



## **ORANGE COUNTY SANITATION DISTRICT** **SPECIAL NOTICE REGARDING CORONAVIRUS (COVID-19)** **AND ATTENDANCE AT PUBLIC MEETINGS**

On March 4, 2020, Governor Newsom proclaimed a State of Emergency in California as a result of the threat of COVID-19. On March 12, 2020 and March 18, 2020, Governor Newsom issued Executive Order N-25-20 and Executive Order N-29-20, which temporarily suspend portions of the Brown Act which addresses the conduct of public meetings.

The General Manager and the Chairman of the Board of Directors have determined that due to the size of the Orange County Sanitation District's Board of Directors (25), and the health and safety of the members, the Board of Directors will be participating in meetings of the Board telephonically and Internet accessibility.

### **PUBLIC PARTICIPATION**

Your participation is always welcome. The Board of Directors meeting will be available to the public online at:

**<https://ocsd.legistar.com/Calendar.aspx>**

You may submit your comments and questions in writing for the Board's consideration by sending them to [OCSDClerk@ocsd.com](mailto:OCSDClerk@ocsd.com) with the subject line "PUBLIC COMMENT ITEM #" (insert the item number relevant to your comment) or "PUBLIC COMMENT NON-AGENDA ITEM". Submit your written comments by 6:00 p.m. on Tuesday, May 26, 2020. All public comments will be provided to the Board and may be read into the record or compiled as part of the record.

Thank you.

**Serving:**

*Orange County Sanitation District*

10844 Ellis Avenue, Fountain Valley, CA 92708  
714.962.2411 • www.ocsd.com

Anaheim

Brea

Buena Park

Cypress

Fountain Valley

Fullerton

Garden Grove

Huntington Beach

Irvine

La Habra

La Palma

Los Alamitos

Newport Beach

Orange

Placentia

Santa Ana

Seal Beach

Stanton

Tustin

Villa Park

County of Orange

Costa Mesa  
Sanitary District

Midway City  
Sanitary District

Irvine Ranch  
Water District

Yorba Linda  
Water District

May 20, 2020

**NOTICE OF  
REGULAR MEETING**

BOARD OF DIRECTORS

ORANGE COUNTY SANITATION DISTRICT

**Wednesday, May 27, 2020 – 6:00 P.M.**

**ACCESSIBILITY FOR THE GENERAL PUBLIC**

**Due to the spread of COVID-19, the Orange County Sanitation District will be holding all upcoming Board and Committee meetings by teleconferencing and Internet accessibility. This meeting will be available to the public online at:**

**<https://ocsd.legistar.com/Calendar.aspx>**

The Regular Meeting of the Board of Directors of the Orange County Sanitation District will be held in the manner indicated above on Wednesday, May 27, 2020 at 6:00 p.m.

  
Clerk of the Board

***Upcoming Meetings:***

**Steering Committee -  
Board Meeting -**

**Wednesday, June 24, 2020 at 5:00 p.m.**

**Wednesday, June 24, 2020 at 6:00 p.m.**

*Our Mission: To protect public health and the environment by providing effective wastewater collection, treatment, and recycling.*



**BOARD MEETING DATES**

June 24, 2020

July 22, 2020

August 26, 2020

September 23, 2020

October 28, 2020

***November 18, 2020 \****

***December 16, 2020 \****

January 27, 2021

February 24, 2021

March 24, 2021

April 28, 2021

May 26, 2021

***\* Meeting will be held on the third Wednesday of the month***

**ORANGE COUNTY SANITATION DISTRICT**  
**BOARD OF DIRECTORS**  
**Complete Roster**

Effective 02/19/2020

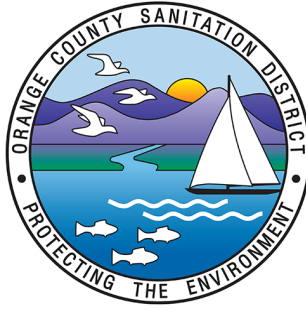
<b>AGENCY/CITIES</b>	<b>ACTIVE DIRECTOR</b>	<b>ALTERNATE DIRECTOR</b>
Anaheim	Lucille Kring	Denise Barnes
Brea	Glenn Parker	Cecilia Hupp
Buena Park	Fred Smith	Connor Traut
Cypress	Mariellen Yarc	Stacy Berry
Fountain Valley	Steve Nagel	Patrick Harper
Fullerton	Jesus J. Silva	Jan Flory
Garden Grove	Steve Jones	John O'Neill
Huntington Beach	Erik Peterson	Lyn Semeta
Irvine	Christina Shea	Anthony Kuo
La Habra	Tim Shaw	Rose Espinoza
La Palma	Peter Kim	Nitesh Patel
Los Alamitos	Richard Murphy	Dean Grose
Newport Beach	Brad Avery	Joy Brenner
Orange	Mark Murphy	Kim Nichols
Placentia	Chad Wanke	Ward Smith
Santa Ana	Cecilia Iglesias	David Penaloza
Seal Beach	Sandra Massa-Lavitt	Schelly Sustarsic
Stanton	David Shawver	Carol Warren
Tustin	Allan Bernstein	Chuck Puckett
Villa Park	Robert Collacott	Chad Zimmerman

**Sanitary/Water Districts**

Costa Mesa Sanitary District	James M. Ferryman	Bob Ooten
Midway City Sanitary District	Andrew Nguyen	Margie L. Rice
Irvine Ranch Water District	John Withers	Douglas Reinhart
Yorba Linda Water District	Brooke Jones	Phil Hawkins

**County Areas**

Board of Supervisors	Doug Chaffee	Donald P. Wagner
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**Orange County Sanitation District  
BOARD OF DIRECTORS  
Regular Meeting Agenda  
Wednesday, May 27, 2020 - 6:00 PM  
Board Room  
Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433**

**AGENDA POSTING:** In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted outside the main gate of the Sanitation District's Administration Building located at 10844 Ellis Avenue, Fountain Valley, California, and on the Sanitation District's website at [www.ocsd.com](http://www.ocsd.com) not less than 72 hours prior to the meeting date and time above. All public records relating to each agenda item, including any public records distributed less than 72 hours prior to the meeting to all, or a majority of the Board of Directors, are available for public inspection in the office of the Clerk of the Board.

**AGENDA DESCRIPTION:** The agenda provides a brief general description of each item of business to be considered or discussed. The recommended action does not indicate what action will be taken. The Board of Directors may take any action which is deemed appropriate.

**MEETING AUDIO:** An audio recording of this meeting is available within 24 hours after adjournment of the meeting. Please contact the Clerk of the Board's office at (714) 593-7433 to request the audio file.

**NOTICE TO DIRECTORS:** To place items on the agenda for a Committee or Board Meeting, the item must be submitted in writing to the Clerk of the Board: Kelly A. Lore, MMC, (714) 593-7433 / [klore@ocsd.com](mailto:klore@ocsd.com) at least 14 days before the meeting.

**FOR ANY QUESTIONS ON THE AGENDA, BOARD MEMBERS MAY CONTACT STAFF AT:**

General Manager: Jim Herberg, [jherberg@ocsd.com](mailto:jherberg@ocsd.com) / (714) 593-7300  
Asst. General Manager: Lorenzo Tyner, [ltyners@ocsd.com](mailto:ltyners@ocsd.com) / (714) 593-7550  
Asst. General Manager: Rob Thompson, [rthompson@ocsd.com](mailto:rthompson@ocsd.com) / (714) 593-7310  
Director of Human Resources: Celia Chandler, [cchandler@ocsd.com](mailto:cchandler@ocsd.com) / (714) 593-7202  
Director of Engineering: Kathy Millea, [kmillea@ocsd.com](mailto:kmillea@ocsd.com) / (714) 593-7365  
Director of Environmental Services: Lan Wiborg, [lwiborg@ocsd.com](mailto:lwiborg@ocsd.com) / (714) 593-7450

**CALL TO ORDER**

Board Chairman David Shawver

**INVOCATION AND PLEDGE OF ALLEGIANCE**

Mark Murphy, City of Orange

**ROLL CALL AND DECLARATION OF QUORUM**

Clerk of the Board

**PUBLIC COMMENTS:**

*You may submit your comments and questions in writing for the Board of Directors' consideration by sending them to the Clerk of the Board at [OCSDClerk@ocsd.com](mailto:OCSDClerk@ocsd.com) with the subject line "PUBLIC COMMENT ITEM #" (insert the item number relevant to your comment) or "PUBLIC COMMENT NON-AGENDA ITEM". Submit your written comments by 6:00 p.m. on May 26, 2020. All public comments will be provided to the Board of Directors and may be read into the record or compiles as part of the record.*

**SPECIAL PRESENTATIONS:**

None.

**REPORTS:**

*The Board Chairperson and the General Manager may present verbal reports on miscellaneous matters of general interest to the Directors. These reports are for information only and require no action by the Directors.*

**ELECTIONS:**

**1. NOMINATIONS FOR CHAIRPERSON AND VICE CHAIRPERSON OF THE ORANGE COUNTY SANITATION DISTRICT BOARD OF DIRECTORS [2020-980](#)**

**RECOMMENDATION:**

- A. Open nominations for Chairperson of the Board of Directors. (Election to be held at the regular June Board of Directors meeting unless only one candidate is nominated.)
- B. Open nominations for Vice Chairperson of the Board of Directors. (Election to be held at the regular June Board of Directors meeting unless only one candidate is nominated.)

**Originator:** Kelly Lore

**Attachments:** [Agenda Report](#)

**CONSENT CALENDAR:**

*Consent Calendar Items are considered to be routine and will be enacted, by the Board of Directors, after one motion, without discussion. Any items withdrawn from the Consent Calendar for separate discussion will be considered in the regular order of business.*

**2. APPROVAL OF MINUTES [2020-1055](#)****RECOMMENDATION:**

Approve Minutes of the Regular Meeting of the Board of Directors held April 22, 2020.

**Originator:** Kelly Lore

**Attachments:** [Agenda Report](#)  
[04-22-2020 Board Meeting Minutes](#)

**RECEIVE AND FILE:****3. REPORT OF THE INVESTMENT TRANSACTIONS FOR THE MONTH OF APRIL 2020 [2020-907](#)**

**RECOMMENDATION:** Receive and file the following:

Report of the Investment Transactions for the month of April 2020.

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)  
[Investment Transactions for the Month of April 2020](#)

**4. COMMITTEE MEETING MINUTES [2020-1074](#)**

**RECOMMENDATION:** Receive and file the following:

- A. Minutes of the Operations Committee Meeting held March 4, 2020
- B. Minutes of the Administration Committee Meeting held March 11, 2020
- C. Minutes of the Steering Committee Meeting held March 25, 2020

**Originator:** Kelly Lore

**Attachments:** [Agenda Report](#)  
[03-04-2020 Operations Committee Minutes](#)  
[03-11-2020 Administration Committee Minutes](#)  
[03-25-2020 Steering Committee Minutes](#)

**OPERATIONS COMMITTEE:****5. NEWPORT BEACH PUMP STATION PRESSURIZATION IMPROVEMENTS, PROJECT NO. 5-68 [2020-1069](#)****RECOMMENDATION:**

- A. Approve a Professional Design Services Agreement with Dudek to provide Engineering Services for Newport Beach Pump Station Pressurization Improvements, Project No. 5-68, for an amount not to exceed \$542,988; and
- B. Approve a contingency of \$54,299 (10%).

**Originator:** Kathy Millea**Attachments:** [Agenda Report](#)  
[5-68 Professional Design Services Agreement](#)**6. SERVICE CONTRACT FOR PLANT NOS. 1 AND 2 CENTRAL GENERATION CARBON CHANGE-OUT, SPECIFICATION NO. S-2020-1130BD [2020-1070](#)****RECOMMENDATION:**

- A. Award a Service Contract to EnviroSupply & Service Inc. for Plant Nos. 1 and 2, Central Generation Facility Fuel Gas Cleaning System, Carbon Change-Out [replacement]; Specification No. S-2020-1130BD, for a total amount not to exceed \$240,702 for the period July 1, 2020 through June 30, 2021, with four (4) one-year renewal options; and
- B. Approve a contingency of \$24,071 (10%).

**Originator:** Rob Thompson**Attachments:** [Agenda Report](#)  
[S-2020-1130BD FINAL CONTRACT](#)**7. GRIT AND SCREENINGS REMOVAL, SPECIFICATION NO. S-2020-1121BD [2020-1071](#)****RECOMMENDATION:**

- A. Approve a Service Contract to Denali Water Solutions for Grit and Screenings Removal, Specification No. S-2020-1121BD, for a total amount not to exceed \$551,482 for the period July 1, 2020 through June 30, 2021, with four one-year renewal options; and
- B. Approve a contingency of \$55,148 (10%).

**Originator:** Lan Wiborg



**Attachments:** [Agenda Report](#)  
[S-2020-1121BD - Final](#)

**8. BUSHARD DIVERSION STRUCTURE REPAIR, PROJECT NO. MP-307 [2020-1072](#)**

RECOMMENDATION:

- A. Receive and file Bid Tabulation and Recommendation for Bushard Diversion Structure Repair, Project No. MP-307; and
- B. Reject the bid from Mehta Mechanical Company, Inc. and direct staff to reissue the contract for bids with changes made to prolong the life of the repairs.

**Originator:** Kathy Millea

**Attachments:** [Agenda Report](#)

**9. SEISMIC EVALUATION OF STRUCTURES AT PLANT NOS. 1 AND 2, PROJECT NO. PS15-06 [2020-1073](#)**

RECOMMENDATION:

Receive and file the Seismic Evaluation of Structures at Plant Nos. 1 and 2, Project No. PS15-06.

**Originator:** Kathy Millea

**Attachments:** [Agenda Report](#)  
[PS15-06 Geosyntec Project Report - FINAL - Volume 1](#)  
[PS15-06 Geosyntec Project Report - FINAL - Volume 2](#)  
[PowerPoint Presentation](#)

**ADMINISTRATION COMMITTEE:**

**10. COSTA MESA SANITARY DISTRICT ALTERNATE DISTRICT ENGINEER LENDING AGREEMENT [2020-1080](#)**

RECOMMENDATION:

Approve an employee lending agreement between the Orange County Sanitation District and the Costa Mesa Sanitary District so the Orange County Sanitation District can provide Alternate District Engineer services, effective May 25, 2020 through May 24, 2021, with one 12-month extension as approved by the General Manager.

**Originator:** Kathy Millea

**Attachments:** [Agenda Report](#)  
[Employee Lending Agmt](#)

**11. ELECTRONIC RECORDING MEMORANDUM OF UNDERSTANDING COUNTY OF ORANGE CLERK-RECORDER'S OFFICE** [2020-1081](#)

RECOMMENDATION:

- A. Approve the 2020 SECURE G2G Memorandum of Understanding with the counties of Los Angeles, Orange, Riverside, and San Bernardino, for the use of the SECURE Government to Government (G2G) Portal for a term of five (5) years; and
- B. Authorize the Clerk of the Board, or designee, to transmit/record any and all required Orange County Sanitation District real property documents in an electronic format.

**Originator:** Kelly Lore

**Attachments:** [Agenda Report](#)  
[Final 2020 SECURE G2G MOU](#)

**12. CONSOLIDATED FINANCIAL REPORT FOR THE THIRD QUARTER ENDED MARCH 31, 2020** [2020-1082](#)

RECOMMENDATION:

Receive and file the Orange County Sanitation District Third Quarter Financial Report for the period ended March 31, 2020.

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)  
[FY 2019-20 Third Quarter Financial Report](#)

**13. APPROVE A CONTINGENCY INCREASE TO EXISTING SERVICE CONTRACT FOR HAZARDOUS WASTE DISPOSAL SERVICES** [2020-1083](#)

RECOMMENDATION:

Approve a contingency increase of \$35,000 (in addition to the original contingency of \$19,200 for a total contingency of \$54,200, in addition to the original contract amount of \$192,000) to the Service Contract with Clean Harbors Environmental Services, Inc., Specification No. S-2017-841, for hazardous waste services, for the remainder of the contract term ending June 30, 2020.

**Originator:** Celia Chandler

**Attachments:** [Agenda Report](#)

**14. GENERAL MANAGER APPROVED PURCHASES AND ADDITIONS TO [2020-1084](#)  
THE PRE-APPROVED OEM SOLE SOURCE LIST**

RECOMMENDATION:

- A. Receive and file Orange County Sanitation District purchases made under the General Manager’s authority for the period of January 1, 2020 to March 31, 2020; and
  
- B. Approve the following additions to the pre-approved OEM Sole Source List for the period of January 1, 2020 to March 31, 2020:
  - EATON - Batteries and Replacement Services
  - BR FROST COMPANY - Jaw Clutch Assemblies
  - CLA-VAL - Valves, Repairs, Maintenance, and Start-up Services
  - FRANKLIN MILLER - Taskmaster Grinders
  - FLOWSERVE (incl. WORTHINGTON, INGERSOLL-DRESSER, DURCO, PLEUGER, BYRON JACKSON, AND PACIFIC) - Pumps and Parts
  - GROTH - Flame Arrestors and Parts
  - IOPREDICT - Test Validation for Lead Instrumentation, Instrumentation Technicians I & II
  - OCECO - Flame Arrestors and Parts
  - PCB PIEZOTRONICS - Vibration Sensors, Switches, and Instrumentation for Vibration Analysis
  - PENN PROCESS COMPRESSORS (PPC/PENN) - Pistons and Parts
  - PUTZMEISTER - Equipment, Parts, Maintenance, Repairs, and Training
  - VAUGHAN - Pump Maintenance and Repairs

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)

**LEGISLATIVE AND PUBLIC AFFAIRS COMMITTEE:**

None.

**STEERING COMMITTEE:**

None.

**NON-CONSENT:**

None.

**INFORMATION ITEMS:**

None.

**AB 1234 DISCLOSURE REPORTS:**

*This item allows Board members to provide a brief oral report regarding the disclosure of outside committees, conferences, training, seminars, etc. attended at the Agency's expense, per Government Code §53232.3(d).*

**CLOSED SESSION:**

None.

**OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:**

**BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:**

At this time Board members may request staff to place an item on a future agenda.

**ADJOURNMENT:**

Adjourn the Board meeting until the Regular Meeting of the Board of Directors on June 24, 2020 at 6:00 p.m.



# Orange County Sanitation District

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

## BOARD OF DIRECTORS

### Agenda Report

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**File #:** 2020-980

**Agenda Date:** 5/27/2020

**Agenda Item No:** 1.

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**FROM:** James D. Herberg, General Manager  
Originator: Kelly A. Lore, Clerk of the Board

**SUBJECT:**

**NOMINATIONS FOR CHAIRPERSON AND VICE CHAIRPERSON OF THE ORANGE COUNTY SANITATION DISTRICT BOARD OF DIRECTORS**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

- A. Open nominations for Chairperson of the Board of Directors. (Election to be held at the regular June Board of Directors meeting unless only one candidate is nominated.)
- B. Open nominations for Vice Chairperson of the Board of Directors. (Election to be held at the regular June Board of Directors meeting unless only one candidate is nominated.)

**BACKGROUND**

As provided in the Board of Directors' Rules of Procedures, nominations for the Chairperson and Vice Chairperson are made at the regular May Board meeting, and the election will take place at the June Board meeting.

The following is an excerpt from the current Rules of Procedures relative to the election of the Chairperson and Vice Chairperson for the Board of Directors of Orange County Sanitation District:

"G. Chairperson and Vice Chairperson of the Board. A Chairperson and Vice Chairperson of the Board shall be elected by a majority vote of Directors at the regular meeting in June of each year and will assume office July 1<sup>st</sup>. The nominations for Chairperson and Vice Chairperson shall be made at the regular Board meeting in May of each year. Any person nominated for Chairperson shall be deemed to be nominated for Vice Chairperson in the event the person is not elected as Chairperson. Thereafter, the nominees shall prepare a statement setting forth their qualifications for the office sought. The statements should be forwarded to the Clerk of the Board who will in turn mail to the members of the Board of Directors with the Agenda and other meeting material for the June regular meeting. If only one individual is nominated for Chairperson at the regular Board meeting in May, that individual shall be deemed elected as Chairperson, no election shall be held in June, and the individual shall assume office July 1<sup>st</sup>. If only one individual is nominated for Vice Chairperson at the regular Board meeting in May, that individual shall be deemed elected as Vice Chairperson, no election shall be held in June, and the individual shall assume office July 1<sup>st</sup>.

The Chairperson and Vice Chairperson shall serve at the pleasure of a majority of the Directors. In the event the office of Chairperson becomes vacant due to resignation or retirement of the incumbent prior to the expiration of the regular term, the Vice Chairperson shall automatically succeed to the office of the Chairperson and shall continue to serve through the remainder of the regular term unless sooner removed by action of a majority of the Directors. In the event the office of Vice Chairperson becomes vacant prior to the expiration of the regular term, nominations and the election of a Director to serve in that capacity shall be conducted at the next regular Board meeting. The person so elected shall serve the balance of the regularly scheduled term unless sooner removed as a result of action by a majority of the Directors.

The Chairperson shall not serve more than two consecutive one-year terms for which he/she has been elected to the office of Chairperson. The Vice Chairperson shall not serve more than two consecutive one-year terms for which he/she has been elected to the office of Vice Chairperson.”

### **RELEVANT STANDARDS**

- Resolution No. OCSD 19-19: Rules of Procedure for the Conduct of Business of the District
- Comply with transparency and communication requirements, including the Brown Act

### **ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

N/A



# Orange County Sanitation District

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

## BOARD OF DIRECTORS

### Agenda Report

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**File #:** 2020-1055

**Agenda Date:** 5/27/2020

**Agenda Item No:** 2.

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**FROM:** James D. Herberg, General Manager  
Originator: Kelly A. Lore, Clerk of the Board

**SUBJECT:**

**APPROVAL OF MINUTES**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Approve Minutes of the Regular Meeting of the Board of Directors held April 22, 2020.

**BACKGROUND**

In accordance with the Board of Directors Rules of Procedure, an accurate record of each meeting will be provided to the Directors for subsequent approval at the following meeting.

**RELEVANT STANDARDS**

- Resolution No. OCSD 19-19

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

- Minutes of the Board of Directors meeting held April 22, 2020

# **ORANGE COUNTY SANITATION DISTRICT**

## **MINUTES**

### **BOARD OF DIRECTORS**

**APRIL 22, 2020**



**Board Room  
Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433**

**MEETING HELD TELEPHONICALLY IN ACCORDANCE WITH THE  
GOVERNOR'S EXECUTIVE ORDER NO. N-29-20, DUE TO THE  
CORONAVIRUS PANDEMIC (COVID-19)**



**CALL TO ORDER**

A regular meeting of the Board of Directors of the Orange County Sanitation District was called to order by Board Chairman David Shawver on April 22, 2020 at 6:05 p.m. Director Brad Avery delivered the invocation and led the Pledge of Allegiance. Chair Shawver announced that the meeting was held telephonically and via audio/video teleconferencing in accordance with the Governor's Executive Order No. N-29-20, due to the Coronavirus Pandemic (COVID-19).

The Clerk of the Board announced the teleconference meeting guidelines and stated that votes will be taken by roll call.

**ROLL CALL AND DECLARATION OF QUORUM**

The Clerk of the Board declared a quorum present as follows:

**PRESENT:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**ABSENT:** Cecilia Iglesias

**STAFF MEMBERS PRESENT:** Jim Herberg, General Manager; Kelly Lore, Clerk of the Board; Al Garcia, and Tyler Ramirez were present in the Board Room. Assistant General Manager Lorenzo Tyner, Assistant General Manager Rob Thompson, Director of Engineering Kathy Millea, Director of Environmental Services Lan Wiborg, Director of Human Resources Celia Chandler, Tina Knapp, and Wally Ritchie participated telephonically.

**OTHERS PRESENT:** Brad Hogin (General Counsel) was present in the Board Room; Dennis Mulqueeney (Alliant Services) participated telephonically.

**PUBLIC COMMENTS:**

None.

**SPECIAL PRESENTATIONS:**

None.

**REPORTS:**

Board Chair Shawver stated that due to COVID-19 restrictions, the Mandatory Sexual Harassment Prevention training that would normally take place in person, will now only be available online this year and the Clerk of the Board will email the details next week.

Chair Shawver also reminded the Board the May Legislative and Public Affairs Committee meeting has been cancelled and that the regular meetings of the Operations and

Administration Committees will be held telephonically in May.

General Manager Jim Herberg stated that OCSD's activities and updates related to COVID-19 continue to be sent to the Board via email each week, and that he and the Board Chair and Vice Chair have a weekly meeting regarding the pandemic. He stated that OCSD continues to collect, treat, and reuse the 185 million gallons of wastewater that enters through our collection system into OCSD with continued compliance with regulatory and permit requirements being met during the pandemic.

Mr. Herberg reported that the Board Members will begin receiving general talking points regarding OCSD activities for use in reporting to your Councils, boards, and community groups. The Clerk of the Board will provide these suggested talking points via email on the Thursday following the Board Meeting.

### **CONSENT CALENDAR:**

#### **1. APPROVAL OF MINUTES**

[2020-1000](#)

**Originator:** Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular Meeting of the Board of Directors held March 25, 2020.

