

Orange County Sanitation District

MINUTES

BOARD MEETING

August 27, 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 August 27, 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	Doug Davert, Chair	Jim Palmer
X	Larry Crandall, Vice Chair	Gus Ayer
X	Charles Antos	Gordon Shanks
X	Don Bankhead	Sharon Quirk
X	Bill Dalton	Steven Jones
X	Jon Dumitru	Carolyn Cavecche
X	Rose Espinoza	James Gomez
X	James M. Ferryman	Bob Ooten
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
X	Chris Norby	Janet Nguyen
X	Ken Parker	Catherine Driscoll
X	Brad Reese	W. Richard Ulmer
X	David Shawver	David Cadena
X	Christina Shea	Steven Choi
X	Harry Sidhu	Lucille Kring
A	Sal Tinajero	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; Jim Herberg; Lilia Kovac; Ed Torres; Lorenzo Tyner; Carla Dillon; Bret Colson; Michael Gold; Linda Kirshner; Ryal Wheeler; Paula Zeller

OTHERS PRESENT: Brad Hogin, General Counsel; Alternate Director Bob Ooten; Gino Rampagna; Ed Soong; David Moshier

PUBLIC COMMENTS

There were no public comments.

REPORT OF THE CHAIR

Chair Doug Davert delivered a brief presentation on the Stockholm International Water Institute Conference and award ceremony for the GWRS project. He also reported briefly on the upcoming Strategic Plan annual review meeting and the standing committee meeting schedule.

Director Luebben provided a brief report on the CASA conference held in Monterey on August 21 – 23, 2008; Director of Technical Services, Ed Torres, presented Linda Kirshner with a 30-year service award; and, Director of Engineering, Jim Herberg, introduced two guest engineers from North Korea who have been studying the Sanitation District's processes for the last few weeks.

REPORT OF THE GENERAL MANAGER

General Manager Jim Ruth reported that he attended a City of La Habra council meeting and presented to Steve Anderson's family a Resolution of Commendation for his work and contribution to the advancement and solutions to watershed issues. Mr. Ruth also reported that Orange County Sherriff Hutchins had toured the Sanitation and Water districts.

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>07/15/08</u>	<u>07/31/08</u>
Totals	\$16,863,615.02	\$55,318,925.56

Director Crandall abstained from discussion and voting on Warrant No. 12782. Director Luebben abstained from discussion and voting on Warrant Nos. 12263, 12592, 12795, 12865 and 13179. Director Shawver abstained from discussion and voting on Warrant Nos. 12687 and 12917. Directors Hansen, Norby, 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 July 23, 2008, to be filed and deemed approved, as mailed.
- Director Hansen abstained.
- b. **MOVED, SECONDED AND DULY CARRIED:** Approve an agreement with Air Products and Chemicals Inc., for installation and pilot testing for Fuel Cell Hydrogen Gas Generation, Project No. SP-134, at a cost not to exceed \$200,000, in a form approved by General Counsel.
- c. **MOVED, SECONDED AND DULY CARRIED:** Approve a Memorandum of Understanding Agreement with Irvine Ranch Water District to obtain the services of an Engineering Consultant to update billing methodologies for an amount not to exceed \$100,000, in a form approved by General Counsel.
- d. **MOVED, SECONDED AND DULY CARRIED:** 1) Adopt Resolution No. OCSD 08-14, Proclaiming "No Drugs Down the Drain Week"; and,
- 2) Request member agencies to declare their support for said program by adopting a "No Drugs Down the Drain Week" proclamation and utilizing the No Drugs Down the Drain Week Press Kit.
- e. **MOVED, SECONDED AND DULY CARRIED:** Approve waiver of OCSD Policies and Procedures Manual, Recruitment and Selection Policy 1.4, Section 6.1.6, to allow former employee, Jon Thomsic, to work on CIP projects while employed by Lee & Ro, Inc.

COMMITTEE REPORTS AND RECOMMENDED ACTIONS

8. **STEERING COMMITTEE**

Chair Davert reported that the committee had briefly discussed the status of state budget; protocol for receiving awards; legislative report; solids handling and billing for IRWD; and met in closed session on two items.

- a. **MOVED, SECONDED AND DULY CARRIED:** Order Steering Committee Minutes for the meeting held on July 23, 2008, to be filed.

9. GWR SYSTEM STEERING COMMITTEE (GWRSSC)

Director Larry Crandall gave a brief report on the meeting held on August 11, 2008, and his attendance at the Stockholm International Water Institute. Following a brief discussion regarding this event, Directors requested that a request to jointly purchase a second Stockholm International Water Institute (SIWI) award for display at the Sanitation District's lobby Groundwater Steering Committee agenda be submitted for consideration at their next meeting.

- a. **MOVED, SECONDED AND DULY CARRIED:** Order Joint Groundwater Replenishment System Steering Committee Minutes for the meeting held on July 14, 2008, to be filed.
- b. **MOVED, SECONDED AND DULY CARRIED:** Ratify Change Order No. 138 to the Advanced Water Purification Facility contract of the Groundwater Replenishment System, Job No. J-36, with J.F. Shea Construction Inc., authorizing an additional amount of \$3,439,150, increasing the total contract amount to \$301,851,409, to be cost-shared equally with the Orange County Water District (\$1,719,575).
- c. **MOVED, SECONDED AND DULY CARRIED:** Approve Amendment No. 10 to the Professional Services Agreement with Montgomery Watson Harza for the Groundwater Replenishment System, Job No. J-36, providing for additional construction management services for an additional amount of \$140,000, increasing the total amount not to exceed \$15,447,661 to be cost-shared equally with the Orange County Water District (\$70,000).

