



# OPERATIONS COMMITTEE

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## Agenda Report

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**File #:** 2026-4832

**Agenda Date:** 4/1/2026

**Agenda Item No:** 4.

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**FROM:** Robert Thompson, General Manager  
Originator: Riaz Moinuddin, Director of Operations & Maintenance

**SUBJECT:**

**MASTER REIMBURSEMENT AGREEMENT FOR MANHOLE FRAME AND COVER OVERLAY**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Master Reimbursement Agreement with the City of Cypress, Specs. S-050A, S-055, and S-055A, establishing terms, procedures, and reimbursement for Orange County Sanitation District manhole frame and cover adjustments performed as part of Cypress Street Rehabilitation projects, in a standardized form approved by General Counsel; and
- B. Approve the Master Reimbursement Agreement Template and authorize the General Manager to execute future Master Reimbursement Agreements with other municipalities under similar terms, as approved by General Counsel.

**BACKGROUND**

Many municipalities routinely undertake street improvement projects to enhance pavement quality and roadway safety. These projects generally include asphalt resurfacing and related upgrades within existing rights-of-way.

Orange County Sanitation District (OC San) owns and maintains approximately 4,400 manholes within the Orange County service area. As part of pavement resurfacing, these manholes often require elevation adjustments to meet final roadway grade. OC San is responsible for ensuring proper elevation to maintain both traffic safety and sewer system accessibility.

Incorporating OC San's manhole adjustment work into a municipality's project scope is more efficient in terms of labor, time, and cost than performing the work separately. Under these agreements, OC San reimburses the municipality for the adjustment work.

**RELEVANT STANDARDS**

- Protect OC San assets
- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities

- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

**PROBLEM**

OC San must currently negotiate and execute a separate reimbursement agreement for each municipal street rehabilitation project requiring manhole adjustments. This repetitive process is labor-intensive, time-consuming, and may delay project delivery.

**PROPOSED SOLUTION**

Approve a Master Reimbursement Agreement with the City of Cypress and approve a Master Reimbursement Agreement Template to establish standardized reimbursement terms and streamline the approval process by authorizing the General Manager to execute future qualifying agreements.

**TIMING CONCERNS**

N/A

**RAMIFICATIONS OF NOT TAKING ACTION**

If no action is taken, OC San will need to negotiate separate reimbursement agreements with multiple municipalities for each project, potentially causing delays. If OC San instead publicly bids and performs the work independently, costs would likely be higher due to restricted access to construction areas and additional street closures impacting the public.

**PRIOR COMMITTEE/BOARD ACTIONS**

N/A

**ADDITIONAL INFORMATION**

Under the agreement, OC San will supply manhole frames and covers and perform inspections to ensure the work meets OC San standards.

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget Update FY 2025-26, Page 33, Repairs & Maintenance) and the budget is sufficient for the recommended action.

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Master Reimbursement Agreement - City of Cypress
- Master Reimbursement Agreement - Template
- Presentation