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

#### **2. PLANT NO. 2 CENTRAL GENERATION STEAM TURBINE REHABILITATION, PROJECT NO. MP-105**

[2019-796](#)

**Originator:** Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Approve a Change Order to the Sole Source Purchase Order with Dresser-Rand for the Central Generation Steam Turbine Rehabilitation at Plant No. 2, for an additional amount not to exceed \$238,796 plus applicable taxes and shipping, for a total amount not to exceed \$484,220 plus applicable taxes and shipping; and
- B. Decrease contingency from \$49,085 (20%) to \$12,271 (5%).

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

3. **12KV DISTRIBUTION B AND EAST RAS PUMP STATION ROOFING REPLACEMENT, PROJECT NO. FE18-19** [2019-828](#)

**Originator:** Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Receive and file Bid Tabulation for 12kV Distribution B and East RAS Pump Station Roofing Replacement, Project No. FE18-19;
- B. Reject single low bid from H2M Construction, Inc. as non-responsive; and
- C. Authorize the Purchasing Manager to conduct a Negotiated Procurement for a construction contract for 12kV Distribution B and East RAS Pump Station Roofing Replacement, Project No. FE 18-19, in accordance with Purchasing Ordinance No. OCSD-52.

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

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4. **TRUCKLINE SAMPLER POWER FEED AT PLANT NO. 2, PROJECT NO. FE18-17** [2019-831](#)

**Originator:** Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Receive and file Bid Tabulation and Recommendation for Truckline Sampler Power Feed at Plant No. 2, Project No. FE18-17;
- B. Award a Construction Contract to M. Brey Electric, Inc. for Truckline Sampler Power Feed at Plant No. 2, Project No. FE18-17, for an amount not to exceed \$101,050; and
- C. Approve a contingency of \$20,210 (20%).

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

5. **GEOTECHNICAL TESTING SERVICES** [2020-1002](#)

**Originator:** Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

Approve an amendment to the Professional Services Agreement with Ninyo and Moore to provide on-call Materials Testing, Inspection, and Geotechnical Testing Services for Collection System and Treatment Plant projects, PSA2019-003, for an additional amount not to exceed \$300,000, for a total contract amount of \$600,000.

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

**6. SURVEYING SERVICES**[2020-1003](#)**Originator:** Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

Approve a Professional Services Agreement to provide on-call Surveying Services for Collection System and Treatment Plant projects, PSA2019-002, effective May 1, 2020 through April 30, 2022, for an amount not to exceed \$150,000 with Cannon Corporation.

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

**7. PLANT NO. 1 PEPS PUMP NO. 2 REPAIR**[2020-959](#)**Originator:** Rob Thompson

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Approve a Sole Source Purchase Order for Cortech Engineering to rebuild Primary Effluent Pump Station Pump No. 2 at Plant No. 1 for a total amount not to exceed \$150,888, plus applicable tax and shipping; and
- B. Approve a contingency of \$15,089 (10%).

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

**8. PLANT NO. 2, REPLACE FOUR PUTZMEISTER HYDRAULIC CYLINDERS FOR TRUCKLOADING SLIDING FRAMES**[2020-988](#)**Originator:** Rob Thompson

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Approve a Sole Source Purchase Order for Pumpaction Corp. to procure four Putzmeister Hydraulic Cylinders on the Solid Storage and Truck Loading Bin sliding frames for \$355,254, plus applicable sales tax and shipping; and
- B. Approve a contingency of \$35,526 (10%).

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

9. **APPROVE PURCHASE OF AN EPA 624.1 PURGE & TRAP GAS CHROMATOGRAPH-MASS SPECTROMETRY (GC-MS) SYSTEM** [2020-986](#)

**Originator:** Lan Wiborg

MOVED, SECONDED, AND DULY CARRIED TO:

Approve a purchase order to VWR for a Purge & Trap Gas Chromatograph-Mass Spectrometry (GC-MS) System in the amount of \$115,226 plus applicable sales tax, which includes the GC-MS system, freight, and three (3) additional years of service at a discounted rate.

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

10. **APPROVE THE ADDITION OF FUNDS TO EXISTING CONVENIENCE BLANKET PURCHASE ORDER - VWR** [2020-992](#)

**Originator:** Lan Wiborg

MOVED, SECONDED, AND DULY CARRIED TO:

Ratify the approval of additional funds of \$15,000 to be added to existing convenience blanket purchase order 104316 OA with VWR for the purchase of miscellaneous laboratory supplies throughout the year for a total purchase order amount not to exceed \$110,000 to cover the cost of outstanding invoices.

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

**11. PLANT NO. 2 TRICKLING FILTER SOLIDS RETURN SECONDARY SLUDGE PUMP REPAIR** [2020-1028](#)

**Originator:** Rob Thompson

MOVED, SECONDED, AND DULY CARRIED TO:

A. Approve a sole source purchase order contract for the repair of ten (10) Return Secondary Sludge pumps at the Plant No. 2 Trickling Filter Clarifiers, for a total amount not to exceed \$194,234, plus applicable shipping and taxes, to Vaughan's Industrial Repair Co., Inc.; and

B. Approve a contingency of \$19,424 (10%).

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

**12. ADDITION OF CONTRACTS TO THE BIOSOLIDS ACCOUNT POOL, EFFECTIVE NOVEMBER 16, 2016** [2020-1025](#)

MOVED, SECONDED, AND DULY CARRIED TO:

Ratify the addition of Denali Water Solutions, Inland Empire Regional Composting Authority, Liberty Composting Inc., and Nursery Products, LLC. biosolids contracts to the Biosolids Account Pool, effective November 16, 2016.

- AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc
- NOES:** None
- ABSENT:** Cecilia Iglesias
- ABSTENTIONS:** None

**RECEIVE AND FILE:**

13. **REPORT OF THE INVESTMENT TRANSACTIONS FOR THE MONTH OF MARCH 2020** [2020-906](#)

**Originator:** Lorenzo Tyner

WITHOUT OBJECTION ACTION TAKEN TO RECEIVED AND FILE THE:

Report of the Investment Transactions for the month of March 2020.

14. **COMMITTEE MEETING MINUTES** [2020-1004](#)

**Originator:** Kelly Lore

WITHOUT OBJECTION ACTION TAKEN TO RECEIVED AND FILE THE:

Minutes of the Steering Committee Meeting held February 26, 2020.

**OPERATIONS COMMITTEE:**

None.

**ADMINISTRATION COMMITTEE:**

None.

**LEGISLATIVE AND PUBLIC AFFAIRS COMMITTEE:**

None.

**STEERING COMMITTEE:**

15. **2020-23 SPONSORSHIP OF THE CENTER FOR DEMOGRAPHIC RESEARCH** [2020-1039](#)

**Originator:** Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:



Approve a three-year Memorandum of Understanding with California State University Fullerton Auxiliary Services Corporation for operation of the Center for Demographic Research for the period July 1, 2020 through June 30, 2023, for a total amount not to exceed \$331,504.

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

**16. ELECTRONIC SIGNATURES POLICY**

[2020-1040](#)

**Originator:** Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO:

Adopt a policy for the use of electronic signatures.

**AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc

**NOES:** None

**ABSENT:** Cecilia Iglesias

**ABSTENTIONS:** None

**17. RATIFY AMENDMENTS TO PERSONNEL POLICIES AND PROCEDURES IN RESPONSE TO COVID-19 PANDEMIC**

[2020-1041](#)

**Originator:** Celia Chandler

MOVED, SECONDED, AND DULY CARRIED TO:

Pursuant to Resolution No. OCSD 20-01, ratify amendments to Orange County Sanitation District Board of Directors' Personnel Policies and Procedures: 1.4 Recruitment & Selection, 1.11 - Temporary & Contract Worker, 1.12 - Student Internship Program, 3.1.2 - Hours of Work - Exempt Employees, 3.2 - Attendance, 3.3 - Leave-of-Absence with Pay, and 3.4 - Leave-of-Absence Without Pay, effective March 25, 2020 through December 31, 2020 or as soon as the State emergency related to the COVID-19 pandemic is lifted.

- AYES:** Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Brooke Jones, Peter Kim, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers and Mariellen Yarc
- NOES:** None
- ABSENT:** Cecilia Iglesias
- ABSTENTIONS:** None

**NON-CONSENT:**

None.

**INFORMATION ITEMS:**

**18. COVID-19 FINANCIAL IMPACT UPDATE [2020-1034](#)**

**Originator:** Lorenzo Tyner

Assistant General Manager Lorenzo Tyner provided a verbal report of the anticipated financial impact of COVID-19.

ITEM RECEIVED AS AN:

Information Item.

**19. FY 2020-21 PROPERTY - LIABILITY INSURANCE UPDATE [2020-1017](#)**

**Originator:** Lorenzo Tyner

Dennis Mulqueeney, Alliant Services provided a PowerPoint and responded to questions from the Board.

ITEM RECEIVED AS AN:

Information Item.

**20. FY 2020-21 AND FY 2021-22 OPERATING BUDGET UPDATE [2020-1015](#)**

**Originator:** Lorenzo Tyner

Mr. Tyner introduced Controller Wally Ritchie who provided an informative PowerPoint presentation regarding the FY 2020-21 and FY 2021-22 Operating Budget.

ITEM RECEIVED AS AN:

Information Item.

**AB 1234 DISCLOSURE REPORTS:**

Director Ferryman reported on his recent attendance at the NWRI meeting.

**CLOSED SESSION:**

None.

**OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:**

None.

**BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:**

None.

**ADJOURNMENT:**

At 7:14 p.m., Chair Shawver adjourned the meeting until the Regular Meeting of the Board of Directors to be held on May 27, 2020 at 6:00 p.m.

Submitted by:

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Kelly A. Lore, MMC  
Clerk of the Board



# Orange County Sanitation District

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

## BOARD OF DIRECTORS

### Agenda Report

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**File #:** 2020-907

**Agenda Date:** 5/27/2020

**Agenda Item No:** 3.

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**FROM:** James D. Herberg, General Manager  
Originator: Lorenzo Tyner, Assistant General Manager

**SUBJECT:**

**REPORT OF THE INVESTMENT TRANSACTIONS FOR THE MONTH OF APRIL 2020**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Receive and file the following:

Report of the Investment Transactions for the month of April 2020.

**BACKGROUND**

The CA Government Code requires that a monthly report of investment transactions be provided to the legislative body. Attached is the monthly report of investment transactions for the month ended April 30, 2020.

**RELEVANT STANDARDS**

- CA Government Code Section 53607

**PRIOR COMMITTEE/BOARD ACTIONS**

N/A

**FINANCIAL CONSIDERATIONS**

N/A

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

- Report of the Investment Transactions for the Month of April 2020

**U.S. Bank  
Transaction History  
April 2020**

Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
<b>ACQUISITIONS</b>							
04/02/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11,137.8900	1.000000	-11,137.89	11,137.89	0.00
04/02/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	1,736.1800	1.000000	-1,736.18	1,736.18	0.00
04/02/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	7,016.1900	1.000000	-7,016.19	7,016.19	0.00
04/06/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	46,875.0000	1.000000	-46,875.00	46,875.00	0.00
04/08/2020	912796XG9	PURCHASED PAR VALUE OF U S TREASURY BILL 8/27/20 /WELLS FARGO SECURITIES, LLC/3,500,000 PAR VALUE AT 99.95648571 %	3,500,000.0000	0.999565	-3,498,477.00	3,498,477.00	0.00
04/09/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	4,000,000.0000	1.000000	-4,000,000.00	4,000,000.00	0.00
04/13/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	22,812.5000	1.000000	-22,812.50	22,812.50	0.00
04/14/2020	912796WY1	PURCHASED PAR VALUE OF U S TREASURY BILL 7/30/20 /MORGAN STANLEY & CO. LLC/3,500,000 PAR VALUE AT 99.91677771 %	3,500,000.0000	0.999168	-3,497,087.22	3,497,087.22	0.00
04/14/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	2,912.7800	1.000000	-2,912.78	2,912.78	0.00
04/14/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	36,250.0000	1.000000	-36,250.00	36,250.00	0.00
04/15/2020	459052E28	PURCHASED PAR VALUE OF INTL BK DISC NTS 8/31/20 /JEFFERIES LLC/5,000,000 PAR VALUE AT 99.8696666 %	5,000,000.0000	0.998697	-4,993,483.33	4,993,483.33	0.00
04/15/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	382.2100	1.000000	-382.21	382.21	0.00
04/15/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	1,519,027.1900	1.000000	-1,519,027.19	1,519,027.19	0.00
04/17/2020	313384ZX0	PURCHASED PAR VALUE OF F H L B DISC NTS 7/27/20 /TD SECURITIES (USA)/2,500,000 PAR VALUE AT 99.9495 %	2,500,000.0000	0.999495	-2,498,737.50	2,498,737.50	0.00
04/20/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	628,239.8500	1.000000	-628,239.85	628,239.85	0.00
04/21/2020	78012UVJ1	PURCHASED PAR VALUE OF ROYAL BK OF C D 1.000% 2/19/21 /RBC CAPITAL MARKETS, LLC/1,500,000 PAR VALUE AT 100 %	1,500,000.0000	1.000000	-1,500,000.00	1,500,000.00	0.00
04/21/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	2,022,500.0000	1.000000	-2,022,500.00	2,022,500.00	0.00
04/21/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	268,300.7600	1.000000	-268,300.76	268,300.76	0.00
04/22/2020	459058JB0	PURCHASED PAR VALUE OF INTL BK M T N 0.625% 4/22/25 /TD SECURITIES (USA)/6,245,000 PAR VALUE AT 99.613 %	6,245,000.0000	0.996130	-6,220,831.85	6,220,831.85	0.00
04/23/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	80,000,000.0000	1.000000	-80,000,000.00	80,000,000.00	0.00
04/23/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	25,000,000.0000	1.000000	-25,000,000.00	25,000,000.00	0.00
04/24/2020	3135G03U5	PURCHASED PAR VALUE OF F N M A DEB 0.625% 4/22/25 /CITIGROUP GLOBAL MARKETS INC./7,580,000 PAR VALUE AT 99.794 %	7,580,000.0000	0.997940	-7,564,385.20	7,564,385.20	0.00
04/24/2020	46625HNX4	PURCHASED PAR VALUE OF JPMORGAN CHASE CO 2.550% 10/29/20 /PERSHING LLC/1,000,000 PAR VALUE AT 100.59 %	1,000,000.0000	1.005900	-1,005,900.00	1,005,900.00	0.00
04/24/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	346,704.1700	1.000000	-346,704.17	346,704.17	0.00
04/24/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	2,435,614.8000	1.000000	-2,435,614.80	2,435,614.80	0.00
04/27/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	20,006.7600	1.000000	-20,006.76	20,006.76	0.00
04/28/2020	89233GFS0	PURCHASED PAR VALUE OF TOYOTA MOTOR CREDIT CO C P 6/26/20 /DBTC AMERICAS/COMMERCIAL PAPER/11,800,000 PAR VALUE AT 99.81480559 %	11,800,000.0000	0.998148	-11,778,147.06	11,778,147.06	0.00
04/28/2020	89233GFS0	PURCHASED PAR VALUE OF TOYOTA MOTOR CREDIT CO C P 6/26/20 /DBTC AMERICAS/COMMERCIAL PAPER/3,405,000 PAR VALUE AT 99.81480558 %	3,405,000.0000	0.998148	-3,398,694.13	3,398,694.13	0.00

**U.S. Bank  
Transaction History  
April 2020**

Entry Date	CUSIP Id	Explanation		Units	Price	Net Cash Amt	Cost	Gain/Loss
04/29/2020	313384Q77	PURCHASED PAR VALUE OF F H L B DISC NTS INTERNATIONA/4,800,000 PAR VALUE AT 99.93033333 %	11/24/20 /NOMURA SECURITIES	4,800,000.0000	0.999303	-4,796,656.00	4,796,656.00	0.00
04/29/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z		12,750.0000	1.000000	-12,750.00	12,750.00	0.00
04/30/2020	313312H60	PURCHASED PAR VALUE OF F F C B DISC NTS LLC/3,000,000 PAR VALUE AT 99.953861 %	9/28/20 /GOLDMAN SACHS & CO.	3,000,000.0000	0.999539	-2,998,615.83	2,998,615.83	0.00
04/30/2020	313385AD8	PURCHASED PAR VALUE OF F H L B DISC NTS LLC/1,500,000 PAR VALUE AT 99.88933333 %	1/04/21 /GOLDMAN SACHS & CO.	1,500,000.0000	0.998893	-1,498,340.00	1,498,340.00	0.00
04/30/2020	313384ZZ5	PURCHASED PAR VALUE OF F H L B DISC NTS MARKETS INC./5,000,000 PAR VALUE AT 99.975 %	7/29/20 /CITIGROUP GLOBAL	5,000,000.0000	0.999750	-4,998,750.00	4,998,750.00	0.00
04/30/2020	313384K57	PURCHASED PAR VALUE OF F H L B DISC NTS INTERNATIONA/6,500,000 PAR VALUE AT 99.94466662 %	10/13/20 /NOMURA SECURITIES	6,500,000.0000	0.999447	-6,496,403.33	6,496,403.33	0.00
04/30/2020	3135G03U5	PURCHASED PAR VALUE OF F N M A DEB CO.,INC./6,420,000 PAR VALUE AT 100.192 %	0.625% 4/22/25 /STIFEL, NICOLAUS &	6,420,000.0000	1.001920	-6,432,326.40	6,432,326.40	0.00
04/30/2020	912796UC1	PURCHASED PAR VALUE OF U S TREASURY BILL INTERNATIONA/10,000,000 PAR VALUE AT 99.8763917 %	1/28/21 /NOMURA SECURITIES	10,000,000.0000	0.998764	-9,987,639.17	9,987,639.17	0.00
04/30/2020	912796UC1	PURCHASED PAR VALUE OF U S TREASURY BILL INTERNATIONA/10,000,000 PAR VALUE AT 99.88625 %	1/28/21 /NOMURA SECURITIES	10,000,000.0000	0.998863	-9,988,625.00	9,988,625.00	0.00
04/30/2020	912796XE4	PURCHASED PAR VALUE OF U S TREASURY BILL INTERNATIONA/5,000,000 PAR VALUE AT 99.8829444 %	2/25/21 /NOMURA SECURITIES	5,000,000.0000	0.998829	-4,994,147.22	4,994,147.22	0.00
04/30/2020	912796XG9	PURCHASED PAR VALUE OF U S TREASURY BILL SECURITIES, LLC/9,500,000 PAR VALUE AT 99.96512642 %	8/27/20 /WELLS FARGO	9,500,000.0000	0.999651	-9,496,687.01	9,496,687.01	0.00
04/30/2020	912796Y3	PURCHASED PAR VALUE OF U S TREASURY BILL CO. LLC/7,000,000 PAR VALUE AT 99.95745 %	9/15/20 /GOLDMAN SACHS &	7,000,000.0000	0.999575	-6,997,021.50	6,997,021.50	0.00
04/30/2020	912796TN9	PURCHASED PAR VALUE OF U S TREASURY BILL SECURITIES INTERNATIONA/5,000,000 PAR VALUE AT 99.9496876 %	10/08/20 /NOMURA	5,000,000.0000	0.999497	-4,997,484.38	4,997,484.38	0.00
04/30/2020	912796S7	PURCHASED PAR VALUE OF U S TREASURY BILL MARKETS INC./5,000,000 PAR VALUE AT 99.947257 %	10/22/20 /CITIGROUP GLOBAL	5,000,000.0000	0.999473	-4,997,362.85	4,997,362.85	0.00
04/30/2020	912796TP4	PURCHASED PAR VALUE OF U S TREASURY BILL CO. LLC/5,000,000 PAR VALUE AT 99.9475 %	11/05/20 /GOLDMAN SACHS &	5,000,000.0000	0.999475	-4,997,375.00	4,997,375.00	0.00
04/30/2020	912796TY5	PURCHASED PAR VALUE OF U S TREASURY BILL SECURITIES INTERNATIONA/5,000,000 PAR VALUE AT 99.9074444 %	12/31/20 /NOMURA	5,000,000.0000	0.999074	-4,995,372.22	4,995,372.22	0.00
<b>TOTAL ACQUISITIONS</b>				<b>251,132,266.2800</b>		<b>-251,010,815.48</b>	<b>251,010,815.48</b>	<b>0.00</b>
<b>DISPOSITIONS</b>								
04/08/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-3,498,477.0000	1.000000	3,498,477.00	-3,498,477.00	0.00
04/09/2020	912796TQ2	MATURED PAR VALUE OF U S TREASURY BILL 100 %	4/09/20 4,000,000 PAR VALUE AT	-4,000,000.0000	1.000000	3,993,265.98	-3,993,265.98	0.00
04/14/2020	912796B4	MATURED PAR VALUE OF U S TREASURY BILL 100 %	4/14/20 3,500,000 PAR VALUE AT	-3,500,000.0000	1.000000	3,496,221.94	-3,496,221.94	0.00
04/15/2020	31348SWZ3	PAID DOWN PAR VALUE OF F H L M C #786064 DUE 4/15/20	3.845% 1/01/28 MARCH FHLMC	-16.5100	0.000000	16.51	-16.11	0.40

**U.S. Bank  
Transaction History  
April 2020**

Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
04/15/2020	3133TCE95	PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 4.025% 8/15/32	-362.4000	0.000000	362.40	-362.78	-0.38
04/15/2020	47788BAD6	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 1.820% 10/15/21	-38,812.8200	217.804016	38,812.82	-38,809.98	2.84
04/15/2020	477870AB5	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 2.280% 5/16/22	-316,250.7900	26.730647	316,250.79	-316,249.59	1.20
04/15/2020	47788CAC6	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 2.660% 4/18/22	-78,109.6100	108.227247	78,109.61	-78,103.99	5.62
04/15/2020	47789JAB2	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 2.850% 12/15/21	-253,881.5700	33.297368	253,881.57	-253,869.99	11.58
04/15/2020	47788EAC2	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 3.080% 11/15/22	-361,168.5200	23.406215	361,168.52	-361,141.14	27.38
04/15/2020	65478GAD2	PAID DOWN PAR VALUE OF NISSAN AUTO 1.750% 10/15/21	-145,625.8100	58.050067	145,625.81	-143,367.47	2,258.34
04/15/2020	89239AAB9	PAID DOWN PAR VALUE OF TOYOTA AUTO 2.830% 10/15/21	-270,675.6600	31.231431	270,675.66	-270,651.08	24.58
04/15/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-4,993,483.3300	1.000000	4,993,483.33	-4,993,483.33	0.00
04/17/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-2,498,737.5000	1.000000	2,498,737.50	-2,498,737.50	0.00
04/20/2020	36225CAZ9	PAID DOWN PAR VALUE OF G N M A I I #080023 3.125% 12/20/26 MARCH DUE 4/20/20	-156.7500	0.000000	156.75	-159.34	-2.59
04/20/2020	36225CC20	PAID DOWN PAR VALUE OF G N M A I I #080088 3.875% 6/20/27 MARCH DUE 4/20/20	-122.2500	0.000000	122.25	-124.92	-2.67
04/20/2020	36225CNM4	PAID DOWN PAR VALUE OF G N M A I I #080395 3.875% 4/20/30 MARCH DUE 4/20/20	-177.3200	0.000000	177.32	-175.71	1.61
04/20/2020	36225CN28	PAID DOWN PAR VALUE OF G N M A I I #080408 3.875% 5/20/30 MARCH DUE 4/20/20	-331.1300	0.000000	331.13	-327.77	3.36
04/20/2020	36225DCB8	PAID DOWN PAR VALUE OF G N M A I I #080965 3.250% 7/20/34 MARCH DUE 4/20/20	-638.0000	0.000000	638.00	-637.60	0.40
04/20/2020	43814PAC4	PAID DOWN PAR VALUE OF HONDA AUTO 1.790% 9/20/21	-145,811.9700	0.000000	145,811.97	-143,499.48	2,312.49
04/20/2020	43814WAB1	PAID DOWN PAR VALUE OF HONDA AUTO 2.750% 9/20/21	-348,402.9000	0.000000	348,402.90	-348,380.46	22.44
04/20/2020	43814UAG4	PAID DOWN PAR VALUE OF HONDA AUTO 3.010% 5/18/22	-120,233.1100	0.000000	120,233.11	-120,230.49	2.62
04/21/2020	06051GFN4	MATURED PAR VALUE OF BANK OF AMERICA MTN 2.250% 4/21/20 2,000,000 PAR VALUE AT 100 %	-2,000,000.0000	1.000000	2,000,000.00	-2,001,960.00	-1,960.00
04/21/2020	43815HAC1	PAID DOWN PAR VALUE OF HONDA AUTO 2.950% 8/22/22	-258,668.4100	0.000000	258,668.41	-258,632.92	35.49
04/21/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-1,500,000.0000	1.000000	1,500,000.00	-1,500,000.00	0.00
04/22/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-6,220,831.8500	1.000000	6,220,831.85	-6,220,831.85	0.00
04/24/2020	62479LDQ5	MATURED PAR VALUE OF MUFG BANK LTD NY BRAN C P 4/24/20 1,365,000 PAR VALUE AT 100 %	-1,365,000.0000	1.000000	1,353,689.46	-1,353,689.46	0.00
04/24/2020	62479LDQ5	MATURED PAR VALUE OF MUFG BANK LTD NY BRAN C P 4/24/20 10,000,000 PAR VALUE AT 100 %	-10,000,000.0000	1.000000	9,917,138.89	-9,917,138.89	0.00
04/27/2020	31394JY35	PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 6.500% 9/25/43	-2,778.4100	3,574.944918	2,778.41	-3,146.55	-368.14
04/27/2020	31371NUC7	PAID DOWN PAR VALUE OF F N M A #257179 4.500% 4/01/28 MARCH 4/25/20	-149.7400	0.000000	149.74	-158.36	-8.62
04/27/2020	31376KT22	PAID DOWN PAR VALUE OF F N M A #357969 5.000% 9/01/35 MARCH 4/25/20	-1,189.8400	0.000000	1,189.84	-1,279.08	-89.24
04/27/2020	31381PDA3	PAID DOWN PAR VALUE OF F N M A #466397 3.400% 11/01/20 MARCH DUE 4/25/20	-721.7200	0.000000	721.72	-706.10	15.62

