECONDED AND DULY CARRIED:** a) Approve Plans and Specifications and Addendum Nos. 1, 2, 3, 4, 5 and 6 for Headworks Rehabilitation/Refurbishment, Job No. P1-71;
- b) Receive and file bid tabulation and recommendation;
- c) Award a construction contract to Helix Electric, Inc. for Headworks Rehabilitation/Refurbishment, Job No. P1-71, for a total amount not to exceed \$3,645,000; and,
- d) Approve a contingency of \$291,600 (8%).

13. Ordinance No. OCS-38, An Ordinance of the Board of Directors of Orange County Sanitation District, Establishing Local Sanitary Sewer Service Charges:

**OPEN PUBLIC HEARING:** General Counsel declared the public hearing opened at 7:22 p.m.



**MOVED, SECONDED AND DULY CARRIED:** Receive and file 119 written comments in opposition to the sewer service charges.

Director of Finance and Administration, Lorenzo Tyner, provided a brief overview of the proposed ordinance which would establish local sanitary sewer service charges in areas located in the City of Tustin and unincorporated areas north of the City of Tustin, which have in the past been subsidized by regional sewer fee ratepayers.

**PUBLIC COMMENTS:** Ms. Monalee Marquis of the city of Tustin stated her opposition to the new sewer service fee.

**CLOSE PUBLIC HEARING:** General Counsel declared the public hearing closed at 7:29 p.m.

**MOVED, SECONDED AND DULY CARRIED:** Read Ordinance No. OCSD-38 by title only and waive reading of said entire ordinance.

Directors Dumitru and Nguyen opposed.

**MOVED, SECONDED AND DULY CARRIED:** Adopt Ordinance No. OCSD-38.

**Ayes:** Charles Antos; Don Bankhead; David Benavidez; Larry Crandall; Bill Dalton; Rose Espinoza; Jim Ferryman; Rich Freschi; Don Hansen; Patsy Marshall; Darryl Miller; Roy Moore; Joy Neugebauer; Catherine Driscoll; David Shawver; Christina Shea; Constance Underhill; Mark Waldman; Don Webb; Jim Winder

**Nays:** Doug Davert; Jon Dumitru; Phil Luebben; Janet Nguyen; Harry Sidhu

**Abstention:** None

**Absent:** None

14. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. OCSD 08-10, directing the County Tax Collector-Treasurer to include local sanitary sewer service charges on the 2008-09 through 2012-13 property tax bills.

**ADJOURNMENT:** The Chair declared the meeting adjourned at 7:38 p.m.

  
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Penny M. Kyle  
Clerk of the Board  
Orange County Sanitation District