NON-CONSENT CALENDAR

10. Due to an error made in the contractor's bid, the amount of the contract and the recommended contingency was revised from \$18,512,931 and \$925,647 to \$17,915,908 and \$895,795, respectively. It was then:
 - a) **MOVED, SECONDED AND DULY CARRIED:** Approve Plans and Specifications for the Newport Trunk Sewer and Force Mains, Bitter Point Pump Station to Coast Trunk Sewer, Contract No. 5-58, on file at the office of the Clerk of the Board;
 - b) Approve Addenda No. 1, 2, 3, 4 and 5 to the plans and specifications;
 - c) Receive and file bid tabulation and recommendation;
 - d) Approve a contract with Mladen Buntich Construction Co. for the construction of the Newport Trunk Sewer and Force Mains, Bitter Point Pump Station to Coast Trunk Sewer, Contract No. 5-58 for a total amount not to exceed \$17,915,908; and,
 - e) Approve a contingency of \$895,795 (5%).

11. Lorenzo Tyner, Director of Finance, briefly reported that due to the current economic banking and financing conditions, refunding COPs issued in 1993 would avoid losing value savings that would have been realized in better market conditions through the swap agreement.

MOVED, SECONDED AND DULY CARRIED: Adopt Resolution No. OCSD 08-15, Authorizing the Execution and Delivery by the District of an Installment Purchase Agreement, a Trust Agreement, and a Continuing Disclosure Agreement in connection with the execution and delivery of Orange County Sanitation District Refunding Certificates of Participation, Series 2008B, Authorizing the Execution and Delivery of such Certificates Evidencing Principal in an Aggregate Amount of Not to Exceed \$32,000,000, Authorizing the Distribution of an Official Notice Inviting Bids and an Official Statement in Connection with the Offering and Sale of such Certificates and Authorizing the Execution of Necessary Documents and Related Actions.

12. Chair Davert declared a recess of the Board of Directors of the Orange County Sanitation District at 7:21 p.m.

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ORANGE COUNTY SANITATION DISTRICT
FINANCING CORPORATION
ROLL CALL

A special meeting of the Board of Directors of the Orange County Sanitation District Financing Corporation (OCSDFC) was called to order on August 27, 2008 at 7:22 p.m. in the District's Administrative Offices. The roll was called, and the Clerk of the Board reported a quorum present as follows:

ACTIVE DIRECTORS

ALTERNATE DIRECTORS

X	Doug Davert, Chair	Jim Palmer
X	Larry Crandall, Vice Chair	Gus Ayer
X	Charles Antos	Gordon Shanks
X	Don Bankhead	Sharon Quirk
X	Bill Dalton	Steven Jones
X	Jon Dumitru	Carolyn Cavecche
X	Rose Espinoza	James Gomez
X	James M. Ferryman	Bob Ooten
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
X	Chris Norby	Janet Nguyen
A	Ken Parker	Catherine Driscoll
X	Brad Reese	W. Richard Ulmer
X	David Shawver	David Cadena
X	Christina Shea	Steven Choi
X	Harry Sidhu	Lucille Kring
A	Sal Tinajero	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; Jim Herberg; Lilia Kovac; Ed Torres; Lorenzo Tyner; Carla Dillon; Bret Colson; Michael Gold; Linda Kirshner; Ryal Wheeler; Paula Zeller

OTHERS PRESENT: Brad Hogin, General Counsel; Bob Ooten, Gino Rampagna; Ed Soong; David Moshier

- b. Director of Finance, Lorenzo Tyner, reported that the refinancing of refunding of COPs requires the Financing Corporation approval.

- c. **MOVED, SECONDED AND DULY CARRIED:** Adopt Resolution No. FC-07, a Resolution of the Board of Directors of the Orange County Sanitation District Finance Corporation Authorizing the Execution and Delivery by the Corporation of an Installment Purchase Agreement, a Trust Agreement, and a Continuing Disclosure Agreement in connection with the execution and delivery of Orange County Sanitation District Certificates of Participation, Refunding Series 2008B, Authorizing the Execution and Delivery of such Certificates Evidencing Principal in an Aggregate Amount of Not to Exceed \$32,000,000, Authorizing the Distribution of an Official Notice Inviting Bids and an Official Statement in Connection with the Offering and Sale of such Certificates and Authorizing the Execution of Necessary Documents and Related Actions.

ADJOURNMENT: The Chair declared the meeting of the Orange County Sanitation District Financing Corporation adjourned at 7:22 p.m.

RECONVENE IN REGULAR SESSION: The Board of Directors of the Orange County Sanitation District reconvened in regular session at 7:23 p.m.

16. **CONVENE IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(b):** The Board convened in closed session at 7:23 p.m. pursuant to Government Code Section 54957(b(1)).

RECONVENE IN REGULAR SESSION: The Board reconvened in regular session at 8:00 p.m.

MOVED, SECONDED AND DULY CARRIED: Approve employment agreement with James D. Ruth, General Manager, providing for a base salary of \$225,000; a non-base building merit of 7% (\$14,692); deferred compensation (\$20,500); and reimbursement of health insurance premiums for an annual amount not to exceed \$3,500

Directors Shea, Norby, Espinoza, Underhill and Bankhead opposed.

ADJOURNMENT: The Chair declared the meeting adjourned at 8:04 p.m.



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