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04/27/2020	31403DJZ3	PAID DOWN PAR VALUE OF F N M A #745580 4/25/20	5.000% 6/01/36 MARCH FNMA DUE	-1,258.7500	0.000000	1,258.75	-1,353.16 -94.41
04/27/2020	31403GXF4	PAID DOWN PAR VALUE OF F N M A #748678 DUE 4/25/20	5.000% 10/01/33 MARCH FNMA	-9.2500	0.000000	9.25	-9.94 -0.69
04/27/2020	31406PQY8	PAID DOWN PAR VALUE OF F N M A #815971 4/25/20	5.000% 3/01/35 MARCH FNMA DUE	-569.5900	0.000000	569.59	-612.31 -42.72
04/27/2020	31406XWT5	PAID DOWN PAR VALUE OF F N M A #823358 4/25/20	3.674% 2/01/35 MARCH FNMA DUE	-419.9200	0.000000	419.92	-416.64 3.28
04/27/2020	31407BXH7	PAID DOWN PAR VALUE OF F N M A #826080 4/25/20	5.000% 7/01/35 MARCH FNMA DUE	-473.3700	0.000000	473.37	-508.87 -35.50
04/27/2020	31410F4V4	PAID DOWN PAR VALUE OF F N M A #888336 4/25/20	5.000% 7/01/36 MARCH FNMA DUE	-1,643.0400	0.000000	1,643.04	-1,766.27 -123.23
04/27/2020	3138EG6F6	PAID DOWN PAR VALUE OF F N M A #AL0869 4/25/20	4.500% 6/01/29 MARCH FNMA DUE	-164.6400	0.000000	164.64	-174.12 -9.48
04/27/2020	31417YAY3	PAID DOWN PAR VALUE OF F N M A #MA0022 DUE 4/25/20	4.500% 4/01/29 MARCH FNMA	-298.5500	0.000000	298.55	-315.75 -17.20
04/27/2020	31397QRE0	PAID DOWN PAR VALUE OF F N M A GTD REMIC 2.472% 2/25/41		-2,375.4200	4,181.434319	2,375.42	-2,374.68 0.74
04/27/2020	78445JAA5	PAID DOWN PAR VALUE OF S L M A 3.33073% 4/25/23		-559.6100	17,749.258787	559.61	-557.34 2.27
04/28/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-3,398,694.1300	1.000000	3,398,694.13	-3,398,694.13 0.00
04/28/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-11,778,147.0600	1.000000	11,778,147.06	-11,778,147.06 0.00
04/29/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-4,796,656.0000	1.000000	4,796,656.00	-4,796,656.00 0.00
04/30/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-20,988,097.0100	1.000000	20,988,097.01	-20,988,097.01 0.00
04/30/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-56,455,726.5000	1.000000	56,455,726.50	-56,455,726.50 0.00
04/30/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-6,347,370.1500	1.000000	6,347,370.15	-6,347,370.15 0.00
<b>TOTAL DISPOSITIONS</b>				<b>-145,693,277.9100</b>		<b>145,588,594.18</b>	<b>-145,586,616.79 1,977.39</b>
<b>OTHER TRANSACTIONS</b>							
04/01/2020	31846V567	INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 3/31/2020 INTEREST FROM 3/1/20 TO 3/31/20		0.0000	0.000000	11,137.89	0.00 0.00
04/01/2020	31846V567	INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 3/31/2020 INTEREST FROM 3/1/20 TO 3/31/20		0.0000	0.000000	7,016.19	0.00 0.00
04/02/2020	525ESC0Y6	Unknown LEHMAN BRTH HLD ESC PARTIAL LIQUIDATING DISTRIBUTION PAID @ 0.667213		0.0000	0.000000	1,334.43	-1,334.43 0.00
04/02/2020	525ESCIB7	Unknown LEHMAN BRTH MTN ES 0.00001% 1/24/13 PARTIAL LIQUIDATING DISTRIBUTION PAID @ 0.0669583		0.0000	0.000000	401.75	-401.75 0.00
04/06/2020	3135G0T45	INTEREST EARNED ON F N M A 1.875% 4/05/22 \$1 PV ON 5000000.0000 SHARES DUE 4/5/2020		0.0000	0.000000	46,875.00	0.00 0.00
04/09/2020	912796TQ2	INTEREST EARNED ON U S TREASURY BILL 4/09/20 \$1 PV ON 4000000.0000 SHARES DUE 4/9/2020 4,000,000 PAR VALUE AT 100 %		0.0000	0.000000	6,734.02	0.00 0.00
04/13/2020	912828WU0	BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 15808.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI		0.0000	0.000000	0.00	0.00 0.00



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04/13/2020	912828WU0	FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 15808.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	15,808.00	0.00
04/13/2020	24422EUM9	INTEREST EARNED ON JOHN DEERE MTN 3.650% 10/12/23 \$1 PV ON 1250000.0000 SHARES DUE 4/12/2020	0.0000	0.000000	22,812.50	0.00	0.00
04/13/2020	912828WU0	PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 15808.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	15,808.0000	0.000000	0.00	0.00	0.00
04/13/2020	912828WU0	STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 15808.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
04/14/2020	02665WCQ2	INTEREST EARNED ON AMERICAN HONDA MTN 3.625% 10/10/23 \$1 PV ON 2000000.0000 SHARES DUE 4/14/2020	0.0000	0.000000	36,250.00	0.00	0.00
04/14/2020	9127962B4	INTEREST EARNED ON U S TREASURY BILL 4/14/20 \$1 PV ON 3500000.0000 SHARES DUE 4/14/2020 3,500,000 PAR VALUE AT 100 %	0.0000	0.000000	3,778.06	0.00	0.00
04/15/2020	31348SWZ3	INTEREST EARNED ON F H L M C #786064 3.845% 1/01/28 \$1 PV ON 5.5400 SHARES DUE 4/15/2020 FEBRUARY FHLMC DUE 4/15/20	0.0000	0.000000	5.54	0.00	0.00
04/15/2020	3133TCE95	INTEREST EARNED ON F H L M C MLTCL MTG 4.025% 8/15/32 \$1 PV ON 19.8100 SHARES DUE 4/15/2020 \$0.00335/PV ON 5,932.65 PV DUE 4/15/20	0.0000	0.000000	19.81	0.00	0.00
04/15/2020	43815NAB0	INTEREST EARNED ON HONDA AUTO 1.900% 4/15/22 \$1 PV ON 5589.1700 SHARES DUE 4/15/2020 \$0.00158/PV ON 3,530,000.00 PV DUE 4/15/20	0.0000	0.000000	5,589.17	0.00	0.00
04/15/2020	47788BAD6	INTEREST EARNED ON JOHN DEERE OWNER 1.820% 10/15/21 \$1 PV ON 278.8800 SHARES DUE 4/15/2020 \$0.00152/PV ON 183,876.63 PV DUE 4/15/20	0.0000	0.000000	278.88	0.00	0.00
04/15/2020	477870AB5	INTEREST EARNED ON JOHN DEERE OWNER 2.280% 5/16/22 \$1 PV ON 5287.5700 SHARES DUE 4/15/2020 \$0.00190/PV ON 2,782,931.06 PV DUE 4/15/20	0.0000	0.000000	5,287.57	0.00	0.00
04/15/2020	47788CAC6	INTEREST EARNED ON JOHN DEERE OWNER 2.660% 4/18/22 \$1 PV ON 1843.7200 SHARES DUE 4/15/2020 \$0.00222/PV ON 831,754.27 PV DUE 4/15/20	0.0000	0.000000	1,843.72	0.00	0.00
04/15/2020	47789JAB2	INTEREST EARNED ON JOHN DEERE OWNER 2.850% 12/15/21 \$1 PV ON 4464.6700 SHARES DUE 4/15/2020 \$0.00237/PV ON 1,879,859.75 PV DUE 4/15/20	0.0000	0.000000	4,464.67	0.00	0.00
04/15/2020	47788EAC2	INTEREST EARNED ON JOHN DEERE OWNER 3.080% 11/15/22 \$1 PV ON 11883.6700 SHARES DUE 4/15/2020 \$0.00257/PV ON 4,630,000.00 PV DUE 4/15/20	0.0000	0.000000	11,883.67	0.00	0.00
04/15/2020	58770FAC6	INTEREST EARNED ON MERCEDES BENZ AUTO 1.840% 12/15/22 \$1 PV ON 3143.3300 SHARES DUE 4/15/2020 \$0.00153/PV ON 2,050,000.00 PV DUE 4/15/20	0.0000	0.000000	3,143.33	0.00	0.00
04/15/2020	65478GAD2	INTEREST EARNED ON NISSAN AUTO 1.750% 10/15/21 \$1 PV ON 1608.4900 SHARES DUE 4/15/2020 \$0.00146/PV ON 1,102,968.68 PV DUE 4/15/20	0.0000	0.000000	1,608.49	0.00	0.00
04/15/2020	65479JAD5	INTEREST EARNED ON NISSAN AUTO 1.930% 7/15/24 \$1 PV ON 6730.8700 SHARES DUE 4/15/2020 \$0.00161/PV ON 4,185,000.00 PV DUE 4/15/20	0.0000	0.000000	6,730.87	0.00	0.00
04/15/2020	65479GAD1	INTEREST EARNED ON NISSAN AUTO 3.060% 3/15/23 \$1 PV ON 9078.0000 SHARES DUE 4/15/2020 \$0.00255/PV ON 3,560,000.00 PV DUE 4/15/20	0.0000	0.000000	9,078.00	0.00	0.00
04/15/2020	89239AAB9	INTEREST EARNED ON TOYOTA AUTO 2.830% 10/15/21 \$1 PV ON 4571.9900 SHARES DUE 4/15/2020 \$0.00236/PV ON 1,938,655.29 PV DUE 4/15/20	0.0000	0.000000	4,571.99	0.00	0.00
04/20/2020	36225CAZ9	INTEREST EARNED ON G N M A I I #080023 3.125% 12/20/26 \$1 PV ON 36.3700 SHARES DUE 4/20/2020 MARCH GNMA DUE 4/20/20	0.0000	0.000000	36.37	0.00	0.00

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04/20/2020	36225CC20	INTEREST EARNED ON G N M A I I #080088 3.875% 6/20/27 \$1 PV ON 37.5400 SHARES DUE 4/20/2020 MARCH GNMA DUE 4/20/20	0.0000	0.000000	37.54	0.00	0.00
04/20/2020	36225CNM4	INTEREST EARNED ON G N M A I I #080395 3.875% 4/20/30 \$1 PV ON 18.5300 SHARES DUE 4/20/2020 MARCH GNMA DUE 4/20/20	0.0000	0.000000	18.53	0.00	0.00
04/20/2020	36225CN28	INTEREST EARNED ON G N M A I I #080408 3.875% 5/20/30 \$1 PV ON 144.6200 SHARES DUE 4/20/2020 MARCH GNMA DUE 4/20/20	0.0000	0.000000	144.62	0.00	0.00
04/20/2020	36225DCB8	INTEREST EARNED ON G N M A I I #080965 3.250% 7/20/34 \$1 PV ON 109.1800 SHARES DUE 4/20/2020 MARCH GNMA DUE 4/20/20	0.0000	0.000000	109.18	0.00	0.00
04/20/2020	43814PAC4	INTEREST EARNED ON HONDA AUTO 1.790% 9/20/21 \$1 PV ON 1692.1000 SHARES DUE 4/18/2020 \$0.00149/PV ON 1,134,368.60 PV DUE 4/18/20	0.0000	0.000000	1,692.10	0.00	0.00
04/20/2020	43814WAB1	INTEREST EARNED ON HONDA AUTO 2.750% 9/20/21 \$1 PV ON 6262.1700 SHARES DUE 4/18/2020 \$0.00229/PV ON 2,732,580.80 PV DUE 4/18/20	0.0000	0.000000	6,262.17	0.00	0.00
04/20/2020	43814UAG4	INTEREST EARNED ON HONDA AUTO 3.010% 5/18/22 \$1 PV ON 4065.9100 SHARES DUE 4/18/2020 \$0.00251/PV ON 1,620,960.47 PV DUE 4/18/20	0.0000	0.000000	4,065.91	0.00	0.00
04/21/2020	06051GFN4	INTEREST EARNED ON BANK OF AMERICA MTN 2.250% 4/21/20 \$1 PV ON 2000000.0000 SHARES DUE 4/21/2020	0.0000	0.000000	22,500.00	0.00	0.00
04/21/2020	43815HAC1	INTEREST EARNED ON HONDA AUTO 2.950% 8/22/22 \$1 PV ON 9632.3500 SHARES DUE 4/21/2020 \$0.00246/PV ON 3,918,242.99 PV DUE 4/21/20	0.0000	0.000000	9,632.35	0.00	0.00
04/23/2020		CASH RECEIPT INCOMING WIRES RECEIVED FROM BANC OF CALIF 4/23/2020	0.0000	0.000000	80,000,000.00	0.00	0.00
04/23/2020		CASH RECEIPT INCOMING WIRES RECEIVED FROM BANC OF CALIF 4/23/2020	0.0000	0.000000	25,000,000.00	0.00	0.00
04/24/2020	62479LDQ5	INTEREST EARNED ON MUFG BANK LTD NY BRAN C P 4/24/20 \$1 PV ON 10000000.0000 SHARES DUE 4/24/2020 10,000,000 PAR VALUE AT 100 %	0.0000	0.000000	82,861.11	0.00	0.00
04/24/2020	62479LDQ5	INTEREST EARNED ON MUFG BANK LTD NY BRAN C P 4/24/20 \$1 PV ON 1365000.0000 SHARES DUE 4/24/2020 1,365,000 PAR VALUE AT 100 %	0.0000	0.000000	11,310.54	0.00	0.00
04/24/2020	46625HNX4	PAID ACCRUED INTEREST ON PURCHASE OF JPMORGAN CHASE CO 2.550% 10/29/20	0.0000	0.000000	-12,395.83	0.00	0.00
04/27/2020	03215PFN4	INTEREST EARNED ON AMRESCO 2.07531% 6/25/29 \$1 PV ON 205.8400 SHARES DUE 4/25/2020 \$0.00173/PV ON 119,021.64 PV DUE 4/25/20	0.0000	0.000000	205.84	0.00	0.00
04/27/2020	31394JY35	INTEREST EARNED ON F H L M C MLTCL MTG 6.500% 9/25/43 \$1 PV ON 3430.6400 SHARES DUE 4/25/2020 \$0.00542/PV ON 633,348.65 PV DUE 4/25/20	0.0000	0.000000	3,430.64	0.00	0.00
04/27/2020	31371NUC7	INTEREST EARNED ON F N M A #257179 4.500% 4/01/28 \$1 PV ON 48.6600 SHARES DUE 4/25/2020 MARCH FNMA DUE 4/25/20	0.0000	0.000000	48.66	0.00	0.00
04/27/2020	31376KT22	INTEREST EARNED ON F N M A #357969 5.000% 9/01/35 \$1 PV ON 365.8700 SHARES DUE 4/25/2020 MARCH FNMA DUE 4/25/20	0.0000	0.000000	365.87	0.00	0.00
04/27/2020	31381PDA3	INTEREST EARNED ON F N M A #466397 3.400% 11/01/20 \$1 PV ON 974.7000 SHARES DUE 4/25/2020 MARCH FNMA DUE 4/25/20	0.0000	0.000000	974.70	0.00	0.00
04/27/2020	31403DJZ3	INTEREST EARNED ON F N M A #745580 5.000% 6/01/36 \$1 PV ON 349.0300 SHARES DUE 4/25/2020 MARCH FNMA DUE 4/25/20	0.0000	0.000000	349.03	0.00	0.00
04/27/2020	31403GXF4	INTEREST EARNED ON F N M A #748678 5.000% 10/01/33 \$1 PV ON 7.1900 SHARES DUE 4/25/2020 MARCH FNMA DUE 4/25/20	0.0000	0.000000	7.19	0.00	0.00

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04/27/2020	31406PQY8	INTEREST EARNED ON F N M A #815971 5.000% 3/01/35 \$1 PV ON 546.7800 SHARES DUE 4/25/2020 MARCH FNMA DUE 4/25/20	0.0000	0.000000	546.78	0.00	0.00
04/27/2020	31406XWT5	INTEREST EARNED ON F N M A #823358 3.674% 2/01/35 \$1 PV ON 293.9400 SHARES DUE 4/25/2020 MARCH FNMA DUE 4/25/20	0.0000	0.000000	293.94	0.00	0.00
04/27/2020	31407BXH7	INTEREST EARNED ON F N M A #826080 5.000% 7/01/35 \$1 PV ON 71.6700 SHARES DUE 4/25/2020 MARCH FNMA DUE 4/25/20	0.0000	0.000000	71.67	0.00	0.00
04/27/2020	31410F4V4	INTEREST EARNED ON F N M A #888336 5.000% 7/01/36 \$1 PV ON 684.5900 SHARES DUE 4/25/2020 MARCH FNMA DUE 4/25/20	0.0000	0.000000	684.59	0.00	0.00
04/27/2020	3138EG6F6	INTEREST EARNED ON F N M A #AL0869 4.500% 6/01/29 \$1 PV ON 33.6200 SHARES DUE 4/25/2020 MARCH FNMA DUE 4/25/20	0.0000	0.000000	33.62	0.00	0.00
04/27/2020	31417YAY3	INTEREST EARNED ON F N M A #MA0022 4.500% 4/01/29 \$1 PV ON 54.6300 SHARES DUE 4/25/2020 MARCH FNMA DUE 4/25/20	0.0000	0.000000	54.63	0.00	0.00
04/27/2020	31397QRE0	INTEREST EARNED ON F N M A GTD REMIC 2.472% 2/25/41 \$1 PV ON 226.2200 SHARES DUE 4/25/2020 \$0.00136/PV ON 166,890.21 PV DUE 4/25/20	0.0000	0.000000	226.22	0.00	0.00
04/27/2020	78445JAA5	INTEREST EARNED ON S L M A 3.33073% 4/25/23 \$1 PV ON 101.5300 SHARES DUE 4/25/2020 \$0.00833/PV ON 12,192.93 PV DUE 4/25/20	0.0000	0.000000	101.53	0.00	0.00
04/28/2020	912828WU0	BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 15496.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
04/28/2020	912828WU0	FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 15496.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	15,496.00	0.00
04/28/2020	912828WU0	PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 15496.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	15,496.0000	0.000000	0.00	0.00	0.00
04/28/2020	912828WU0	STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 15496.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
04/29/2020	46625HNX4	INTEREST EARNED ON JPMORGAN CHASE CO 2.550% 10/29/20 \$1 PV ON 1000000.0000 SHARES DUE 4/29/2020	0.0000	0.000000	12,750.00	0.00	0.00
04/30/2020	912828T67	INTEREST EARNED ON U S TREASURY NT 1.250% 10/31/21 \$1 PV ON 6000000.0000 SHARES DUE 4/30/2020	0.0000	0.000000	37,500.00	0.00	0.00
04/30/2020	912828L99	INTEREST EARNED ON U S TREASURY NT 1.375% 10/31/20 \$1 PV ON 7000000.0000 SHARES DUE 4/30/2020	0.0000	0.000000	48,125.00	0.00	0.00
04/30/2020	3135G03U5	PAID ACCRUED INTEREST ON PURCHASE OF F N M A DEB 0.625% 4/22/25	0.0000	0.000000	-668.75	0.00	0.00
<b>TOTAL OTHER TRANSACTIONS</b>			<b>31,304.0000</b>		<b>105,422,221.30</b>	<b>29,567.82</b>	<b>0.00</b>



# Orange County Sanitation District

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

## BOARD OF DIRECTORS

### Agenda Report

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**File #:** 2020-1074

**Agenda Date:** 5/27/2020

**Agenda Item No:** 4.

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**FROM:** James D. Herberg, General Manager  
Originator: Kelly A. Lore, Clerk of the Board

**SUBJECT:**

#### **COMMITTEE MEETING MINUTES**

#### **GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Receive and file the following:

- A. Minutes of the Operations Committee Meeting held March 4, 2020
- B. Minutes of the Administration Committee Meeting held March 11, 2020
- C. Minutes of the Steering Committee Meeting held March 25, 2020

#### **BACKGROUND**

In accordance with the Board of Directors Rules of Procedure, an accurate record of each meeting will be provided to the Directors for subsequent approval at the following meeting

#### **RELEVANT STANDARDS**

- Resolution No. OCSD 19-19

#### **ADDITIONAL INFORMATION**

The minutes of the Committee meeting are approved at their respective Committees and brought forth to the Board of Directors for receive and file only.

#### **ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

- Minutes of the Monthly Committee Meetings



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**CALL TO ORDER**

A regular meeting of the Operations Committee was called to order by Committee Chair Bob Collacott on Wednesday, March 4, 2020 at 5:02 p.m. in the Administration Building. Alternate Director Rose Espinoza led the Flag Salute.

**DECLARATION OF QUORUM:**

A quorum was declared present, as follows:

- PRESENT:** Robert Collacott, Mariellen Yarc, Brad Avery, Allan Bernstein, Doug Chaffee, Brooke Jones, Lucille Kring, Sandra Massa-Lavitt, Jesus Silva, Fred Smith, David Shawver, John Withers and Rose Espinoza (Alternate)
- ABSENT:** Steve Jones

**STAFF PRESENT:** Jim Herberg, General Manager; Rob Thompson, Assistant General Manager; Lorenzo Tyner, Assistant General Manager; Celia Chandler, Director of Human Resources; Kathy Millea, Director of Engineering; Lan Wiborg, Director of Environmental Services; Tina Knapp, Assistant Clerk of the Board; Jennifer Cabral; Ron Coss; Raul Cuellar; Don Cutler; Mike Dorman; Brian Engeln; Justin Fenton; Dean Fisher; Lisa Frigo; Al Garcia; Michelle Hetherington; Chris Johnson; Mark Kawamoto; Tom Meregillano; Jeff Mohr; Riaz Moinuddin; Adam Nazaroff; Valerie Ratto; Wally Ritchie; Roya Sohanki; Don Stokes; Eros Yong; and Ruth Zintun.

**OTHERS PRESENT:** Brad Hogin, General Counsel; Bob Ooten, Alternate Director (CMSD); Jason Dadakis, Orange County Water District (OCWD); Steve Huff, Carollo Engineers; and Austin Mejia (Supervisor Chaffee's office).

**PUBLIC COMMENTS:**

None.

**REPORTS:**

General Manager Jim Herberg indicated that the Directors were provided with a copy of an internal memorandum regarding the Coronavirus in their blue folders.

Director Avery arrived at 5:04 p.m., during Mr. Herberg's report.

**CONSENT CALENDAR:****1. APPROVAL OF MINUTES**[2020-937](#)**Originator:** Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular Meeting of the Operations Committee held on February 5, 2020.

**AYES:** Robert Collacott, Allan Bernstein, Brooke Jones, Lucille Kring, Jesus Silva, Fred Smith, David Shawver and John Withers**NOES:** None**ABSENT:** Mariellen Yarc, Doug Chaffee, Steve Jones and Sandra Massa-Lavitt**ABSTENTIONS:** Brad Avery and Rose Espinoza (Alternate)**2. HEADWORKS EXPLOSIVE GAS MONITORING SYSTEMS AT PLANT NOS. 1 AND 2, PROJECT NO. FE18-11**[2019-632](#)**Originator:** Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Headworks Explosive Gas Monitoring Systems at Plant Nos. 1 and 2, Project No. FE18-11;
- B. Ratify withdrawal of low bid from RP Controls at its request due to an inadvertent bid error and omission made by RP Controls and its equipment supplier regarding the contract design requirements and return of its bid security as allowed under Public Contract Code §5100 et seq.;
- C. Award Construction Contract to Baker Electric, Inc. for Headworks Explosive Gas Monitoring Systems at Plant Nos. 1 and 2, Project No. FE18-11, for a total amount not to exceed \$223,984; and
- D. Approve a contingency of \$22,398 (10%).

**AYES:** Robert Collacott, Brad Avery, Allan Bernstein, Brooke Jones, Lucille Kring, Jesus Silva, Fred Smith, David Shawver, John Withers and Rose Espinoza (Alternate)**NOES:** None**ABSENT:** Mariellen Yarc, Doug Chaffee, Steve Jones and Sandra Massa-Lavitt**ABSTENTIONS:** None

3. **ELECTRICAL POWER DISTRIBUTION SYSTEM IMPROVEMENTS, PROJECT NO. J-98** [2019-789](#)

**Originator:** Kathy Millea

Chair Collacott indicated there was a correction to accurately reflect the name of the consultant to which this agreement was recommended for award from Schweitzer Engineering Laboratories Engineering Services (Schweitzer) to SEL Engineering Services, Inc. Corrected recommendation is below.

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

A. Approve a Professional Services Agreement with SEL Engineering Services, Inc. to provide final design, programming, testing, commissioning, and training for a load-shedding system and electrical power protective relay system for Electrical Power Distribution System Improvements, Project No. J-98, for a total amount not to exceed \$1,296,878; and

B. Approve a contingency of \$129,687 (10%).

~~A. Approve a Professional Services Agreement with Schweitzer Engineering Laboratories Engineering Services (Schweitzer) to provide final design, programming, testing, commissioning, and training for a load shedding system and electrical power protective relay system for Electrical Power Distribution System Improvements, Project No. J-98, for a total amount not to exceed \$1,296,878; and~~

~~B. Approve a contingency of \$129,687 (10%).~~

**AYES:** Robert Collacott, Brad Avery, Allan Bernstein, Brooke Jones, Lucille Kring, Jesus Silva, Fred Smith, David Shawver, John Withers and Rose Espinoza (Alternate)

**NOES:** None

**ABSENT:** Mariellen Yarc, Doug Chaffee, Steve Jones and Sandra Massa-Lavitt

**ABSTENTIONS:** None

4. **REDHILL RELIEF SEWER RELOCATION AT STATE ROUTE 55, PROJECT NO. FE18-13** [2020-910](#)

**Originator:** Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Approve Utility Agreement No. OCSD-1005 between the Orange County Sanitation District and the Orange County Transportation Authority agreeing to specific terms, conditions, and funding obligations regarding the relocation and protection of the Redhill Relief Sewer at State Route 55 in the City of Santa Ana.

**AYES:** Robert Collacott, Brad Avery, Allan Bernstein, Brooke Jones, Lucille Kring, Jesus Silva, Fred Smith, David Shawver, John Withers and Rose Espinoza (Alternate)

**NOES:** None

**ABSENT:** Mariellen Yarc, Doug Chaffee, Steve Jones and Sandra Massa-Lavitt

**ABSTENTIONS:** None

**NON-CONSENT:**

**5. OCEAN OUTFALL CONDITION ASSESSMENT AND SCOPING STUDY, PROJECT NO. PS18-09**

[2019-629](#)

**Originator:** Kathy Millea

Director Chaffee arrived at 5:06 p.m., Director Massa-Lavitt arrived at 5:08 p.m., and Committee Vice-Chair Yarc arrived at 5:09 p.m.; all arrived during the presentation on Item No. 5.

Director of Engineering Kathy Millea introduced Valerie Ratto, Project Manager, who presented a PowerPoint that reviewed: what the Ocean Outfall is, extreme flow events, outfall design and construction, diffuser ports, end structure, hardware, project elements, selection process, negotiations, and project fee breakdown.

**MOVED, SECONDED, AND DULY CARRIED TO:** Recommend to the Board of Directors to:

A. Approve a Professional Services Agreement with Carollo Engineers, Inc. to provide engineering services for the Ocean Outfall Condition Assessment and Scoping Study, Project No. PS18-09, for an amount not to exceed \$2,744,000; and

B. Approve a contingency of \$274,400 (10%).

**AYES:** Robert Collacott, Mariellen Yarc, Brad Avery, Allan Bernstein, Doug Chaffee, Brooke Jones, Lucille Kring, Sandra Massa-Lavitt, Jesus Silva, Fred Smith, David Shawver, John Withers and Rose Espinoza (Alternate)

**NOES:** None

**ABSENT:** Steve Jones

**ABSTENTIONS:** None



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6. **ORANGE COUNTY SANITATION DISTRICT ASSET MANAGEMENT PROGRAM** [2020-871](#)

**Originator:** Kathy Millea

Ms. Millea introduced Eros Yong, Engineering Manager, who provided a PowerPoint presentation that reviewed why asset management is important, the asset life cycle, OCSD assets, a typical asset management program, OCSD's asset management program, and the 20-year plan for all assets.

ITEM WAS ACCEPTED AS:

Receive and file the Orange County Sanitation District Asset Management Program report.

**INFORMATION ITEMS:**

7. **ORANGE COUNTY SANITATION DISTRICT - ENVIRONMENTAL SERVICES** [2020-927](#)

**Originator:** Lan Wiborg

Director of Environmental Services Lan Wiborg introduced OCSD Environmental Services Department staff in attendance at the meeting and Jason Dadakis, OCWD. Ms. Wiborg presented a PowerPoint that reviewed what per- and poly-fluoroalkyl substances (PFAS) are, PFAS in everyday life and why they are contaminants of emerging concern, potential human health effects of PFAS, reducing exposure, USEPA's PFAS action plan, State action regarding drinking water and AB 756, upcoming State actions, potential impacts to OCSD, OCSD current and future actions, and key messages.

Mr. Dadakis provided a brief verbal report as to impacts to OCWD and efforts being made.

Board Chair Shawver commented that a meeting dedicated to PFAS might be warranted at some point in the future.

WITHOUT OBJECTION ITEM RECEIVED AS AN:

Information Item.

**DEPARTMENT HEAD REPORTS:**

None.

**OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:**

None.

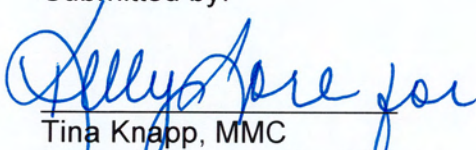
**BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:**

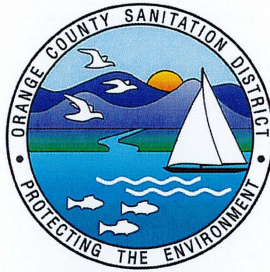
None.

**ADJOURNMENT:**

Chair Collacott declared the meeting adjourned at 6:36 p.m. to the meeting to be held on Wednesday, April 1, 2020 at 5:00 p.m.

Submitted by:

  
Tina Knapp, MMC  
Assistant Clerk of the Board



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**CALL TO ORDER**

A regular meeting of the Administration Committee of the Orange County Sanitation District was called to order by Committee Chairman Chad Wanke on March 11, 2020 at 5:05 p.m. in the Administration Building of the Orange County Sanitation District. Director Iglesias led the Flag Salute.

**DECLARATION OF QUORUM:**

A quorum was declared present as follows:

**PRESENT:** Chad Wanke, Richard Murphy, James Ferryman, Cecilia Iglesias, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Christina Shea, David Shawver, John Withers and Lyn Semeta (Alternate)

**ABSENT:** None

**STAFF PRESENT:**

Jim Herberg, General Manager; Rob Thompson, Assistant General Manager; Lorenzo Tyner, Assistant General Manager; Celia Chandler, Director of Human Resources; Lan Wiborg, Director of Environmental Services; Kelly Lore, Clerk of the Board; Jennifer Cabral; Ron Coss; Brian Engeln; Lisa Frigo; Rhea de Guzman; Al Garcia; Mark Kawamoto; Cortney Light; Laura Maravilla; Adam Nazaroff; John Preston; Wally Ritchie; Roya Sohanaki; and Eros Yong.

**OTHERS PRESENT:**

Brad Hogin, General Counsel; and Jason Dadakis, OCWD.

**PUBLIC COMMENTS:**

None.

**REPORTS:**

Assistant General Manager Lorenzo Tyner provided a brief update on the Coronavirus Pandemic in regard to the Sanitation District's investments.

**CONSENT CALENDAR:**

**1. APPROVAL OF MINUTES**

[2020-896](#)

**Originator:** Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular Meeting of the Administration Committee held February 19, 2020.

**AYES:** Chad Wanke, Richard Murphy, James Ferryman, Cecilia Iglesias, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Christina Shea and David Shawver

**NOES:** None

**ABSENT:** John Withers

**ABSTENTIONS:** Lyn Semeta (Alternate)

*Vice-Chairman Withers arrived at the meeting at 5:06 p.m.*

**NON-CONSENT:**

**2. ORANGE COUNTY SANITATION DISTRICT ASSET MANAGEMENT PROGRAM [2020-954](#)**

**Originator:** Kathy Millea

Engineering Manager Eros Yong provided an informative PowerPoint presentation regarding the Sanitation District's Asset Management program including the life cycle, value, and conditions.

MOVED, SECONDED, AND DULY CARRIED TO:

Receive and file the Orange County Sanitation District Asset Management Program report.

**AYES:** Chad Wanke, Richard Murphy, James Ferryman, Cecilia Iglesias, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Christina Shea, David Shawver, John Withers and Lyn Semeta (Alternate)

**NOES:** None

**ABSENT:** None

**ABSTENTIONS:** None

**INFORMATION ITEMS:**

**3. ORANGE COUNTY SANITATION DISTRICT - ENVIRONMENTAL SERVICES [2020-952](#)**

**Originator:** Lan Wiborg

Director of Environmental Services Lan Wiborg introduced OCSD Environmental Services Department staff in attendance at the meeting and Jason Dadakis, OCWD. Ms. Wiborg presented a PowerPoint that reviewed what per- and poly-fluoroalkyl

substances (PFAS) are, PFAS in everyday life and why they are contaminants of emerging concern, potential human health effects of PFAS, reducing exposure, USEPA's PFAS action plan, State action regarding drinking water and AB 756, upcoming State actions, potential impacts to OCSD, OCSD current and future actions, and key messages.

Mr. Dadakis provided a brief verbal report as to impacts to OCWD and efforts being made.

RECEIVED AS AN:

Information Item.

4. **FY 2020-21 AND FY 2021-22 ORANGE COUNTY SANITATION DISTRICT BUDGET REVENUE OVERVIEW** [2020-951](#)

**Originator:** Lorenzo Tyner

Controller Wally Ritchie provided a PowerPoint presentation regarding revenues and reserves for the next two fiscal years including the four major revenue categories, fees and charges, general user fees, top ten industrial users, other income, debt proceeds to support CIP program, and OCSD reserve criteria.

RECEIVED AS AN:

Information Item.

5. **OVERVIEW OF PROPERTY - LIABILITY INSURANCE** [2020-953](#)

**Originator:** Lorenzo Tyner

Mr. Ritchie provided a PowerPoint presentation that included an overview of Property Liability Insurance including excess General Liability, limits and retentions, excess Workers' Compensation, property insurance and earthquake overview, and a break down of the premiums for each.

RECEIVED AS AN:

Information Item.

**DEPARTMENT HEAD REPORTS:**

None.

**OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:**

None.

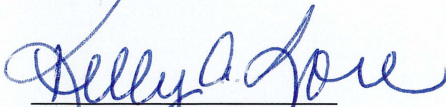
**BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:**

None.

**ADJOURNMENT:**

The next Administration Committee meeting is scheduled for Wednesday, April 8, 2020 at 5:00 p.m.

Submitted by:



Kelly A. Lore, MMC  
Clerk of the Board



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**CALL TO ORDER**

A regular meeting of the Steering Committee of the Orange County Sanitation District was called to order by Board Chairman David Shawver on Wednesday, March 25, 2020 at 5:06 p.m. in the Administration Building of the Orange County Sanitation District. Chair Shawver stated that the meeting was being held telephonically in accordance with the Governor's Executive Order No. N-29-20, due to the Coronavirus Pandemic (COVID-19).

The Clerk of the Board announced the teleconference meeting guidelines and stated that votes will be taken by roll call.

**DECLARATION OF QUORUM:**

A quorum was declared present, as follows:

**PRESENT:** David Shawver, John Withers, Robert Collacott, Peter Kim, Glenn Parker, Tim Shaw and Chad Wanke  
**ABSENT:** None

**STAFF PRESENT:**

Jim Herberg, General Manager; Rob Thompson, Assistant General Manager; Lorenzo Tyner, Assistant General Manager; Kelly Lore, Clerk of the Board; Brian Engeln; and Tina Knapp.

**OTHERS PRESENT:**

Brad Hogin, General Counsel.

**PUBLIC COMMENTS:**

None.

**REPORTS:**

None.

**CONSENT CALENDAR:**

**1. APPROVAL OF MINUTES**

**[2020-897](#)**

**Originator:** Kelly Lore

**MOVED, SECONDED, AND DULY CARRIED TO:**

Approve Minutes of the Regular Meeting of the Steering Committee held February 26, 2020.

**AYES:** David Shawver, John Withers, Robert Collacott, Peter Kim, Glenn Parker, Tim Shaw and Chad Wanke  
**NOES:** None  
**ABSENT:** None  
**ABSTENTIONS:** None

**NON-CONSENT:**

**2. RESOLUTION GRANTING EMERGENCY POWER TO THE GENERAL MANAGER IN THE EVENT THE PUBLIC HEALTH AND SAFETY IS ENDANGERED DUE TO A DISRUPTION OF SEWER SERVICE** [2020-994](#)

**Originator:** Lorenzo Tyner

Amended motion to include second paragraph was made as follows:

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Adopt Resolution No. OCSD 20-01 entitled, "A Resolution of the Board of Directors of the Orange County Sanitation District, Granting Emergency Power to the General Manager in the Event the Public Health and Safety is Endangered due to a disruption of Sewer Service; and repealing Resolution No. 75-160"; and

Instruct the General Manager to immediately notify the Board of Directors of any changes that are made to Board-approved policies and procedures or resolution, and to keep a running log of such changes.

**AYES:** David Shawver, John Withers, Robert Collacott, Peter Kim, Glenn Parker and Tim Shaw  
**NOES:** None  
**ABSENT:** Chad Wanke  
**ABSTENTIONS:** None

*As meeting was held telephonically, Director Wanke did not respond to the roll call vote on Item No. 2 so was presumed absent.*

**INFORMATION ITEMS:**

None.



**CLOSED SESSION:**

The Committee did not convene in Closed Session.

**CS-1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION 54957(b)(1)**

[2020-973](#)

DID NOT CONVENE IN CLOSED SESSION:

Public Employee Performance Evaluation

Number of Employees: 1

- General Counsel

**CS-2 CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED LITIGATION - GOVERNMENT CODE SECTION 54956.9(d)(2)**

[2020-996](#)

DID NOT CONVENE IN CLOSED SESSION:

Number of Potential Cases: 1

Claim for damages from Ignacio Castro

**OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:**

None.

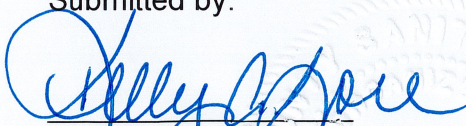
**BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:**

Director Collacott requested a white paper or presentation regarding the effect that the COVID-19 pandemic will have on the OCSD budget, including reserves. Vice-Chair Withers also asked that the presentation include the effect on the OCERS unfunded liability.

**ADJOURNMENT:**

Chair Shawver declared the meeting adjourned at 5:25 p.m. to the next Steering Committee meeting to be held on Wednesday, April 22, 2020 at 5:00 p.m.

Submitted by:



Kelly A. Lore, MMC  
Clerk of the Board





# Orange County Sanitation District

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

## OPERATIONS COMMITTEE

### Agenda Report

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**File #:** 2020-1069

**Agenda Date:** 5/27/2020

**Agenda Item No:** 5.

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**FROM:** James D. Herberg, General Manager  
Originator: Kathy Millea, Director of Engineering

**SUBJECT:**

**NEWPORT BEACH PUMP STATION PRESSURIZATION IMPROVEMENTS, PROJECT NO. 5-68**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

- A. Approve a Professional Design Services Agreement with Dudek to provide Engineering Services for Newport Beach Pump Station Pressurization Improvements, Project No. 5-68, for an amount not to exceed \$542,988; and
- B. Approve a contingency of \$54,299 (10%).

**BACKGROUND**

The Orange County Sanitation District (Sanitation District) operates seven pump stations in the City of Newport Beach which, together with the sewer trunk lines and force mains, convey flows to Plant No. 2. Air with significant concentrations of odorous, corrosive, and potentially hazardous gasses is also transported in the trunk lines. These pump stations were designed 15-50 years ago by different design consultants.

**RELEVANT STANDARDS**

- 12 or fewer odor complaints per year under normal operating conditions in the collections system
- Operate and maintain facilities to minimize impacts on surrounding communities, including odor, noise, and lighting
- Comply with Government Code Section 4526: Select the “best qualified firm” and “negotiate”

**PROBLEM**

The pump stations have inadequate venting, which can lead to the escape of odor and hazardous gasses. At the Lido Pump Station, the gasses contributed to equipment failure that led to a sewage spill. As an interim measure, staff has sealed all suspected leakage points, including bathroom facilities, but there is a continuing risk of gas leakage and hazardous gas buildup. In addition, more staff time is needed to monitor and address the buildup of hazardous gasses.

**PROPOSED SOLUTION**

Implement Newport Beach Pump Station Pressurization Improvements, Project No. 5-68, which will install a passive venting system at each pump station to relieve the buildup of pressure. The odorous air will be treated by adsorption media prior to being released into the atmosphere. Additionally, provisions will be added at the 15<sup>th</sup> Street Pump Station for a vendor-operated and maintained chemical feed system to mitigate the downstream generation of hydrogen sulfide in the Balboa Trunk Sewer.

**TIMING CONCERNS**

If the project is delayed, the collections system and pump stations will continue to see pressure buildup issues. This may cause the uncontrolled release of corrosive and hazardous gasses in the pump stations and odor complaints from the surrounding areas.

**RAMIFICATIONS OF NOT TAKING ACTION**

The collections system and pump stations will continue to see pressure buildup issues. This may cause the uncontrolled release of corrosive and hazardous gasses in the pump stations and odor complaints from the surrounding areas.

**PRIOR COMMITTEE/BOARD ACTIONS**

N/A

**ADDITIONAL INFORMATION**

Consultant Selection

The Sanitation District requested and advertised for proposals for Newport Beach Pump Station Pressurization Improvements, Project No. 5-68, on January 14, 2020. The following evaluation criterion were described in the Request for Proposals and used to determine the most qualified Consultant.

<b>Criterion</b>	<b>Weight</b>
Project Understanding and Approach	50%
Related Project Experience	20%
Project Team and Staff Qualifications	30%

Two proposals were received on February 18, 2020 and evaluated in accordance with the evaluation process set forth in the Sanitation District's Purchasing Ordinance by a pre-selected Evaluation Team consisting of the following Sanitation District staff: Senior Engineer (Project Manager), Principal Environmental Specialist (Collections Staff), Engineering Supervisor, and Engineering Supervisor (Non-voting member).

The Evaluation Team also included one non-voting representative from the Contracts Administration Division.

The Evaluation Team scored the proposals based on the established criteria as summarized in the table below.

	<b>Firm</b>	<b>Approach (max 50)</b>	<b>Related Exper. (max 20)</b>	<b>Team (max 30)</b>	<b>Total Score (max 100)</b>
1	Dudek	43	17	26	86
2	Hazen Sawyer	35	15	22	72

Based on the scoring shown above, Dudek was selected as the most qualified Consultant.

The selected firm presented a clear understanding of the project's risks and associated approaches to address them in a simple manner. In addition, all their key staff are local, allowing for prompt and cost-effective coordination. Members of the proposed team are familiar with these pump stations and are experienced in odor control. The proposed team's experience, qualifications, and staff utilization best matched the Sanitation District's needs for this project.

#### Review of Fee Proposal and Negotiations

Proposals were accompanied by sealed fee proposals. In accordance with Sanitation District's Purchasing Ordinance, the fee proposal of only the highest-ranked firm was opened after approval of the Evaluation Committee's recommendation by the Director of Engineering.

Multiple meetings were held with Dudek to review, in detail, each project element, the assumptions regarding the project elements, the requirements of each task in the scope, and the basis for estimating the associated level of effort. Dudek had proposed a higher level of effort for several project elements. After meeting with the project stakeholders, staff, along with Dudek, determined several of the original project elements were not needed such as utility investigation effort, permitting assistance, equipment, instrumentation, and controls. Based on this review, assumptions were agreed upon, the Scope of Work was clarified, and the estimated level of effort substantially reduced.

	<b>Total Hours</b>	<b>Total Fee</b>
Original Fee Proposal	7,040	\$1,557,626
Negotiated Fee Proposal	2,801	\$542,988

The Consultant's fringe and overhead costs, which factor into the billing rate, have been substantiated. The contract profit is 9.91%, which is based on an established formula included in the Sanitation District's standard design agreements.

Based on the above, staff has determined that the final negotiated fee is fair and reasonable for the level of effort required for this project and recommends award of the Professional Design Services Agreement to Dudek.

**CEQA**

This project is included in the Facilities Master Plan CEQA Program Environmental Impact Report, which will be completed and presented to the Board of Directors in September for certification.

**FINANCIAL CONSIDERATIONS**

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted. (Budget Update FY2019-20, Appendix A, Page A-7) and the project budget is sufficient for the recommended action.

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

- Professional Design Services Agreement

TL:dm

## PROFESSIONAL DESIGN SERVICES AGREEMENT

THIS AGREEMENT, is made and entered into to be effective the 27<sup>th</sup> day of May, 2020 by and between the ORANGE COUNTY SANITATION DISTRICT, hereinafter referred to as "SANITATION DISTRICT", and DUDEK, for purposes of this Agreement hereinafter referred to as "CONSULTANT".

### WITNESSETH:

WHEREAS, the SANITATION DISTRICT desires to engage a CONSULTANT for **Newport Beach Pump Station Pressurization Improvements, Project No. 5-68**; and to provide design services to address the ventilation issues that cause odorants to migrate to unwanted areas at the pump stations in the City of Newport Beach and,

WHEREAS, CONSULTANT is qualified to provide the necessary services in connection with these requirements and has agreed to provide the necessary professional services; and,

WHEREAS, the SANITATION DISTRICT has adopted procedures for the selection of professional services and has proceeded in accordance with said procedures to select a CONSULTANT to perform this work; and,

WHEREAS, at its regular meeting on May 27, 2020 the Board of Directors, by Minute Order, accepted the recommendation of the Operations Committee pursuant to the SANITATION DISTRICT's Purchasing Ordinance to approve this Agreement between the SANITATION DISTRICT and CONSULTANT.

NOW, THEREFORE, in consideration of the promises and mutual benefits, which will result to the parties in carrying out the terms of this Agreement, it is mutually agreed as follows:

#### **1. SCOPE OF WORK**

CONSULTANT agrees to furnish necessary professional and technical services to accomplish those project elements outlined in the Scope of Work attached hereto as Attachment "A", and by this reference made a part of this Agreement.

- A. The CONSULTANT shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all design, drawings, specifications, and other services furnished by the CONSULTANT under this Agreement, including the work performed by its Subconsultants. Where approval by the SANITATION DISTRICT is indicated, it is understood to be conceptual approval only and does not relieve the CONSULTANT of responsibility for complying with all laws, codes, industry standards and liability for damages caused by errors, omissions, noncompliance with industry standards, and/or negligence on the part of the CONSULTANT or its Subconsultants.
- B. CONSULTANT is responsible for the quality of work prepared under this Agreement and shall ensure that all work is performed to the standards of best engineering practice for clarity, uniformity, and completeness. CONSULTANT shall respond to all comments, suggestions, and recommendations on the

SANITATION DISTRICT's review comment sheets (i.e. DS1, DS2 and DS3). All comments shall be incorporated into the design prior to the next submittal deadline or addressed, in writing, as to why the comment has not been incorporated. CONSULTANT shall ensure that each submittal is one hundred percent (100%) accurate for the level of work submitted (i.e. correct references, terms, capitalization or equal status, spelling, punctuation, etc.)

- C. In the event that work is not performed to the satisfaction of the SANITATION DISTRICT and does not conform to the requirements of this Agreement or any applicable industry standards, the CONSULTANT shall, without additional compensation, promptly correct or revise any errors or deficiencies in its designs, drawings, specifications, or other services within the timeframe specified by the Project Engineer/Project Manager. The SANITATION DISTRICT may charge to CONSULTANT all costs, expenses and damages associated with any such corrections or revisions.
- D. All CAD drawings, figures, and other work shall be produced by CONSULTANT and Subconsultants using the SANITATION DISTRICT CAD Manual. Conversion of CAD work from any other non-standard CAD format to the SANITATION DISTRICT format shall not be acceptable in lieu of this requirement.

Electronic files shall conform to the SANITATION DISTRICT specifications. Any changes to these specifications by the CONSULTANT are subject to review and approval of the SANITATION DISTRICT.

Electronic files shall be subject to an acceptance period of thirty (30) calendar days during which the SANITATION DISTRICT shall perform appropriate reviews and including CAD Manual compliance. CONSULTANT shall correct any discrepancies or errors detected and reported within the acceptance period at no additional cost to the SANITATION DISTRICT.

- E. The CONSULTANT shall ensure that all plans and specifications prepared or recommended under this Agreement allow for competitive bidding. The CONSULTANT shall design such plans or specifications so that procurement of services, labor or materials are not available from only one (1) source, and shall not design plans and specifications around a single or specific product, piece of major equipment or machinery, a specific patented design or a proprietary process, unless required by principles of sound engineering practice and supported by a written justification that has been approved in writing by the SANITATION DISTRICT. The CONSULTANT shall submit this written justification to the SANITATION DISTRICT prior to beginning work on such plans and specifications. Whenever the CONSULTANT recommends a specific product or equipment for competitive procurement, such recommendation shall include at least two (2) brand names of products that are capable of meeting the functional requirements applicable to the project.
- F. All professional services performed by the CONSULTANT, including but not limited to all drafts, data, correspondence, proposals, reports, and estimates compiled or composed by the CONSULTANT, pursuant to this Agreement, are

for the sole use of the SANITATION DISTRICT, its agents and employees. Neither the documents nor their contents shall be released to any third party without the prior written consent of the SANITATION DISTRICT. This provision does not apply to information that (a) was publicly known, or otherwise known to the CONSULTANT, at the time that it was disclosed to the CONSULTANT by the SANITATION DISTRICT, (b) subsequently becomes publicly known to the CONSULTANT other than through disclosure by the SANITATION DISTRICT.

## 2. COMPENSATION

Total compensation shall be paid to CONSULTANT for services in accordance with the following provisions:

### A. Total Compensation

Total compensation shall be in an amount not to exceed Five Hundred Forty-Two Thousand Nine Hundred Eighty-Eight Dollars (\$542,988). Total compensation to CONSULTANT including burdened labor (salaries plus benefits), overhead, profit, direct costs, and Subconsultant(s) fees and costs shall not exceed the sum set forth in Attachment "E" - Fee Proposal.

### B. Labor

As a portion of the total compensation to be paid to CONSULTANT, the SANITATION DISTRICT shall pay to CONSULTANT a sum equal to the burdened salaries (salaries plus benefits) actually paid by CONSULTANT charged on an hourly-rate basis to this project and paid to the personnel of CONSULTANT. Upon request of the SANITATION DISTRICT, CONSULTANT shall provide the SANITATION DISTRICT with certified payroll records of all employees' work that is charged to this project.

### C. Overhead

As a portion of the total compensation to be paid to CONSULTANT, the SANITATION DISTRICT shall compensate CONSULTANT and Subconsultants for overhead at the rate equal to the percentage of burdened labor as specified in Attachment "E" - Fee Proposal.

### D. Profit

Profit for CONSULTANT and Subconsultants shall be a percentage of consulting services fees (burdened labor and overhead). When the consulting or subconsulting services amount is \$250,000 or less, the maximum profit shall be ten (10%). Between \$250,000 and \$2,500,000, the maximum profit shall be limited by a straight declining percentage between ten percent (10%) and five percent (5%). For consulting or subconsulting services fees with a value greater than \$2,500,000, the maximum profit shall be five percent (5%). Addenda shall be governed by the same maximum profit percentage after adding consulting services fees.



As a portion of the total compensation to be paid to CONSULTANT and Subconsultants, the SANITATION DISTRICT shall pay profit for all services rendered by CONSULTANT and Subconsultants for this project according to Attachment "E" - Fee Proposal.

E. Subconsultants

For any Subconsultant whose fees for services are greater than or equal to \$100,000 (excluding out-of-pocket costs), CONSULTANT shall pay to Subconsultant total compensation in accordance with the Subconsultant amount specified in Attachment "E" - Fee Proposal.

For any Subconsultant whose fees for services are less than \$100,000, CONSULTANT may pay to Subconsultant total compensation on an hourly-rate basis and as specified in the Scope of Work. The SANITATION DISTRICT shall pay to CONSULTANT the actual costs of Subconsultant fees and charges in an amount not to exceed the sum set forth in Attachment "E" - Fee Proposal.

F. Direct Costs

The SANITATION DISTRICT shall pay to CONSULTANT and Subconsultants the actual costs of permits and associated fees, travel and licenses for an amount not to exceed the sum set forth in Attachment "E" - Fee Proposal. The SANITATION DISTRICT shall also pay to CONSULTANT actual costs for equipment rentals, leases or purchases with prior approval of the SANITATION DISTRICT. Upon request, CONSULTANT shall provide to the SANITATION DISTRICT receipts and other documentary records to support CONSULTANT's request for reimbursement of these amounts, refer to Attachment "D" - Allowable Direct Costs. All incidental expenses shall be included in overhead pursuant to Section 2 - COMPENSATION above.

G. Other Direct Costs

Other Direct Costs incurred by CONSULTANT and its Contractor due to modifications in scope of work resulting from field investigations and field work required by the Scope of Work. These items may include special equipment, test equipment and tooling and other materials and services not previously identified. Refer to attachment "D" - Allowable Direct Costs for payment information.

H. Reimbursable Direct Costs

The SANITATION DISTRICT will reimburse the CONSULTANT for reasonable travel and business expenses as described in this section and further described in Attachment "D" - Allowable Direct Costs to this Agreement. The reimbursement of the above-mentioned expenses will be based on an "accountable plan" as considered by the U.S. Internal Revenue Service (IRS). The plan includes a combination of reimbursements based upon receipts and a "per diem" component approved by the IRS. The most recent schedule of the per diem rates utilized by the SANITATION DISTRICT can be found on the U.S. General Services Administration (GSA) website at <http://www.gsa.gov/portal/category/104711#>.

The CONSULTANT shall be responsible for the most economical and practical means of management of reimbursable costs inclusive of but not limited to travel, lodging and meals arrangements. The SANITATION DISTRICT shall apply the most economic and practical method of reimbursement which may include reimbursements based upon receipts and/or “per diem” as deemed the most practical.

CONSULTANT shall be responsible for returning to the SANITATION DISTRICT any excess reimbursements after the reimbursement has been paid by the SANITATION DISTRICT.

Travel and travel arrangements – Any travel involving airfare, overnight stays or multiple day attendance must be approved by the SANITATION DISTRICT in advance.

Local Travel is considered travel by the CONSULTANT within the SANITATION DISTRICT general geographical area which includes Orange, Los Angeles, Ventura, San Bernardino, Riverside, San Diego, Imperial and Kern Counties. Automobile mileage is reimbursable if CONSULTANT is required to utilize personal vehicle for local travel.

Lodging – Overnight stays will not be approved by the SANITATION DISTRICT for local travel. However, under certain circumstances overnight stay may be allowed at the discretion of the SANITATION DISTRICT based on reasonableness of meeting schedules and the amount of time required for travel by the CONSULTANT. Such determination will be made on a case-by-case basis and at the discretion of the SANITATION DISTRICT.

Travel Meals – Per-diem rates as approved by the IRS shall be utilized for travel meals reimbursements. Per diem rates shall be applied to meals that are appropriate for travel times. Receipts are not required for the approved meals.

Additional details related to the reimbursement of the allowable direct costs are provided in the Attachment “D” - Allowable Direct Costs of this Agreement.

I. Limitation of Costs

If, at any time, CONSULTANT estimates the cost of performing the services described in CONSULTANT’s Proposal will exceed seventy-five percent (75%) of the not-to-exceed amount of the Agreement, including approved additional compensation, CONSULTANT shall notify the SANITATION DISTRICT immediately, and in writing. This written notice shall indicate the additional amount necessary to complete the services. Any cost incurred in excess of the approved not-to-exceed amount, without the express written consent of the SANITATION DISTRICT’s authorized representative shall be at CONSULTANT’s own risk. This written notice shall be provided separately from, and in addition to any notification requirements contained in the CONSULTANT’s invoice and monthly progress report. Failure to notify the SANITATION DISTRICT that the services cannot be completed within the authorized not-to-exceed amount is a material breach of this Agreement.

### 3. REALLOCATION OF TOTAL COMPENSATION

The SANITATION DISTRICT, by its Director of Engineering, shall have the right to approve a reallocation of the incremental amounts constituting the total compensation, provided that the total compensation is not increased.

### 4. PAYMENT

- A. Monthly Invoice: CONSULTANT shall include in its monthly invoice, a detailed breakdown of costs associated with the performance of any corrections or revisions of the work for that invoicing period. CONSULTANT shall allocate costs in the same manner as it would for payment requests as described in this section of the Agreement. CONSULTANT shall warrant and certify the accuracy of these costs and understand that submitted costs are subject to Section 11 - AUDIT PROVISIONS.
- B. CONSULTANT may submit monthly or periodic statements requesting payment for those items included in Section 2 - COMPENSATION hereof in the format as required by the SANITATION DISTRICT. Such requests shall be based upon the amount and value of the work and services performed by CONSULTANT under this Agreement and shall be prepared by CONSULTANT and accompanied by such supporting data, including a detailed breakdown of all costs incurred and project element work performed during the period covered by the statement, as may be required by the SANITATION DISTRICT.

Upon approval of such payment request by the SANITATION DISTRICT, payment shall be made to CONSULTANT as soon as practicable of one hundred percent (100%) of the invoiced amount on a per-project-element basis.

If the SANITATION DISTRICT determines that the work under this Agreement or any specified project element hereunder, is incomplete and that the amount of payment is in excess of:

- i. The amount considered by the SANITATION DISTRICT's Director of Engineering to be adequate for the protection of the SANITATION DISTRICT;
- or
- ii. The percentage of the work accomplished for each project element.

He or she may, at his or her discretion, retain an amount equal to that which ensures that the total amount paid to that date does not exceed the percentage of the completed work for each project element or the project in its entirety.

- C. CONSULTANT may submit periodic payment requests for each 30-day period of this Agreement for the profit as set forth in Section 2 - COMPENSATION above. Said profit payment request shall be proportionate to the work actually accomplished to date on a per-project-element basis. In the event the SANITATION DISTRICT's Director of Engineering determines that no satisfactory progress has been made since the prior payment, or in the event of a delay in the

work progress for any reason, the SANITATION DISTRICT shall have the right to withhold any scheduled proportionate profit payment.

- D. Upon satisfactory completion by CONSULTANT of the work called for under the terms of this Agreement, and upon acceptance of such work by the SANITATION DISTRICT, CONSULTANT will be paid the unpaid balance of any money due for such work, including any retained percentages relating to this portion of the work.
- E. Upon satisfactory completion of the work performed hereunder and prior to final payment under this Agreement for such work, or prior settlement upon termination of this Agreement, and as a condition precedent thereto, CONSULTANT shall execute and deliver to the SANITATION DISTRICT a release of all claims against the SANITATION DISTRICT arising under or by virtue of this Agreement other than such claims, if any, as may be specifically exempted by CONSULTANT from the operation of the release in stated amounts to be set forth therein.
- F. Pursuant to the California False Claims Act (Government Code Sections 12650-12655), any CONSULTANT that knowingly submits a false claim to the SANITATION DISTRICT for compensation under the terms of this Agreement may be held liable for treble damages and up to a Ten Thousand Dollars (\$10,000) civil penalty for each false claim submitted. This section shall also be binding on all Subconsultants.

A CONSULTANT or Subconsultant shall be deemed to have submitted a false claim when the CONSULTANT or Subconsultant: a) knowingly presents or causes to be presented to an officer or employee of the SANITATION DISTRICT a false claim or request for payment or approval; b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the SANITATION DISTRICT; c) conspires to defraud the SANITATION DISTRICT by getting a false claim allowed or paid by the SANITATION DISTRICT; d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to the SANITATION DISTRICT; or e) is a beneficiary of an inadvertent submission of a false claim to the SANITATION DISTRICT, and fails to disclose the false claim to the SANITATION DISTRICT within a reasonable time after discovery of the false claim.

**5. CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS (DIR) REGISTRATION AND RECORD OF WAGES**

- A. To the extent CONSULTANT's employees and/or Subconsultants who will perform work during the design and preconstruction phases of a construction contract for which Prevailing Wage Determinations have been issued by the DIR and as more specifically defined under Labor Code Section 1720 et seq, CONSULTANT and Subconsultants shall comply with the registration requirements of Labor Code Section 1725.5. Pursuant to Labor Code Section 1771.4, the work is subject to compliance monitoring and enforcement by the DIR.

- B. The CONSULTANT and Subconsultants shall maintain accurate payroll records and shall comply with all the provisions of Labor Code Section 1776 and shall submit payroll records to the Labor Commissioner pursuant to Labor Code Section 1771.4(a)(3). Penalties for non-compliance with the requirements of Section 1776 may be deducted from progress payments per Section 1776.
- C. Pursuant to Labor Code Section 1776, the CONSULTANT and Subconsultants shall furnish a copy of all certified payroll records to SANITATION DISTRICT and/or general public upon request, provided the public request is made through SANITATION DISTRICT, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement of the Department of Industrial Relations.
- D. The CONSULTANT and Subconsultants shall comply with the job site notices posting requirements established by the Labor Commissioner per Title 8, California Code of Regulation Section 16461(e).

**6. DOCUMENT OWNERSHIP – SUBSEQUENT CHANGES TO PLANS AND SPECIFICATIONS**

- A. Ownership of Documents for the Professional Services performed.

All documents, including but not limited to, original plans, studies, sketches, drawings, computer printouts and disk files, and specifications prepared in connection with or related to the Scope of Work or Professional Services, shall be the property of the SANITATION DISTRICT. The SANITATION DISTRICT's ownership of these documents includes use of, reproduction or reuse of and all incidental rights, whether or not the work for which they were prepared has been performed. The SANITATION DISTRICT ownership entitlement arises upon payment or any partial payment for work performed and includes ownership of any and all work product completed prior to that payment. This section shall apply whether the CONSULTANT's Professional Services are terminated: a) by the completion of the Agreement, or b) in accordance with other provisions of this Agreement. Notwithstanding any other provision of this paragraph or Agreement, the CONSULTANT shall have the right to make copies of all such plans, studies, sketches, drawings, computer printouts and disk files, and specifications.
- B. CONSULTANT shall not be responsible for damage caused by subsequent changes to or uses of the plans or specifications, where the subsequent changes or uses are not authorized or approved by CONSULTANT, provided that the service rendered by CONSULTANT was not a proximate cause of the damage.

**7. INSURANCE**

- A. General
  - i. Insurance shall be issued and underwritten by insurance companies acceptable to the SANITATION DISTRICT.
  - ii. Insurers must have an "A-" Policyholder's Rating, or better, and Financial Rating of at least Class VIII, or better, in accordance with the most current A.M. Best's Guide Rating. However, the SANITATION DISTRICT will accept

State Compensation Insurance Fund, for the required policy of Worker's Compensation Insurance subject to the SANITATION DISTRICT's option to require a change in insurer in the event the State Fund financial rating is decreased below "B". Further, the SANITATION DISTRICT will require CONSULTANT to substitute any insurer whose rating drops below the levels herein specified. Said substitution shall occur within twenty (20) days of written notice to CONSULTANT, by the SANITATION DISTRICT or its agent.

iii. Coverage shall be in effect prior to the commencement of any work under this Agreement.

**B. General Liability**

The CONSULTANT shall maintain during the life of this Agreement, including the period of warranty, Commercial General Liability Insurance written on an occurrence basis providing the following minimum limits of liability coverage: One Million Dollars (\$1,000,000) per occurrence with Two Million Dollars (\$2,000,000) aggregate. Said insurance shall include coverage for the following hazards: Premises-Operations, blanket contractual liability (for this Agreement), products liability/completed operations (including any product manufactured or assembled), broad form property damage, blanket contractual liability, independent contractors liability, personal and advertising injury, mobile equipment, owners and contractors protective liability, and cross liability and severability of interest clauses. A statement on an insurance certificate will not be accepted in lieu of the actual additional insured endorsement(s). If requested by SANITATION DISTRICT and applicable, XCU coverage (Explosion, Collapse and Underground) and Riggers/On Hook Liability must be included in the General Liability policy and coverage must be reflected on the submitted Certificate of Insurance.

**C. Umbrella Excess Liability**

The minimum limits of General Liability and Automotive Liability Insurance required, as set forth herein, shall be provided for through either a single policy of primary insurance or a combination of policies of primary and umbrella excess coverage. Umbrella excess liability coverage shall be issued with limits of liability which, when combined with the primary insurance, will equal the minimum limits for General Liability and Automotive Liability.

**D. Automotive/Vehicle Liability Insurance**

The CONSULTANT shall maintain a policy of Automotive Liability Insurance on a comprehensive form covering all owned, non-owned, and hired automobiles, trucks, and other vehicles providing the following minimum limits of liability coverage: Combined single limit of One Million Dollars (\$1,000,000) or alternatively, One Million Dollars (\$1,000,000) per person for bodily injury and One Million Dollars (\$1,000,000) per accident for property damage. A statement on an insurance certificate will not be accepted in lieu of the actual additional insured endorsement.

E. Drone Liability Insurance

If a drone will be used, Drone Liability Insurance must be maintained by CONSULTANT in the amount of One Million Dollars (\$1,000,000) in form acceptable to the SANITATION DISTRICT.

F. Workers' Compensation Insurance

The CONSULTANT shall provide such Workers' Compensation Insurance as required by the Labor Code of the State of California in the amount of the statutory limit, including Employer's Liability Insurance with a minimum limit of One Million Dollars (\$1,000,000) per occurrence. Such Workers' Compensation Insurance shall be endorsed to provide for a waiver of subrogation in favor of the SANITATION DISTRICT. A statement on an insurance certificate will not be accepted in lieu of the actual endorsements unless the insurance carrier is State of California Insurance Fund and the identifier "SCIF" and endorsement numbers 2570 and 2065 are referenced on the certificate of insurance. If an exposure to Jones Act liability may exist, the insurance required herein shall include coverage for Jones Act claims.

G. Errors and Omissions/Professional Liability

CONSULTANT shall maintain in full force and effect, throughout the term of this Agreement, standard industry form professional negligence Errors and Omissions Insurance coverage in an amount of not less than Two Million Dollars (\$2,000,000) with limits in accordance with the provisions of this paragraph. If the policy of insurance is written on a "claims made" basis, said policy shall be continued in full force and effect at all times during the term of this Agreement, and for a period of five (5) years from the date of the completion of the services hereunder.

In the event of termination of said policy during this period, CONSULTANT shall obtain continuing insurance coverage for the prior acts or omissions of CONSULTANT during the course of performing services under the term of this Agreement. Said coverage shall be evidenced by either a new policy evidencing no gap in coverage or by separate extended "tail" coverage with the present or new carrier.

In the event the present policy of insurance is written on an "occurrence" basis, said policy shall be continued in full force and effect during the term of this Agreement or until completion of the services provided for in this Agreement, whichever is later. In the event of termination of said policy during this period, new coverage shall be obtained for the required period to insure for the prior acts of CONSULTANT during the course of performing services under the term of this Agreement.

CONSULTANT shall provide to the SANITATION DISTRICT a certificate of insurance in a form acceptable to the SANITATION DISTRICT indicating the deductible or self-retention amounts and the expiration date of said policy, and shall provide renewal certificates not less than ten (10) days prior to the

expiration of each policy term.

H. Proof of Coverage

The CONSULTANT shall furnish the SANITATION DISTRICT with original certificates and amendatory endorsements effecting coverage. Said policies and endorsements shall conform to the requirements herein stated. All certificates and endorsements are to be received and approved by the SANITATION DISTRICT before work commences. The SANITATION DISTRICT reserves the right to require complete, certified copies of all required insurance policies, including endorsements, effecting the coverage required, at any time. The following are approved forms that must be submitted as proof of coverage:

- Certificate of Insurance ACORD Form 25 (5/2010) or equivalent.
- Additional Insurance (General Liability) (ISO Form) CG2010 11 85 or  
The combination of (ISO Forms)  
CG 2010 10 01 and CG 2037 10 01  
  
All other Additional Insured endorsements must be submitted for approval by the SANITATION DISTRICT, and the SANITATION DISTRICT may reject alternatives that provide different or less coverage to the SANITATION DISTRICT.
- Additional Insured (Auto Liability) Submit endorsement provided by carrier for the SANITATION DISTRICT approval.
- Waiver of Subrogation State Compensation Insurance Fund Endorsement No. 2570 or equivalent.
- Cancellation Notice State Compensation Insurance Fund Endorsement No. 2065 or equivalent.

I. Cancellation Notice

Each insurance policy required herein shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days' prior written notice. The Cancellation Section of ACORD Form 25 (5/2010) shall state the required thirty (30) days' written notification. The policy shall not terminate, nor shall it be cancelled, nor the coverage reduced until thirty (30) days after written notice is given to the SANITATION DISTRICT except for nonpayment of premium, which shall require not less than ten (10) days written notice to the SANITATION DISTRICT. Should there be changes in coverage or an increase in deductible or SIR amounts, the CONSULTANT and its insurance broker/agent shall send to the SANITATION DISTRICT a certified letter which includes a description of the changes in coverage and/or any increase in deductible or SIR amounts. The certified letter must be sent to the attention of Risk Management, and shall be received by the SANITATION DISTRICT not less than thirty (30)



days prior to the effective date of the change(s) if the change would reduce coverage or increase deductibles or SIR amounts or otherwise reduce or limit the scope of insurance coverage provided to the SANITATION DISTRICT.

J. Primary Insurance

All liability policies shall contain a Primary and Non-Contributory Clause. Any other insurance maintained by the SANITATION DISTRICT shall be excess and not contributing with the insurance provided by CONSULTANT.

K. Separation of Insured

All liability policies shall contain a "Separation of Insureds" clause.

L. Non-Limiting (if applicable)

Nothing in this document shall be construed as limiting in any way, nor shall it limit the indemnification provision contained in this Agreement, or the extent to which CONSULTANT may be held responsible for payment of damages to persons or property.

M. Deductibles and Self-Insured Retentions

Any deductible and/or self-insured retention must be declared to the SANITATION DISTRICT on the Certificate of Insurance. All deductibles and/or self-insured retentions require approval by the SANITATION DISTRICT. At the option of the SANITATION DISTRICT, either: the insurer shall reduce or eliminate such deductible or self-insured retention as respects the SANITATION DISTRICT; or the CONSULTANT shall provide a financial guarantee satisfactory to the SANITATION DISTRICT guaranteeing payment of losses and related investigations, claim administration and defense expenses.

N. Defense Costs

Liability policies shall have a provision that defense costs for all insureds and additional insureds are paid in addition to and do not deplete any policy limits.

O. Subconsultants

The CONSULTANT shall be responsible to establish insurance requirements for any Subconsultant hired by the CONSULTANT. The insurance shall be in amounts and types reasonably sufficient to deal with the risk of loss involving the Subconsultant's operations and work.

P. Limits Are Minimums

If the CONSULTANT maintains higher limits than any minimums shown above, then SANITATION DISTRICT requires and shall be entitled to coverage for the higher limits maintained by CONSULTANT.

**8. SCOPE CHANGES**

In the event of a change in the Scope of Work, requested by SANITATION DISTRICT, the parties hereto shall execute an amendment to this Agreement setting forth with particularity all terms of the new Agreement, including but not limited to any additional CONSULTANT's fees.

**9. PROJECT TEAM AND SUBCONSULTANTS**

CONSULTANT shall provide to SANITATION DISTRICT, prior to execution of this Agreement, the names and full description of all Subconsultants and CONSULTANT's project team members anticipated to be used on this project by CONSULTANT. CONSULTANT shall include a description of the scope of work to be done by each Subconsultant and each CONSULTANT's project team member. CONSULTANT shall include the respective compensation amounts for CONSULTANT and each Subconsultant on a per-project-element basis, broken down as indicated in Section 2 - COMPENSATION.

There shall be no substitution of the listed Subconsultants and CONSULTANT's project team members without prior written approval by the SANITATION DISTRICT.

**10. ENGINEERING REGISTRATION**

The CONSULTANT's personnel are comprised of registered engineers and a staff of specialists and draftsmen in each department. The firm itself is not a registered engineer but represents and agrees that wherever in the performance of this Agreement requires the services of a registered engineer. Such services hereunder will be performed under the direct supervision of registered engineers.

**11. AUDIT PROVISIONS**

- A. SANITATION DISTRICT retains the reasonable right to access, review, examine, and audit, any and all books, records, documents and any other evidence of procedures and practices that the SANITATION DISTRICT determines are necessary to discover and verify that the CONSULTANT is in compliance with all requirements under this Agreement. The CONSULTANT shall include the SANITATION DISTRICT's right as described above, in any and all of their subcontracts, and shall ensure that these rights are binding upon all Subconsultants.
  
- B. SANITATION DISTRICT retains the right to examine CONSULTANT's books, records, documents and any other evidence of procedures and practices that the SANITATION DISTRICT determines are necessary to discover and verify all direct and indirect costs, of whatever nature, which are claimed to have been incurred, or anticipated to be incurred or to ensure CONSULTANT's compliance with all requirements under this Agreement during the term of this Agreement and for a period of three (3) years after its termination.

- C. CONSULTANT shall maintain complete and accurate records in accordance with generally accepted industry standard practices and the SANITATION DISTRICT's policy. The CONSULTANT shall make available to the SANITATION DISTRICT for review and audit, all project related accounting records and documents, and any other financial data within fifteen (15) days after receipt of notice from the SANITATION DISTRICT. Upon SANITATION DISTRICT's request, the CONSULTANT shall submit exact duplicates of originals of all requested records to the SANITATION DISTRICT. If an audit is performed, CONSULTANT shall ensure that a qualified employee of the CONSULTANT will be available to assist SANITATION DISTRICT's auditor in obtaining all project related accounting records and documents, and any other financial data.

**12. LEGAL RELATIONSHIP BETWEEN PARTIES**

The legal relationship between the parties hereto is that of an independent contractor and nothing herein shall be deemed to make CONSULTANT an employee of the SANITATION DISTRICT.

**13. NOTICES**

All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of said notices in person or by depositing said notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid.

Notices shall be mailed to the SANITATION DISTRICT at:

ORANGE COUNTY SANITATION DISTRICT  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
Attention: Larry Roberson, Senior Contracts Administrator  
Copy: Tom Lam, Project Manager

Notices shall be mailed to CONSULTANT at:

Dudek  
605 Third Street  
Encinitas, CA 92024  
Attention: Bob Ohlund  
Copy: Russ Bergholz

All communication regarding the Scope of Work, will be addressed to the Project Manager. Direction from other SANITATION DISTRICT's staff must be approved in writing by the SANITATION DISTRICT's Project Manager prior to action from the CONSULTANT.

**14. TERMINATION**

The SANITATION DISTRICT may terminate this Agreement at any time, without cause, upon giving thirty (30) days written notice to CONSULTANT. In the event of such termination, CONSULTANT shall be entitled to compensation for work performed on a

prorated basis through and including the effective date of termination.

CONSULTANT shall be permitted to terminate this Agreement upon thirty (30) days written notice only if CONSULTANT is not compensated for billed amounts in accordance with the provisions of this Agreement, when the same are due.

Notice of termination shall be mailed to the SANITATION DISTRICT and/or CONSULTANT in accordance with Section 13 - NOTICES.

## **15. DOCUMENTS AND STUDY MATERIALS**

The documents and study materials for this project shall become the property of the SANITATION DISTRICT upon the termination or completion of the work. CONSULTANT agrees to furnish to the SANITATION DISTRICT copies of all memoranda, correspondence, computation and study materials in its files pertaining to the work described in this Agreement, which is requested in writing by the SANITATION DISTRICT.

## **16. COMPLIANCE**

### **A. Labor**

CONSULTANT certifies by the execution of this Agreement that it pays employees not less than the minimum wage as defined by law, and that it does not discriminate in its employment with regard to race, color, religion, sex or national origin; that it is in compliance with all Federal, State and local directives and executive orders regarding non-discrimination in employment; and that it agrees to demonstrate positively and aggressively the principle of equal opportunity in employment.

### **B. Air Pollution**

CONSULTANT and its Subconsultants and Subcontractors shall comply with all applicable Federal, State and local air pollution control laws and regulations.

## **17. AGREEMENT EXECUTION AUTHORIZATION**

Both the SANITATION DISTRICT and CONSULTANT do covenant that each individual executing this document by and on behalf of each party is a person duly authorized to execute agreements for that party.

## **18. DISPUTE RESOLUTION**

In the event of a dispute arising between the parties regarding performance or interpretation of this Agreement, the dispute shall be resolved by binding arbitration under the auspices of the Judicial Arbitration and Mediation Service ("JAMS"), or similar organization or entity conducting alternate dispute resolution services.

## **19. ATTORNEY'S FEES, COSTS AND NECESSARY DISBURSEMENTS**

If any action at law or in equity or if any proceeding in the form of an Alternative Dispute

Resolution (ADR) is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which it may be entitled.

## **20. PROGRESS REPORTS**

Monthly progress reports shall be submitted for review by the tenth day of the following month and must include as a minimum: 1) current activities, 2) future activities, 3) potential items that are not included in the Scope of Work, 4) concerns and possible delays, 5) percentage of completion, and 6) budget status.

## **21. WARRANTY**

CONSULTANT shall perform its services in accordance with generally accepted industry and professional standards. If, within the 12-month period following completion of its services, the SANITATION DISTRICT informs CONSULTANT that any part of the services fails to meet those standards, CONSULTANT shall, within the time prescribed by the SANITATION DISTRICT, take all such actions as are necessary to correct or complete the noted deficiency(ies).

## **22. INDEMNIFICATION**

To the fullest extent permitted by law, CONSULTANT shall indemnify, defend (at CONSULTANT's sole cost and expense and with legal counsel approved by the SANITATION DISTRICT, which approval shall not be unreasonably withheld), protect and hold harmless the SANITATION DISTRICT and all of SANITATION DISTRICT's officers, directors, employees, CONSULTANT's, and agents (collectively the "Indemnified Parties"), from and against any and all claims, damages, liabilities, causes of action, suits, arbitration awards, losses, judgments, fines, penalties, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs, and all other professional, expert or CONSULTANT's fees and costs and the SANITATION DISTRICT's general and administrative expenses; individually, a "Claim"; collectively, "Claims") which may arise from or are in any manner related, directly or indirectly, to any work performed, or any operations, activities, or services provided by CONSULTANT in carrying out its obligations under this Agreement to the extent of the negligent, recklessness and/or willful misconduct of CONSULTANT, its principals, officers, agents, employees, CONSULTANT's suppliers, CONSULTANT, Subconsultants, Subcontractors, and/or anyone employed directly or indirectly by any of them, regardless of any contributing negligence or strict liability of an Indemnified Party. Notwithstanding the foregoing, nothing herein shall be construed to require CONSULTANT to indemnify the Indemnified Parties from any Claim arising solely from:

(A) the active negligence or willful misconduct of the Indemnified Parties; or

(B) a natural disaster or other act of God, such as an earthquake; or

(C) the independent action of a third party who is neither one of the Indemnified Parties nor the CONSULTANT, nor its principal, officer, agent, employee, nor CONSULTANT's supplier, CONSULTANT, Subconsultant, Subcontractor, nor anyone employed directly or indirectly by any of them.

Exceptions (A) through (B) above shall not apply, and CONSULTANT shall, to the fullest extent permitted by law, indemnify the Indemnified Parties, from Claims arising from more than one cause if any such cause taken alone would otherwise result in the obligation to indemnify hereunder.

CONSULTANT's liability for indemnification hereunder is in addition to any liability CONSULTANT may have to the SANITATION DISTRICT for a breach by CONSULTANT of any of the provisions of this Agreement. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit CONSULTANT's indemnification obligation or other liability hereunder. The terms of this Agreement are contractual and the result of negotiation between the parties hereto.

Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement.

### **23. DUTY TO DEFEND**

The duty to defend hereunder is wholly independent of and separate from the duty to indemnify and such duty to defend shall exist regardless of any ultimate liability of CONSULTANT and shall be consistent with Civil Code Section 2782.8. Such defense obligation shall arise immediately upon presentation of a Claim by any person if, without regard to the merit of the Claim, such Claim could potentially result in an obligation to indemnify one or more Indemnified Parties, and upon written notice of such Claim being provided to CONSULTANT. Payment to CONSULTANT by any Indemnified Party or the payment or advance of defense costs by any Indemnified Party shall not be a condition precedent to enforcing such Indemnified Party's rights to indemnification hereunder. In the event a final judgment, arbitration, award, order, settlement, or other final resolution expressly determines that the claim did not arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONSULTANT, to any extent, then the SANITATION DISTRICT will reimburse CONSULTANT for the reasonable costs of defending the Indemnified Parties against such claims.

CONSULTANT's indemnification obligation hereunder shall survive the expiration or earlier termination of this Agreement until such time as action against the Indemnified Parties for such matter indemnified hereunder is fully and finally barred by the applicable statute of limitations.

### **24. CONSULTANT PERFORMANCE**

The CONSULTANT's performance shall be evaluated by the SANITATION DISTRICT. A copy of the evaluation shall be sent to the CONSULTANT for comment. The evaluation, together with the comments, shall be retained by the SANITATION DISTRICT and may be considered in future CONSULTANT selection processes.

### **25. COMPLIANCE WITH SANITATION DISTRICT POLICIES AND PROCEDURES**

CONSULTANT shall comply with all SANITATION DISTRICT policies and procedures including the OCSD Safety Standards, as applicable, all of which may be amended from time to time.

## **26. CLOSEOUT**

When the SANITATION DISTRICT determines that all Work authorized under the Agreement is fully complete and that the SANITATION DISTRICT requires no further work from CONSULTANT, or the Agreement is otherwise terminated or expires in accordance with the terms of the Agreement, the SANITATION DISTRICT shall give the CONSULTANT written notice that the Agreement will be closed out. CONSULTANT shall submit all outstanding billings, work submittals, deliverables, reports or similarly related documents as required under the Agreement within thirty (30) days of receipt of notice of Agreement closeout.

Upon receipt of CONSULTANT's submittals, the SANITATION DISTRICT shall commence a closeout audit of the Agreement and will either:

- i. Give the CONSULTANT a final Agreement Acceptance: or
- ii. Advise the CONSULTANT in writing of any outstanding item or items which must be furnished, completed, or corrected at the CONSULTANT's cost.

CONSULTANT shall be required to provide adequate resources to fully support any administrative closeout efforts identified in this Agreement. Such support must be provided within the timeframe requested by the SANITATION DISTRICT.

Notwithstanding the final Agreement Acceptance the CONSULTANT will not be relieved of its obligations hereunder, nor will the CONSULTANT be relieved of its obligations to complete any portions of the work, the non-completion of which were not disclosed to the SANITATION DISTRICT (regardless of whether such nondisclosures were fraudulent, negligent, or otherwise); and the CONSULTANT shall remain obligated under all those provisions of the Agreement which expressly or by their nature extend beyond and survive final Agreement Acceptance.

Any failure by the SANITATION DISTRICT to reject the work or to reject the CONSULTANT's request for final Agreement Acceptance as set forth above shall not be deemed to be acceptance of the work by the SANITATION DISTRICT for any purpose nor imply acceptance of, or agreement with, the CONSULTANT's request for final Agreement Acceptance.

## **27. ENTIRE AGREEMENT**

This Agreement constitutes the entire understanding and agreement between the parties and supersedes all previous negotiations between them pertaining to the subject matter thereof.

IN WITNESS WHEREOF, this Agreement has been executed in the name of the SANITATION DISTRICT, by its officers thereunto duly authorized, and CONSULTANT as of the day and year first above written.

**CONSULTANT: DUDEK**

By \_\_\_\_\_  
Date \_\_\_\_\_  
\_\_\_\_\_  
Printed Name & Title

**ORANGE COUNTY SANITATION DISTRICT**

By \_\_\_\_\_  
David John Shawver  
Board Chairman  
Date \_\_\_\_\_

By \_\_\_\_\_  
Kelly A. Lore  
Clerk of the Board  
Date \_\_\_\_\_

By \_\_\_\_\_  
Ruth Zintzun  
Purchasing and Contracts Manager  
Date \_\_\_\_\_

- Attachments: Attachment "A" – Scope of Work  
Attachment "B" – Labor Hour Matrix  
Attachment "C" – Not Attached  
Attachment "D" – Allowable Direct Costs  
Attachment "E" – Fee Proposal  
Attachment "F" – Not Used  
Attachment "G" – Not Attached  
Attachment "H" – Not Used  
Attachment "I" – Cost Matrix and Summary  
Attachment "J" – Not Attached  
Attachment "K" – Not Used  
Attachment "L" – OCSD Safety Standards

LDR





# Orange County Sanitation District

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

## OPERATIONS COMMITTEE

### Agenda Report

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**File #:** 2020-1070

**Agenda Date:** 5/27/2020

**Agenda Item No:** 6.

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**FROM:** James D. Herberg, General Manager  
Originator: Rob Thompson, Assistant General Manager

**SUBJECT:**

**SERVICE CONTRACT FOR PLANT NOS. 1 AND 2 CENTRAL GENERATION CARBON CHANGE-OUT, SPECIFICATION NO. S-2020-1130BD**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

- A. Award a Service Contract to EnviroSupply & Service Inc. for Plant Nos. 1 and 2, Central Generation Facility Fuel Gas Cleaning System, Carbon Change-Out [replacement]; Specification No. S-2020-1130BD, for a total amount not to exceed \$240,702 for the period July 1, 2020 through June 30, 2021, with four (4) one-year renewal options; and
- B. Approve a contingency of \$24,071 (10%).

**BACKGROUND**

The Plant Nos. 1 and 2 Central Generation facilities are equipped with activated carbon vessels/filter beds for cleaning digester gas prior to combustion in the engines. The activated carbon beds work in series to protect the air emissions control catalysts that were installed to meet South Coast Air Quality Management District (SCAQMD) permit requirements.

**RELEVANT STANDARDS**

- Maintain a proactive asset management program
- 24/7/365 treatment plant reliability
- Protect Orange County Sanitation District assets

**PROBLEM**

The digester gas cleaning system must run continuously in order to protect the Central Generation engines and exhaust catalysts from hydrogen sulfide and siloxanes. Both hydrogen sulfide and siloxanes are present in digester gas and will poison the exhaust catalysts. The activated carbon beds have a limited capacity to adsorb these contaminants. When the carbon adsorption material is fully consumed, it must be replaced.

**PROPOSED SOLUTION**

Enter into a service contract with a vendor to replace the activated carbon material used to clean digester gas at Plant Nos. 1 and 2.

**TIMING CONCERNS**

The current contract for activated carbon replacement expires on June 30, 2020.

**RAMIFICATIONS OF NOT TAKING ACTION**

Siloxane and hydrogen sulfide break-through will take place if activated carbon replacement does not occur. The Central Generation plants will be shut down due to air quality permit requirements when break-through occurs.

**PRIOR COMMITTEE/BOARD ACTIONS**

N/A

**ADDITIONAL INFORMATION**

Staff developed a scope of work and invited vendors to submit bids. Two bids were received as listed below.

Bid Results

<b>Company</b>	<b>Bid Amount (include tax)</b>	<b>Comments</b>
EnviroSupply & Service Inc.	\$240,702	Bid Award - Responsive
Carbon Activated Corp.	\$252,791	Responsive

Staff has identified EnviroSupply & Service Inc. as the lowest responsive and responsible bidder.

**FINANCIAL CONSIDERATIONS**

This request complies with authority levels of the Orange County Sanitation District's Purchasing Ordinance. This item has been budgeted in Divisions 830 and 840, line item 65 Operating Budget 830.52050 and 840.52050.

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<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
05/27/2020	\$240,702	\$24,071

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**ATTACHMENT**

The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:

- Service Contract

**SERVICE CONTRACT**  
**Provision, Installation and Disposal of Activated Carbon for the**  
**Plants 1 & 2 Central Generation Facility Fuel Gas Cleaning System**  
**Specification No. S-2020-1130BD**

**THIS CONTRACT** is made and entered into as of the date fully executed below, by and between Orange County Sanitation District, with a principal place of business at 10844 Ellis Avenue, Fountain Valley, CA 92708 (hereinafter referred to as "OCSD") and EnviroSupply & Service, Inc. with a principal place of business at 1791 Kaiser Avenue, Irvine, CA 92614 (hereinafter referred to as "Contractor") collectively referred to as the "Parties".

**WITNESSETH**

**WHEREAS**, OCSD desires to temporarily retain the services of Contractor for provision, installation and disposal of activated carbon for the plants 1 and 2 central generation facility fuel gas cleaning system "Services" as described in Exhibit "A"; and

**WHEREAS**, OCSD has chosen Contractor to conduct Services in accordance with Ordinance No. OCSD-52; and

**WHEREAS**, on May 27, 2020, the Board of Directors of OCSD, by minute order, authorized execution of this Contract between OCSD and Contractor; and

**WHEREAS**, Contractor is qualified by virtue of experience, training, and expertise to accomplish such Services,

**NOW, THEREFORE**, in consideration of the mutual promises and mutual benefits exchanged between the Parties, the Parties mutually agree as follows:

**1. Introduction**

1.1 This Contract and all exhibits hereto (called the "Contract") is made by OCSD and the Contractor. The terms and conditions herein exclusively govern the purchase of Services as described in Exhibit "A".

1.2 Exhibits to this Contract are incorporated by reference and made a part of this Contract as though fully set forth at length herein.

Exhibit "A" Scope of Work  
Exhibit "B" Bid  
Exhibit "C" Acknowledgement of Insurance Requirements  
Exhibit "D" OCSD Safety Standards and  
Safety SOP-304 Mobile Equipment Policy  
Exhibit "E" Human Resources Policies

1.3 In the event of any conflict or inconsistency between the provisions of this Contract and any of the provisions of the exhibits hereto, the provisions of this Contract shall in all respects govern and control.

1.4 The provisions of this Contract may be amended or waived only by a writing executed by authorized representatives of both Parties hereto.

1.5 The various headings in this Contract are inserted for convenience only and shall not affect the meaning or interpretation of this Contract or any paragraph or provision hereof.

- 1.6 The term “days”, when used in the Contract, shall mean calendar days, unless otherwise noted as business days.
- 1.7 OCSD holidays (non-working days) are as follows: New Year’s Day, Lincoln’s Birthday, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, and Christmas Day.
- 1.8 The term “hours”, when used in this Contract, shall be as defined in Exhibit “A”.
- 1.9 Contractor shall provide OCSD with all required premiums and/or overtime work at no charge beyond the price provided under “Compensation” below.
- 1.10 Except as expressly provided otherwise, OCSD accepts no liability for any expenses, losses, or action incurred or undertaken by Contractor as a result of work performed in anticipation of purchases of said services by OCSD.
2. **Compensation** Compensation to be paid by OCSD to Contractor for the Services provided under this Contract shall be a total amount not to exceed Two Hundred Forty Thousand Seven Hundred Two Dollars (\$240,702.00).
3. **California Department of Industrial Relations (DIR) Registration and Record of Wages**
  - 3.1 To the extent Contractor’s employees and/or its subcontractors who will perform Work during the design and preconstruction phases of a construction contract or perform work under a maintenance contract for which Prevailing Wage Determinations have been issued by the DIR and as more specifically defined under Labor Code Section 1720 et seq, Contractor and its subcontractors shall comply with the registration requirements of Labor Code Section 1725.5. Pursuant to Labor Code Section 1771.4, the work is subject to compliance monitoring and enforcement by the DIR.
  - 3.2 The Contractor and its subcontractors shall maintain accurate payroll records and shall comply with all the provisions of Labor Code Section 1776, and shall submit payroll records to the Labor Commissioner pursuant to Labor Code 1771.4(a)(3). Penalties for non-compliance with the requirements of Section 1776 may be deducted from progress payments per Section 1776.
  - 3.3 Pursuant to Labor Code Section 1776, the Contractor and its subcontractors shall furnish a copy of all certified payroll records to OCSD and/or general public upon request, provided the public request is made through OCSD, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement of the Department of Industrial Relations.
  - 3.4 The Contractor and its subcontractors shall comply with the job site notices posting requirements established by the Labor Commissioner per Title 8, California Code of Regulation Section 16461(e).
4. **Payments and Invoicing**
  - 4.1 OCSD shall pay, net thirty (30) days, upon receipt and approval, by OCSD’s Project Manager or designee, of itemized invoices submitted for Services completed in accordance with Exhibit “A”. OCSD, at its sole discretion, shall be the determining party as to whether the Services have been satisfactorily completed.
  - 4.2 Invoices shall be emailed by Contractor to OCSD Accounts Payable at [APStaff@OCSD.com](mailto:APStaff@OCSD.com) and “INVOICE” with the Purchase Order Number and S-2020-1130BD shall be referenced in the subject line.

5. **Audit Rights** Contractor agrees that, during the term of this Contract and for a period of three (3) years after its termination, OCSD shall have access to and the right to examine any directly pertinent books, documents, and records of Contractor relating to the invoices submitted by Contractor pursuant to this Contract.
6. **Scope of Work** Subject to the terms of this Contract, Contractor shall perform the Services identified in Exhibit "A". Contractor shall perform said Services in accordance with generally accepted industry and professional standards.
7. **Modifications to Scope of Work** Requests for modifications to the Scope of Work hereunder can be made by OCSD at any time. All modifications must be made in writing and signed by both Parties.
8. **Contract Term** The Services provided under this Agreement shall be for the period of one (1) year commencing on July 1, 2020 and continuing through June 30, 2021.
9. **Renewals**
  - 9.1 OCSD may exercise the option to renew this Contract for up to four (4) one-year periods based upon the criteria set forth in Exhibit "A", under the terms and conditions contained herein. OCSD shall make no obligation to renew nor give reason if it elects not to renew.
  - 9.2 This Contract may be renewed by OCSD Purchase Order.
10. **Extensions** The term of this Contract may be extended only by written instrument signed by both Parties.
11. **Performance** Time is of the essence in the performance of the provisions hereof.
12. **Termination**
  - 12.1 OCSD reserves the right to terminate this Contract for its convenience, with or without cause, in whole or in part, at any time, by written notice from OCSD of intent to terminate. Upon receipt of a termination notice, Contractor shall immediately discontinue all work under this Contract (unless the notice directs otherwise). OCSD shall thereafter, within thirty (30) days, pay Contractor for work performed (cost and fee) to the date of termination. Contractor expressly waives any claim to receive anticipated profits to be earned during the uncompleted portion of this Contract. Such notice of termination shall terminate this Contract and release OCSD from any further fee, cost or claim hereunder by Contractor other than for work performed to the date of termination.
  - 12.2 OCSD reserves the right to terminate this Contract immediately upon OCSD's determination that Contractor is not complying with the Scope of Work requirements, if the level of service is inadequate, or any other default of this Contract.
  - 12.3 OCSD may also immediately cancel for default of this Contract in whole or in part by written notice to Contractor:
    - if Contractor becomes insolvent or files a petition under the Bankruptcy Act; or
    - if Contractor sells its business; or
    - if Contractor breaches any of the terms of this Contract; or
    - if total amount of compensation exceeds the amount authorized under this Contract.
  - 12.4 All OCSD property in the possession or control of Contractor shall be returned by Contractor to OCSD upon demand, or at the termination of this Contract, whichever occurs first.

13. **Insurance** Contractor and all subcontractors shall purchase and maintain, throughout the life of this Contract and any periods of warranty or extensions, insurance in amounts equal to the requirements set forth in the signed Acknowledgement of Insurance Requirements (attached hereto and incorporated herein as Exhibit "C"). Contractor shall not commence work under this Contract until all required insurance is obtained in a form acceptable to OCSD, nor shall Contractor allow any subcontractor to commence service pursuant to a subcontract until all insurance required of the subcontractor has been obtained. Failure to maintain required insurance coverage shall result in termination of this Contract.
14. **Indemnification and Hold Harmless Provision** Contractor shall assume all responsibility for damages to property and/or injuries to persons, including accidental death, which may arise out of or be caused by Contractor's services under this Contract, or by its subcontractor(s) or by anyone directly or indirectly employed by Contractor, and whether such damage or injury shall accrue or be discovered before or after the termination of the Contract. Except as to the sole active negligence of or willful misconduct of OCSD, Contractor shall indemnify, protect, defend and hold harmless OCSD, its elected and appointed officials, officers, agents and employees, from and against any and all claims, liabilities, damages or expenses of any nature, including attorneys' fees: (a) for injury to or death of any person or damage to property or interference with the use of property, arising out of or in connection with Contractor's performance under the Contract, and/or (b) on account of use of any copyrighted or uncopyrighted material, composition, or process, or any patented or unpatented invention, article or appliance, furnished or used under the Contract, and/or (c) on account of any goods and services provided under this Contract. This indemnification provision shall apply to any acts or omissions, willful misconduct, or negligent misconduct, whether active or passive, on the part of Contractor or anyone employed by or working under Contractor. To the maximum extent permitted by law, Contractor's duty to defend shall apply whether or not such claims, allegations, lawsuits, or proceedings have merit or are meritless, or which involve claims or allegations that any of the parties to be defended were actively, passively, or concurrently negligent, or which otherwise assert that the parties to be defended are responsible, in whole or in part, for any loss, damage, or injury. Contractor agrees to provide this defense immediately upon written notice from OCSD, and with well qualified, adequately insured, and experienced legal counsel acceptable to OCSD.
15. **OCSD Safety Standards** OCSD requires Contractor and its subcontractor(s) to follow and ensure their employees follow all Federal, State, and local regulations as well as OCSD Safety Standards and Safety SOP-304, Mobile Equipment Policy, while working at OCSD locations. If during the course of the Contract it is discovered that OCSD Safety Standards do not comply with Federal, State, or local regulations, then the Contractor is required to follow the most stringent regulatory requirement at no additional cost to OCSD. Contractor and all of its employees and subcontractors, shall adhere to all applicable OCSD Safety Standards attached hereto in Exhibit "D" and the Human Resources Policies in Exhibit "E".
16. **Warranties** In addition to the warranties stated in Exhibit "A", the following shall apply:
- 16.1 Manufacturer's standard warranty shall apply. All manufacturer warranties shall commence on the date of acceptance by the OCSD Project Manager or designee of the work as complete.
- 16.2 Contractor's Warranty (Guarantee): If within a one (1) year period of completion of all work as specified in Exhibit "A", OCSD informs Contractor that any portion of the Services provided fails to meet the standards required under this Contract, Contractor shall, within the time agreed to by OCSD and Contractor, take all such actions as are necessary to correct or complete the noted deficiency(ies) at Contractor's sole expense.

17. **Force Majeure** Neither party shall be liable for delays caused by accident, flood, acts of God, fire, labor trouble, war, acts of government or any other cause beyond its control, but said party shall use reasonable efforts to minimize the extent of the delay. Work affected by a Force Majeure condition may be rescheduled by mutual consent or may be eliminated from the Contract.
18. **Freight (F.O.B. Destination)** Contractor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Contract.
19. **Familiarity with Work** By executing this Contract, Contractor warrants that: 1) it has investigated the work to be performed; 2) it has investigated the site of the work and is aware of all conditions there; and 3) it understands the facilities, difficulties and restrictions of the work under this Contract. Should Contractor discover any latent or unknown conditions materially differing from those inherent in the work or as represented by OCSD, it shall immediately inform OCSD of this and shall not proceed, except at Contractor's risk, until written instructions are received from OCSD.
20. **Regulatory Requirements** Contractor shall perform all work under this Contract in strict conformance with applicable Federal, State, and local regulatory requirements including, but not limited to, 40 CFR 122, 123, 124, 257, 258, 260, 261, and 503, Title 22, 23, and California Water Codes Division 2.
21. **Environmental Compliance** Contractor shall, at its own cost and expense, comply with all Federal, State, and local environmental laws, regulations, and policies which apply to the Contractor, its subcontractors, and the Services, including, but not limited to, all applicable Federal, State, and local air pollution control laws and regulations.
22. **Licenses, Permits, Ordinances and Regulations** Contractor represents and warrants to OCSD that it has obtained all licenses, permits, qualifications, and approvals of whatever nature that are legally required to engage in this work. Any and all fees required by Federal, State, County, City and/or municipal laws, codes and/or tariffs that pertain to the work performed under the terms of this Contract will be paid by Contractor.
23. **Applicable Laws and Regulations** Contractor shall comply with all applicable Federal, State, and local laws, rules, and regulations. Contractor also agrees to indemnify and hold harmless from any and all damages and liabilities assessed against OCSD as a result of Contractor's noncompliance therewith. Any permission required by law to be included herein shall be deemed included as a part of this Contract whether or not specifically referenced.
24. **Contractor's Employees Compensation**
  - 24.1 **Davis-Bacon Act** – Contractor will pay and will require all subcontractors to pay all employees on said project a salary or wage at least equal to the prevailing rate of per diem wages as determined by the Secretary of Labor in accordance with the Davis-Bacon Act for each craft or type of worker needed to perform the Contract. The provisions of the Davis-Bacon Act shall apply only if the Contract is in excess of two thousand dollars (\$2,000.00) and when twenty-five percent (25%) or more of the Contract is funded by Federal assistance. If the aforesaid conditions are met, a copy of the provisions of the Davis-Bacon Act to be complied with are incorporated herein as a part of this Contract and referred to by reference.

- 24.2 General Prevailing Rate – OCSD has been advised by the State of California Director of Industrial Relations of its determination of the general prevailing rate of per diem wages and the general prevailing rate for legal holiday and overtime work in the locality in which the work is to be performed for each craft or type of work needed to execute this Contract, and copies of same are on file in the Engineering Department. The Contractor agrees that not less than said prevailing rates shall be paid to workers employed on this Contract as required by Labor Code Section 1774 of the State of California. Per California Labor Code 1773.2, OCSD will have on file copies of the prevailing rate of per diem wages at its principal office and at each project site, which shall be made available to any interested party upon request.
- 24.3 Forfeiture For Violation – Contractor shall, as a penalty to OCSD, forfeit fifty dollars (\$50.00) for each calendar day or portion thereof for each worker paid (either by the Contractor or any subcontractor under it) less than the prevailing rate of per diem wages as set by the Director of Industrial Relations, in accordance with Sections 1770-1780 of the California Labor Code for the work provided for in this Contract, all in accordance with Section 1775 of the Labor Code of the State of California.
- 24.4 Apprentices – Sections 1777.5, 1777.6, 1777.7 of the Labor Code of the State of California, regarding the employment of apprentices are applicable to this Contract and the Contractor shall comply therewith if the prime contract involves thirty thousand dollars (\$30,000.00) or more or twenty (20) working days or more; or if contracts of specialty contractors not bidding for work through the general or prime Contractor are two thousand dollars (\$2,000.00) or more or five (5) working days or more.
- 24.5 Workday – In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the Contractor shall not require more than eight (8) hours of labor in a day from any person employed by it hereunder. Contractor shall conform to Article 3, Chapter 1, Part 7 (Section 1810 et seq.) of the Labor Code of the State of California and shall forfeit to OCSD as a penalty, the sum of twenty-five dollars (\$25.00) for each worker employed in the execution of this Contract by Contractor or any subcontractor for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one (1) week in violation of said Article. Contractor shall keep an accurate record showing the name and actual hours worked each calendar day and each calendar week by each worker employed by Contractor in connection with the project.
- 24.6 Record of Wages; Inspection – Contractor agrees to maintain accurate payroll records showing the name, address, social security number, work classification, straight-time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by it in connection with the project and agrees to require that each of its subcontractors do the same. All payroll records shall be certified as accurate by the applicable Contractor or subcontractor or its agent having authority over such matters. Contractor further agrees that its payroll records and those of its subcontractors shall be available to the employee or employee's representative, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards and shall comply with all of the provisions of Labor Code Section 1776, in general. Penalties for non-compliance with the requirements of Section 1776 may be deducted from project payments per the requirements of Section 1776.



25. **South Coast Air Quality Management District's (SCAQMD) Requirements** It is Contractor's responsibility that all equipment furnished and installed be in accordance with the latest rules and regulations of the South Coast Air Quality Management District (SCAQMD). All Contract work practices, which may have associated emissions such as sandblasting, open field spray painting or demolition of asbestos containing components or structures, shall comply with the appropriate rules and regulations of the SCAQMD.
26. **Governing Law** This Contract shall be governed by and interpreted under the laws of the State of California and the Parties submit to jurisdiction in the County of Orange, in the event any action is brought in connection with this Contract or the performance thereof.
27. **Breach** The waiver of either party of any breach or violation of, or default under, any provision of this Contract, shall not be deemed a continuing waiver by such party of any other provision or of any subsequent breach or violation of this Contract or default thereunder. Any breach by Contractor to which OCSD does not object shall not operate as a waiver of OCSD's rights to seek remedies available to it for any subsequent breach.
28. **Remedies** In addition to other remedies available in law or equity, if the Contractor fails to make delivery of the goods or Services or repudiates its obligations under this Contract, or if OCSD rejects the goods or Services or revokes acceptance of the goods or Services, OCSD may (1) cancel the Contract; (2) recover whatever amount of the purchase price OCSD has paid, and/or (3) "cover" by purchasing, or contracting to purchase, substitute goods or Services for those due from Contractor. In the event OCSD elects to "cover" as described in (3), OCSD shall be entitled to recover from Contractor as damages the difference between the cost of the substitute goods or Services and the Contract price, together with any incidental or consequential damages.
29. **Dispute Resolution**
- 29.1 In the event of a dispute as to the construction or interpretation of this Contract, or any rights or obligations hereunder, the Parties shall first attempt, in good faith, to resolve the dispute by mediation. The Parties shall mutually select a mediator to facilitate the resolution of the dispute. If the Parties are unable to agree on a mediator, the mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Agreement, through the alternate dispute resolution procedures of Judicial Arbitration through Mediation Services of Orange County ("JAMS"), or any similar organization or entity conducting an alternate dispute resolution process.
- 29.2 In the event the Parties are unable to timely resolve the dispute through mediation, the issues in dispute shall be submitted to arbitration pursuant to California Code of Civil Procedure, Part 3, Title 9, Sections 1280 et seq. For such purpose, an agreed arbitrator shall be selected, or in the absence of agreement, each party shall select an arbitrator, and those two (2) arbitrators shall select a third. Discovery may be conducted in connection with the arbitration proceeding pursuant to California Code of Civil Procedure Section 1283.05. The arbitrator, or three (3) arbitrators acting as a board, shall take such evidence and make such investigation as deemed appropriate and shall render a written decision on the matter in question. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California. The arbitrator's decision and award shall be subject to review for errors of fact or law in the Superior Court for the County of Orange, with a right of appeal from any judgment issued therein.

30. **Attorney's Fees** If any action at law or inequity or if any proceeding in the form of an Alternative Dispute Resolution (ADR) is necessary to enforce or interpret the terms of this Contract, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which he may be entitled.
31. **Survival** The provisions of this Contract dealing with Payment, Warranty, Indemnity, and Forum for Enforcement, shall survive termination or expiration of this Contract.
32. **Severability** If any section, subsection, or provision of this Contract, or any agreement or instrument contemplated hereby, or the application of such section, subsection, or provision is held invalid, the remainder of this Contract or instrument in the application of such section, subsection or provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby, unless the effect of such invalidity shall be to substantially frustrate the expectations of the Parties.
33. **Damage to OCSD's Property** Any of OCSD's property damaged by Contractor, any subcontractors or by the personnel of either will be subject to repair or replacement by Contractor at no cost to OCSD.
34. **Disclosure** Contractor agrees not to disclose, to any third party, data or information generated from this project without the prior written consent from OCSD.
35. **Independent Contractor** The legal relationship between the parties hereto is that of an independent contractor, and nothing herein shall be deemed to make Contractor an OCSD employee. During the performance of this Contract, Contractor and its officers, employees, and agents shall act in an independent capacity and shall not act as OCSD's officers, employees, or agents. Contractor and its officers, employees, and agents shall obtain no rights to any benefits which accrue to OCSD's employees.
36. **Limitations upon Subcontracting and Assignment** Contractor shall not delegate any duties nor assign any rights under this Contract without the prior written consent of OCSD. Any such attempted delegation or assignment shall be void.
37. **Third Party Rights** Nothing in this Contract shall be construed to give any rights or benefits to anyone other than OCSD and Contractor.
38. **Non-Liability of OCSD Officers and Employees** No officer or employee of OCSD shall be personally liable to Contractor, or any successor-in-interest, in the event of any default or breach by OCSD or for any amount which may become due to Contractor or to its successor, or for breach of any obligation for the terms of this Contract.
39. **Read and Understood** By signing this Contract, Contractor represents that he has read and understood the terms and conditions of the Contract.
40. **Authority to Execute** The persons executing this Contract on behalf of the Parties warrant that they are duly authorized to execute this Contract and that by executing this Contract, the Parties are formally bound.
41. **Entire Contract** This Contract constitutes the entire agreement of the Parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the Parties with respect to the subject matter hereof.

**42. Notices** All notices under this Contract must be in writing. Written notice shall be delivered by personal service or sent by registered or certified mail, postage prepaid, return receipt requested, or by any other overnight delivery service which delivers to the noticed destination and provides proof of delivery to the sender. Rejection or other refusal to accept or the inability to deliver because of changed address for which no notice was given as provided hereunder shall be deemed to be receipt of the notice, demand or request sent. All notices shall be effective when first received at the following addresses:

OCSD: Darius Ghazi, Senior Buyer  
Orange County Sanitation District  
10844 Ellis Avenue  
Fountain Valley, CA 92708

Contractor: Joseph Hunter, Account Manager  
EnviroSupply & Service, Inc.  
1791 Kaiser Avenue  
Irvine, CA 92614

Each party shall provide the other party written notice of any change in address as soon as practicable.

***IN WITNESS WHEREOF***, intending to be legally bound, the Parties hereto have caused this Contract to be signed by the duly authorized representatives.

**ORANGE COUNTY SANITATION DISTRICT**

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
David John Shawver  
Chair, Board of Directors

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Kelly A. Lore  
Clerk of the Board

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Ruth Zintzun  
Purchasing & Contracts Manager

**ENVIROSUPPLY & SERVICE, INC.**

Dated: \_\_\_\_\_ By: \_\_\_\_\_

\_\_\_\_\_  
Print Name and Title of Officer

\_\_\_\_\_  
IRS Employer's I.D. Number



# Orange County Sanitation District

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

## OPERATIONS COMMITTEE

### Agenda Report

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**File #:** 2020-1071

**Agenda Date:** 5/27/2020

**Agenda Item No:** 7.

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**FROM:** James D. Herberg, General Manager  
Originator: Lan C. Wiborg, Director of Environmental Services

**SUBJECT:**

**GRIT AND SCREENINGS REMOVAL, SPECIFICATION NO. S-2020-1121BD**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

- A. Approve a Service Contract to Denali Water Solutions for Grit and Screenings Removal, Specification No. S-2020-1121BD, for a total amount not to exceed \$551,482 for the period July 1, 2020 through June 30, 2021, with four one-year renewal options; and
- B. Approve a contingency of \$55,148 (10%).

**BACKGROUND**

This service provides bins for the collection of grit and screenings materials, the subsequent removal of the full bins, related services such as moving bins on Sundays, and taking drying bed material and disposing the materials at the Orange County Waste and Recycling's (OCWR's) Frank Bowerman Landfill in Irvine. Grit and screenings materials are continually collected as part of the preliminary treatment process at both Orange County Sanitation District (Sanitation District) Plant Nos. 1 & 2. Drying bed material is similar to materials removed from sewer lines and plant processes, mixed with sawdust. The Sanitation District pays OCWR separately for the disposal fees.

Effective July 2019, Sanitation District Compliance staff are now administering this contract because of new CalRecycle online reporting requirements and necessary internal documentation required as a result. However, the budget line item is still maintained by Operations & Maintenance (O&M), similar to the biosolids budget line item in which Compliance does contract management for O&M's budget.

**RELEVANT STANDARDS**

- 24/7/365 treatment plant reliability
- Comply with environmental permit requirements
- Operate and maintain facilities to minimize impacts on surrounding communities, including odor, noise, and lighting

**PROBLEM**

The current contract for grit and screenings removal expires on June 30, 2020.

**PROPOSED SOLUTION**

Approve a new service contract for grit and screenings removal based on a competitive selection process.

**TIMING CONCERNS**

A new contract must be in place prior to the expiration of the existing contract ending on June 30, 2020.

**RAMIFICATIONS OF NOT TAKING ACTION**

The Sanitation District will be unable to dispose of grit and screenings which are removed continuously from incoming wastewater.

**PRIOR COMMITTEE/BOARD ACTIONS**

May 2015 - Board approved a Service Contract to Denali Water Solutions for Grit and Screenings Removal, Specification No. S-2015-668BD, for a total amount not to exceed \$387,905 for the period June 22, 2015 through July 31, 2016, with four one-year renewal options; and approved a contingency of \$38,790 (10%).

**ADDITIONAL INFORMATION**

The Sanitation District conducted a bid process based on the specifications developed by Compliance staff. Bids closed on March 3, 2020. This contract was competitively bid with three (3) prospective bidders and one (1) bid package being received by the Sanitation District. The bid was evaluated to ensure that it was responsive and responsible. The incumbent company was the only one to submit a bid. Denali Water Solutions has performed adequately over the previous contract period. No price increases were requested during the last contract period of five years, so the total not to exceed of this contract is about \$170,000 higher. However, this cost also includes several alternative contingency costs, such as alternative landfills, that the Sanitation District does not anticipate needing to use.

Staff recommends Denali Water Solutions be awarded the contract as the lowest responsive and responsible bidder.

<u>Bidder</u>	<u>Total Cost</u>
Denali Water Solutions	\$551,482

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted in Division 830 and 840, Object 53020, line 79.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
05/27/2020	\$551,482	\$55,148 (10%)

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**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

- Service Contract

**SERVICE CONTRACT  
Grit & Screenings Removal  
Specification No. S-2020-1121BD**

**THIS CONTRACT** is made and entered into as of the date fully executed below, by and between Orange County Sanitation District, with a principal place of business at 10844 Ellis Avenue, Fountain Valley, CA 92708-7018 (hereinafter referred to as "OCSD") and Denali Water Solutions with a principal place of business at 3031 Franklin Avenue, Riverside, CA 92507 (hereinafter referred to as "Service Provider") collectively referred to as the "Parties".

**WITNESSETH**

**WHEREAS**, OCSD desires to temporarily retain the services of Service Provider for Grit & Screenings Removal "Services" as described in Exhibit "A"; and

**WHEREAS**, OCSD has chosen Service Provider to conduct Services in accordance with Ordinance No. OCSD-52; and

**WHEREAS**, on May 27, 2020, the Board of Directors of OCSD, by minute order, authorized execution of this Contract between OCSD and Service Provider; and

**WHEREAS**, Service Provider is qualified by virtue of experience, training, and education and expertise to accomplish such Services,

**NOW, THEREFORE**, in consideration of the mutual promises and mutual benefits exchanged between the Parties, the Parties mutually agree as follows:

**1. Introduction**

1.1 This Contract and all exhibits hereto (called the "Contract") is made by OCSD and Service Provider. The terms and conditions herein exclusively govern the purchase of Services as described in Exhibit "A".

1.2 Exhibits to this Contract are incorporated by reference and made a part of this Contract as though fully set forth at length herein.

Exhibit "A" Scope of Work  
Exhibit "B" Bid  
Exhibit "C" Acknowledgement of Insurance Requirements  
Exhibit "D" OCSD Safety Standards  
Exhibit "E" Human Resources Policies

1.3 In the event of any conflict or inconsistency between the provisions of this Contract and any of the provisions of the exhibits hereto, the provisions of this Contract shall in all respects govern and control.

1.4 The provisions of this Contract may be amended or waived only by a writing executed by authorized representatives of both Parties hereto.

1.5 The various headings in this Contract are inserted for convenience only and shall not affect the meaning or interpretation of this Contract or any paragraph or provision hereof.

1.6 The term "days", when used in the Contract, shall mean calendar days, unless otherwise noted as business days.

- 1.7 OCSD holidays (non-working days) are as follows: New Year's Day, Lincoln's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, and Christmas Day.
- 1.8 The term "hours", when used in this Contract, shall be as defined in Exhibit "A".
- 1.9 Service Provider shall provide OCSD with all required premiums and/or overtime work at no charge beyond the price provided under "Compensation" below.
- 1.10 Except as expressly provided otherwise, OCSD accepts no liability for any expenses, losses, or action incurred or undertaken by Service Provider as a result of work performed in anticipation of purchases of said services by OCSD.
2. **Compensation** Compensation to be paid by OCSD to Service Provider for the Services provided under this Contract shall be a total amount not to exceed Five Hundred Fifty-one Thousand Four Hundred Eighty-two Dollars (\$551,482.00).
3. **California Department of Industrial Relations (DIR) Registration and Record of Wages**
  - 3.1 To the extent Service Provider's employees and/or its subcontractors who will perform Work during the design and preconstruction phases of a construction contract or perform work under a maintenance contract for which Prevailing Wage Determinations have been issued by the DIR and as more specifically defined under Labor Code Section 1720 et seq, Service Provider and its subcontractors shall comply with the registration requirements of Labor Code Section 1725.5. Pursuant to Labor Code Section 1771.4, the work is subject to compliance monitoring and enforcement by the DIR.
  - 3.2 The Service Provider and its subcontractors shall maintain accurate payroll records and shall comply with all the provisions of Labor Code Section 1776, and shall submit payroll records to the Labor Commissioner pursuant to Labor Code 1771.4(a)(3). Penalties for non-compliance with the requirements of Section 1776 may be deducted from progress payments per Section 1776.
  - 3.3 Pursuant to Labor Code Section 1776, the Service Provider and its subcontractors shall furnish a copy of all certified payroll records to OCSD and/or general public upon request, provided the public request is made through OCSD, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement of the Department of Industrial Relations.
  - 3.4 The Service Provider and its subcontractors shall comply with the job site notices posting requirements established by the Labor Commissioner per Title 8, California Code of Regulation Section 16461(e).
4. **Payments and Invoicing**
  - 4.1 OCSD shall pay, net thirty (30) days, upon receipt and approval, by OCSD's Project Manager or designee, of itemized invoices submitted monthly for Services rendered in accordance with Exhibit "A". OCSD, at its sole discretion, shall be the determining party as to whether the Services have been satisfactorily completed.
  - 4.2 Invoices shall be emailed by the Service Provider to OCSD Accounts Payable at [APStaff@OCSD.com](mailto:APStaff@OCSD.com) and "INVOICE" with the Purchase Order Number and S-2020-1121BD, shall be referenced in the subject line.



5. **Audit Rights** Service Provider agrees that, during the term of this Contract and for a period of three (3) years after its termination, OCSD shall have access to and the right to examine any directly pertinent books, documents, and records of Service Provider relating to the invoices submitted by Service Provider pursuant to this Contract.
6. **Scope of Work** Subject to the terms of this Contract, Service Provider shall perform the Services identified in Exhibit "A". Service Provider shall perform said Services in accordance with generally accepted industry and professional standards.
7. **Modifications to Scope of Work** Requests for modifications to the Scope of Work hereunder can be made by OCSD at any time. All modifications must be made in writing and signed by both Parties.
8. **Contract Term** The Services provided under this Agreement shall be for the period of one (1) year commencing on July 1, 2020 and continuing through June 30, 2021.
9. **Renewals**
  - 9.1 OCSD may exercise the option to renew this Contract for up to four (4) one-year periods based upon the criteria set forth in Exhibit "A", under the terms and conditions contained herein. OCSD shall make no obligation to renew nor give reason if it elects not to renew.
  - 9.2 This Contract may be renewed by OCSD Purchase Order.
10. **Extensions** The term of this Contract may be extended only by written instrument signed by both Parties.
11. **Performance** Time is of the essence in the performance of the provisions hereof.
12. **Termination**
  - 12.1 OCSD reserves the right to terminate this Contract for its convenience, with or without cause, in whole or in part, at any time, by written notice from OCSD of intent to terminate. Upon receipt of a termination notice, Service Provider shall immediately discontinue all work under this Contract (unless the notice directs otherwise). OCSD shall thereafter, within thirty (30) days, pay Service Provider for work performed (cost and fee) to the date of termination. Service Provider expressly waives any claim to receive anticipated profits to be earned during the uncompleted portion of this Contract. Such notice of termination shall terminate this Contract and release OCSD from any further fee, cost or claim hereunder by Service Provider other than for work performed to the date of termination.
  - 12.2 OCSD reserves the right to terminate this Contract immediately upon OCSD's determination that Service Provider is not complying with the Scope of Work requirements, if the level of service is inadequate, or any other default of this Contract.
  - 12.3 OCSD may also immediately cancel for default of this Contract in whole or in part by written notice to Service Provider:
    - if Service Provider becomes insolvent or files a petition under the Bankruptcy Act; or
    - if Service Provider sells its business; or
    - if Service Provider breaches any of the terms of this Contract; or
    - if total amount of compensation exceeds the amount authorized under this Contract.

- 12.4 All OCSD property in the possession or control of Service Provider shall be returned by Service Provider to OCSD upon demand, or at the termination of this Contract, whichever occurs first.
13. **Insurance** Service Provider and all subcontractors shall purchase and maintain, throughout the life of this Contract and any periods of warranty or extensions, insurance in amounts equal to the requirements set forth in the signed Acknowledgement of Insurance Requirements (attached hereto and incorporated herein as Exhibit "D"). Service Provider shall not commence work under this Contract until all required insurance is obtained in a form acceptable to OCSD, nor shall Service Provider allow any subcontractor to commence service pursuant to a subcontract until all insurance required of the subcontractor has been obtained. Failure to maintain required insurance coverage shall result in termination of this Contract.
14. **Indemnification and Hold Harmless Provision** Service Provider shall assume all responsibility for damages to property and/or injuries to persons, including accidental death, which may arise out of or be caused by Service Provider's services under this Contract, or by its subcontractor(s) or by anyone directly or indirectly employed by Service Provider, and whether such damage or injury shall accrue or be discovered before or after the termination of the Contract. Except as to the sole active negligence of or willful misconduct of OCSD, Service Provider shall indemnify, protect, defend and hold harmless OCSD, its elected and appointed officials, officers, agents and employees, from and against any and all claims, liabilities, damages or expenses of any nature, including attorneys' fees: (a) for injury to or death of any person or damage to property or interference with the use of property, arising out of or in connection with Service Provider's performance under the Contract, and/or (b) on account of use of any copyrighted or uncopyrighted material, composition, or process, or any patented or unpatented invention, article or appliance, furnished or used under the Contract, and/or (c) on account of any goods and services provided under this Contract. This indemnification provision shall apply to any acts or omissions, willful misconduct, or negligent misconduct, whether active or passive, on the part of Service Provider or anyone employed by or working under Service Provider. To the maximum extent permitted by law, Service Provider's duty to defend shall apply whether or not such claims, allegations, lawsuits, or proceedings have merit or are meritless, or which involve claims or allegations that any of the parties to be defended were actively, passively, or concurrently negligent, or which otherwise assert that the parties to be defended are responsible, in whole or in part, for any loss, damage, or injury. Service Provider agrees to provide this defense immediately upon written notice from OCSD, and with well qualified, adequately insured, and experienced legal counsel acceptable to OCSD.
15. **OCSD Safety Standards** OCSD requires Service Provider and its subcontractor(s) to follow and ensure their employees follow all Federal, State, and local regulations as well as OCSD Safety Standards while working at OCSD locations. If during the course of the Contract it is discovered that OCSD Safety Standards do not comply with Federal, State, or local regulations, then the Service Provider is required to follow the most stringent regulatory requirement at no additional cost to OCSD. Service Provider and all of its employees and subcontractors, shall adhere to all applicable OCSD Safety Standards attached hereto in Exhibit "D" and the Human Resources Policies in Exhibit "E".
16. **Warranties** In addition to the warranties stated in Exhibit "A", the following shall apply:
- 16.1 Manufacturer's standard warranty shall apply. All manufacturer warranties shall commence on the date of acceptance by the OCSD Project Manager or designee of the work as complete.

- 16.2 Service Provider's Warranty (Guarantee): If within a one (1) year period of completion of all work as specified in Exhibit "A", OCSD informs Service Provider that any portion of the Services provided fails to meet the standards required under this Contract, Service Provider shall, within the time agreed to by OCSD and Service Provider, take all such actions as are necessary to correct or complete the noted deficiency(ies) at Service Provider's sole expense.
17. **Force Majeure** Neither party shall be liable for delays caused by accident, flood, acts of God, fire, labor trouble, war, acts of government or any other cause beyond its control, but said party shall use reasonable efforts to minimize the extent of the delay. Work affected by a Force Majeure condition may be rescheduled by mutual consent or may be eliminated from the Contract.
18. **Freight (F.O.B. Destination)** Service Provider assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Contract.
19. **Familiarity with Work** By executing this Contract, Service Provider warrants that: 1) it has investigated the work to be performed; 2) it has investigated the site of the work and is aware of all conditions there; and 3) it understands the facilities, difficulties and restrictions of the work under this Contract. Should Service Provider discover any latent or unknown conditions materially differing from those inherent in the work or as represented by OCSD, it shall immediately inform OCSD of this and shall not proceed, except at Service Provider's risk, until written instructions are received from OCSD.
20. **Regulatory Requirements** Service Provider shall perform all work under this Contract in strict conformance with applicable Federal, State, and local regulatory requirements including, but not limited to, 40 CFR 122, 123, 124, 257, 258, 260, 261, and 503, Title 13, 22, 23, 27, and California Water Codes Division 2.
21. **Environmental Compliance** Service Provider shall, at its own cost and expense, comply with all Federal, State, and local environmental laws, regulations, and policies which apply to the Service Provider, its subcontractors, and the Services, including, but not limited to, all applicable Federal, State, and local air pollution control laws and regulations.
22. **Licenses, Permits, Ordinances and Regulations** Service Provider represents and warrants to OCSD that it has obtained all licenses, permits, qualifications, and approvals of whatever nature that are legally required to engage in this work. Any and all fees required by Federal, State, County, City and/or municipal laws, codes and/or tariffs that pertain to the work performed under the terms of this Contract will be paid by Service Provider.
23. **Applicable Laws and Regulations** Service Provider shall comply with all applicable Federal, State, and local laws, rules, and regulations. Service Provider also agrees to indemnify and hold harmless from any and all damages and liabilities assessed against OCSD as a result of Service Provider's noncompliance therewith. Any permission required by law to be included herein shall be deemed included as a part of this Contract whether or not specifically referenced.
24. **Service Provider's Employees Compensation**
- 24.1 **Davis-Bacon Act** - Service Provider will pay and will require all subcontractors to pay all employees on said project a salary or wage at least equal to the prevailing rate of per diem wages as determined by the Secretary of Labor in accordance with the Davis-Bacon Act for each craft or type of worker needed to perform the Contract. The provisions of the Davis-

Bacon Act shall apply only if the Contract is in excess of two thousand dollars (\$2,000.00) and when twenty-five percent (25%) or more of the Contract is funded by Federal assistance. If the aforesaid conditions are met, a copy of the provisions of the Davis-Bacon Act to be complied with are incorporated herein as a part of this Contract and referred to by reference.

- 24.2 General Prevailing Rate – OCSD has been advised by the State of California Director of Industrial Relations of its determination of the general prevailing rate of per diem wages and the general prevailing rate for legal holiday and overtime work in the locality in which the work is to be performed for each craft or type of work needed to execute this Contract, and copies of same are on file in the Engineering Department. The Service Provider agrees that not less than said prevailing rates shall be paid to workers employed on this Contract as required by Labor Code Section 1774 of the State of California. Per California Labor Code 1773.2, OCSD will have on file copies of the prevailing rate of per diem wages at its principal office and at each project site, which shall be made available to any interested party upon request.
- 24.3 Forfeiture For Violation - Service Provider shall, as a penalty to OCSD, forfeit fifty dollars (\$50.00) for each calendar day or portion thereof for each worker paid (either by the Service Provider or any subcontractor under it) less than the prevailing rate of per diem wages as set by the Director of Industrial Relations, in accordance with Sections 1770-1780 of the California Labor Code for the work provided for in this Contract, all in accordance with Section 1775 of the Labor Code of the State of California.
- 24.4 Apprentices – Sections 1777.5, 1777.6, 1777.7 of the Labor Code of the State of California, regarding the employment of apprentices are applicable to this Contract and the Service Provider shall comply therewith if the prime contract involves thirty thousand dollars (\$30,000.00) or more or twenty (20) working days or more; or if contracts of specialty contractors not bidding for work through the general or prime Service Provider are two thousand dollars (\$2,000.00) or more or five (5) working days or more.
- 24.5 Workday – In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the Service Provider shall not require more than eight (8) hours of labor in a day from any person employed by it hereunder. Service Provider shall conform to Article 3, Chapter 1, Part 7 (Section 1810 et seq.) of the Labor Code of the State of California and shall forfeit to OCSD as a penalty, the sum of twenty-five dollars (\$25.00) for each worker employed in the execution of this Contract by Service Provider or any subcontractor for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one (1) week in violation of said Article. Service Provider shall keep an accurate record showing the name and actual hours worked each calendar day and each calendar week by each worker employed by Service Provider in connection with the project.
- 24.6 Record of Wages; Inspection Service Provider agrees to maintain accurate payroll records showing the name, address, social security number, work classification, straight-time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by it in connection with the project and agrees to require that each of its subcontractors do the same. All payroll records shall be certified as accurate by the applicable Service Provider or subcontractor or its agent having authority over such matters. Service Provider further agrees that its payroll records and those of its subcontractors shall be available to the employee or employee's representative, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards and shall comply with all of the provisions of Labor Code Section 1776, in general. Penalties for non-compliance with the requirements of Section 1776 may be deducted from project payments per the requirements of Section 1776.

- 25. South Coast Air Quality Management District's (SCAQMD) Requirements** It is Service Provider's responsibility that all equipment furnished and installed be in accordance with the latest rules and regulations of the South Coast Air Quality Management District (SCAQMD). All Contract work practices, which may have associated emissions such as sandblasting, open field spray painting or demolition of asbestos containing components or structures, shall comply with the appropriate rules and regulations of the SCAQMD.
- 26. Governing Law** This Contract shall be governed by and interpreted under the laws of the State of California and the Parties submit to jurisdiction in the County of Orange, in the event any action is brought in connection with this Contract or the performance thereof.
- 27. Breach** The waiver of either party of any breach or violation of, or default under, any provision of this Contract, shall not be deemed a continuing waiver by such party of any other provision or of any subsequent breach or violation of this Contract or default thereunder. Any breach by Service Provider to which OCSD does not object shall not operate as a waiver of OCSD's rights to seek remedies available to it for any subsequent breach.
- 28. Remedies** In addition to other remedies available in law or equity, if the Service Provider fails to make delivery of the goods or Services or repudiates its obligations under this Contract, or if OCSD rejects the goods or Services or revokes acceptance of the goods or Services, OCSD may (1) cancel the Contract; (2) recover whatever amount of the purchase price OCSD has paid, and/or (3) "cover" by purchasing, or contracting to purchase, substitute goods or Services for those due from Service Provider. In the event OCSD elects to "cover" as described in (3), OCSD shall be entitled to recover from Service Provider as damages the difference between the cost of the substitute goods or Services and the Contract price, together with any incidental or consequential damages.
- 29. Dispute Resolution**
- 29.1 In the event of a dispute as to the construction or interpretation of this Contract, or any rights or obligations hereunder, the Parties shall first attempt, in good faith, to resolve the dispute by mediation. The Parties shall mutually select a mediator to facilitate the resolution of the dispute. If the Parties are unable to agree on a mediator, the mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Agreement, through the alternate dispute resolution procedures of Judicial Arbitration through Mediation Services of Orange County ("JAMS"), or any similar organization or entity conducting an alternate dispute resolution process.
- 29.2 In the event the Parties are unable to timely resolve the dispute through mediation, the issues in dispute shall be submitted to arbitration pursuant to California Code of Civil Procedure, Part 3, Title 9, Sections 1280 et seq. For such purpose, an agreed arbitrator shall be selected, or in the absence of agreement, each party shall select an arbitrator, and those two (2) arbitrators shall select a third. Discovery may be conducted in connection with the arbitration proceeding pursuant to California Code of Civil Procedure Section 1283.05. The arbitrator, or three (3) arbitrators acting as a board, shall take such evidence and make such investigation as deemed appropriate and shall render a written decision on the matter in question. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California. The arbitrator's decision and award shall be subject to review for errors of fact or law in the Superior Court for the County of Orange, with a right of appeal from any judgment issued therein.

30. **Attorney's Fees** If any action at law or inequity or if any proceeding in the form of an Alternative Dispute Resolution (ADR) is necessary to enforce or interpret the terms of this Contract, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which he may be entitled.
31. **Survival** The provisions of this Contract dealing with Payment, Warranty, Indemnity, and Forum for Enforcement, shall survive termination or expiration of this Contract.
32. **Severability** If any section, subsection, or provision of this Contract, or any agreement or instrument contemplated hereby, or the application of such section, subsection, or provision is held invalid, the remainder of this Contract or instrument in the application of such section, subsection or provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby, unless the effect of such invalidity shall be to substantially frustrate the expectations of the Parties.
33. **Damage to OCSD's Property** Any of OCSD's property damaged by Service Provider, any subcontractors or by the personnel of either will be subject to repair or replacement by Service Provider at no cost to OCSD.
34. **Disclosure** Service Provider agrees not to disclose, to any third party, data or information generated from this project without the prior written consent from OCSD.
35. **Independent Contractor** The legal relationship between the parties hereto is that of an independent contractor, and nothing herein shall be deemed to make Service Provider an OCSD employee. During the performance of this Contract, Service Provider and its officers, employees, and agents shall act in an independent capacity and shall not act as OCSD's officers, employees, or agents. Service Provider and its officers, employees, and agents shall obtain no rights to any benefits which accrue to OCSD's employees.
36. **Limitations upon Subcontracting and Assignment** Service Provider shall not delegate any duties nor assign any rights under this Contract without the prior written consent of OCSD. Any such attempted delegation or assignment shall be void.
37. **Third Party Rights** Nothing in this Contract shall be construed to give any rights or benefits to anyone other than OCSD and Service Provider.
38. **Non-Liability of OCSD Officers and Employees** No officer or employee of OCSD shall be personally liable to Service Provider, or any successor-in-interest, in the event of any default or breach by OCSD or for any amount which may become due to Service Provider or to its successor, or for breach of any obligation for the terms of this Contract.
39. **Read and Understood** By signing this Contract, Service Provider represents that he has read and understood the terms and conditions of the Contract.
40. **Authority to Execute** The persons executing this Contract on behalf of the Parties warrant that they are duly authorized to execute this Contract and that by executing this Contract, the Parties are formally bound.
41. **Entire Contract** This Contract constitutes the entire agreement of the Parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the Parties with respect to the subject matter hereof.

**42. Notices** All notices under this Contract must be in writing. Written notice shall be delivered by personal service or sent by registered or certified mail, postage prepaid, return receipt requested, or by any other overnight delivery service which delivers to the noticed destination and provides proof of delivery to the sender. Rejection or other refusal to accept or the inability to deliver because of changed address for which no notice was given as provided hereunder shall be deemed to be receipt of the notice, demand or request sent. All notices shall be effective when first received at the following addresses:

OCSD: Darius Ghazi, Senior Buyer  
Orange County Sanitation District  
10844 Ellis Avenue  
Fountain Valley, CA 92708

Service Provider: Chris Marks, Manager  
Denali Water Solutions  
3031 Franklin Avenue  
Riverside, CA 92507

Each party shall provide the other party written notice of any change in address as soon as practicable.

**IN WITNESS WHEREOF**, intending to be legally bound, the Parties hereto have caused this Contract to be signed by the duly authorized representatives.

**ORANGE COUNTY SANITATION DISTRICT**

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
David John Shawver  
Chair, Board of Directors

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Kelly A. Lore  
Clerk of the Board

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Ruth Zintzun  
Purchasing & Contracts Manager

**DENALI WATER SOLUTIONS**

Dated: \_\_\_\_\_ By: \_\_\_\_\_

\_\_\_\_\_  
Print Name and Title of Officer

\_\_\_\_\_  
IRS Employer's I.D. Number



# Orange County Sanitation District

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

## OPERATIONS COMMITTEE

### Agenda Report

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**File #:** 2020-1072

**Agenda Date:** 5/27/2020

**Agenda Item No:** 8.

---

**FROM:** James D. Herberg, General Manager  
Originator: Kathy Millea, Director of Engineering

**SUBJECT:**

**BUSHARD DIVERSION STRUCTURE REPAIR, PROJECT NO. MP-307**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

- A. Receive and file Bid Tabulation and Recommendation for Bushard Diversion Structure Repair, Project No. MP-307; and
- B. Reject the bid from Mehta Mechanical Company, Inc. and direct staff to reissue the contract for bids with changes made to prolong the life of the repairs.

**BACKGROUND**

The Bushard Diversion Structure is a below-grade concrete structure in the intersection of Bushard Street and Ellis Avenue in the City of Fountain Valley. The structure is used to divert wastewater into Plant No. 1 that would otherwise flow to Plant No. 2 to make more flow available for recycling through the Groundwater Replenishment System.

**RELEVANT STANDARDS**

- Maintain a proactive asset management program
- Comply with California Public Contract Code Section 20103.8, award construction contract to lowest responsive, responsible bidder
- Meet volume and water quality needs for the GWRS

**PROBLEM**

The corrosive atmosphere within the Bushard Diversion Structure has damaged conduits, wiring, and hydraulic hoses for two large valve actuators. As a result, one of the two valves is inoperable, and the other can only be operated manually. Manual operation involves setting up traffic control, shutting down traffic lanes, opening the sewer, and performing a manned, confined-space entry. Damage to concrete and the PVC liner has also been observed.

When bids were due on January 28, 2020, only a single bid was received, and that bid was 44 percent higher than the Engineer's estimate. The significantly higher cost and single bid prompted



staff to reconsider the previous decision to rebuild rather than replace the two large valve actuators. Replacing the actuators would prolong the life of the facility compared to rebuilding them.

### **PROPOSED SOLUTION**

Reject the bid received for Bushard Diversion Structure Repair, Project No. MP-307, and reissue the Invitation to Bids to include replacement of the two actuators. To avoid delays, staff would separately procure the valve actuators so that they would be ready for the contractor to install and shorten the construction duration.

### **TIMING CONCERNS**

Failure of valves during high, wet-weather flows could lead to flow obstructions and sewage spills requiring a complex entry under emergency conditions. Staff is currently procuring parts to allow the failed actuator to be manually operated until the project can be completed.

### **RAMIFICATIONS OF NOT TAKING ACTION**

The reliable operation of the valves will remain compromised.

### **PRIOR COMMITTEE/BOARD ACTIONS**

N/A

### **ADDITIONAL INFORMATION**

The Orange County Sanitation District (Sanitation District) advertised Bushard Diversion Structure Repair, Project No. MP-307, for bids on November 12, 2019. A single, sealed bid was received on January 28, 2020.

Engineer's Estimate	\$661,000
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<u>Bidder</u>	<u>Amount of Bid</u>
Mehta Mechanical Company, Inc. dba MMC, Inc.	\$954,500

Sanitation District staff communicated with MMC and analyzed its bid price relative to the Sanitation District's estimate and design requirements. The difference between the Engineer's estimate and MMC is \$293,500. The cost difference is due to the following reasons:

1. Higher hourly costs for electrical and instrumentation labor.
2. The single vendor for the PVC liner went out of business during the bid period. An alternative material was specified in an addendum, but the change increased the cost.
3. The bidder indicated that \$90,000 was included in the bid to account for perceived risks relating to traffic control and confined space entry.

Based on attendance at two prebid conferences, staff had expected two bids. One likely reason for the lack of interest is the difficult nature of the work with traffic control in a busy intersection and confined-space entries. Another factor may have been the Thanksgiving, Christmas, and New Year's holidays that occurred during the bid period. Staff believes that a requirement for the contractor to remove a large and complex valve actuator, ship it to the East Coast for rebuilding, and reinstall before the work could be completed put a schedule risk on the contractor that could not effectively be managed.

## **CEQA**

The project is exempt from CEQA under both a categorical exemption and statutory exemption set forth in California Code of Regulation Section 15301 and the Public Resources Code section 21080.21 because the project is less than one mile in length within a public right-of-way for the maintenance of an existing pipeline. A Notice of Exemption will be filed with the OC Clerk-Recorder after the Sanitation District's Board of Directors award of the construction contract.

## **FINANCIAL CONSIDERATIONS**

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted in the FY19/20 Budget Update, Operations and Maintenance (Line Item: Repairs and Maintenance, Page 47) and the budget is sufficient for the recommended action.

## **ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OCS D website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

N/A

SS:dm



# Orange County Sanitation District

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

## OPERATIONS COMMITTEE

### Agenda Report

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**File #:** 2020-1073

**Agenda Date:** 5/27/2020

**Agenda Item No:** 9.

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**FROM:** James D. Herberg, General Manager  
Originator: Kathy Millea, Director of Engineering

**SUBJECT:**

**SEISMIC EVALUATION OF STRUCTURES AT PLANT NOS. 1 AND 2, PROJECT NO. PS15-06**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Receive and file the Seismic Evaluation of Structures at Plant Nos. 1 and 2, Project No. PS15-06.

**BACKGROUND**

Most of the process and occupied structures at the Orange County Sanitation District (Sanitation District) Plant Nos. 1 and 2 were designed and built using codes prior to the 1997 Uniform Building Code and 2001 California Building Code. For this reason, the Sanitation District recently completed a planning-level study, Seismic Hazard Evaluation at Plant Nos. 1 and 2 (Project No. PS15-06), which assessed the vulnerability of critical and occupied structures to damage or failure due to shaking, liquefaction, and lateral spreading following an earthquake.

The results and recommendations from this study will be incorporated into the Sanitation District's 20-year Capital Improvement Program to improve the resiliency and continued operation of critical and occupied facilities within the treatment plants.

**RELEVANT STANDARDS**

- Maintain a proactive asset management program
- 24/7/365 treatment plant reliability
- Protect Orange County Sanitation District assets
- Sustain 1, 5, 20-year planning horizons

**PRIOR COMMITTEE/BOARD ACTIONS**

June 2017 - Approved a Professional Services Agreement with Geosyntec Consultants to provided engineering services for the Seismic Hazard Evaluation at Plant Nos. 1 and 2, Project No. PS15-06, for an amount not to exceed \$2,578,028; and approved a contingency of \$257,800 (10%).

**ADDITIONAL INFORMATION**

N/A

**CEQA**

The project is exempt from CEQA, under the Class 6 categorical exemptions set forth in California Code of Regulations Section 15306 because the project consists of basic collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to environmental resources. A Notice of Exemption was filed with the OC Clerk-Recorder on December 21, 2015.

**FINANCIAL CONSIDERATIONS**

This item is informational and does not require any commitment of funds.

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OCS D website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

- Seismic Evaluation of Structures at Plant Nos. 1 & 2
- PowerPoint Presentation Provided at Committee Meetings

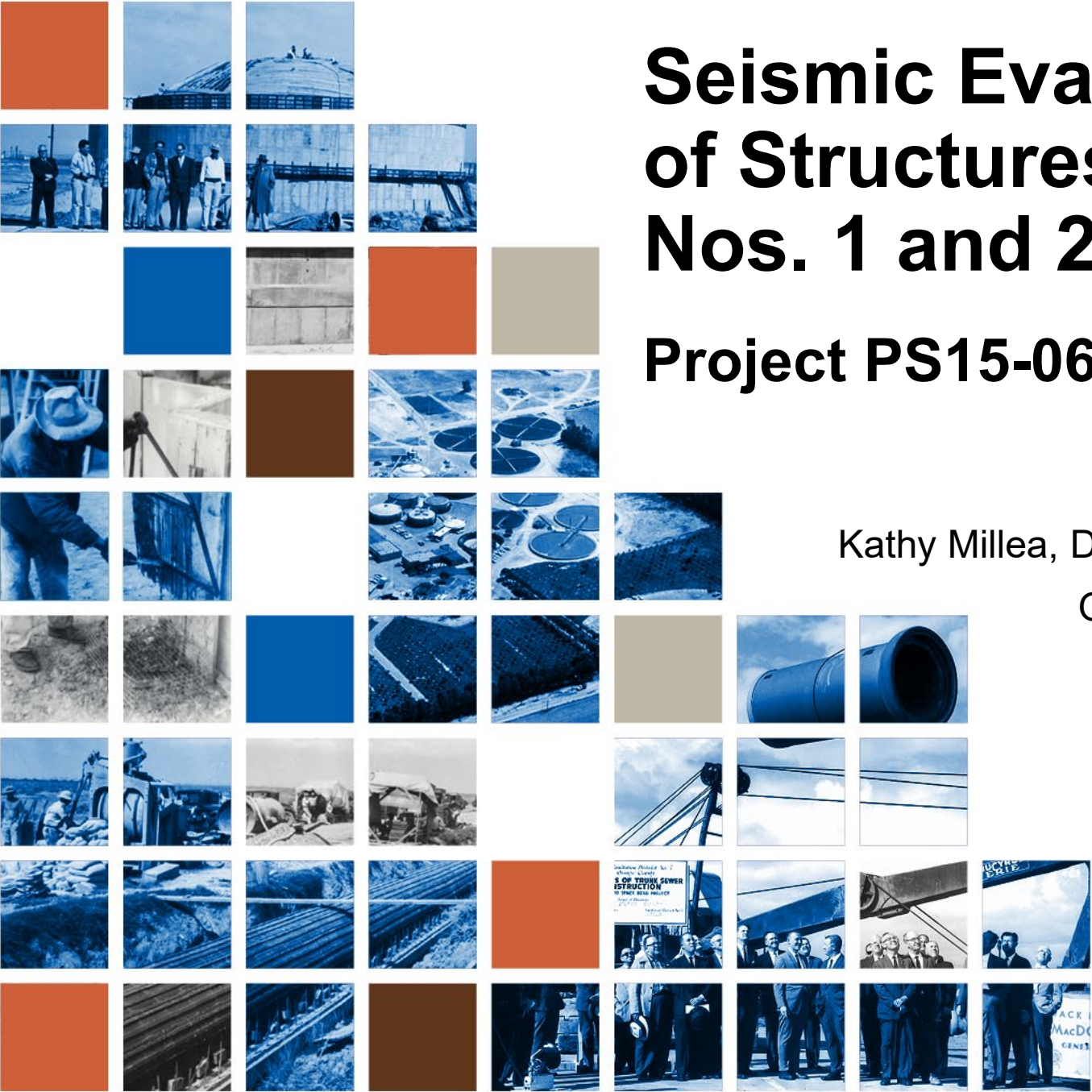
EY:sa:gc

# Seismic Evaluation of Structures at Plant Nos. 1 and 2

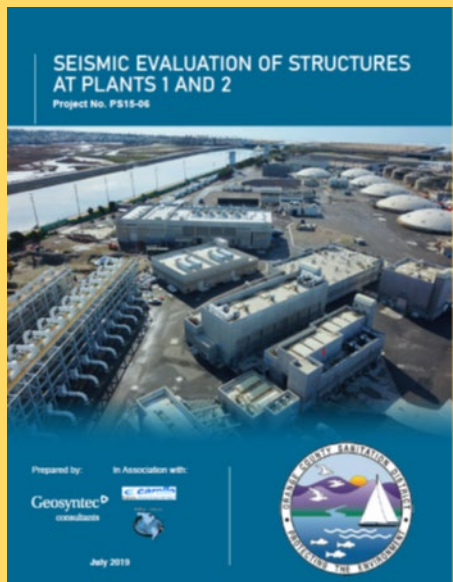
## Project PS15-06

Kathy Millea, Director of Engineering  
Operations Committee

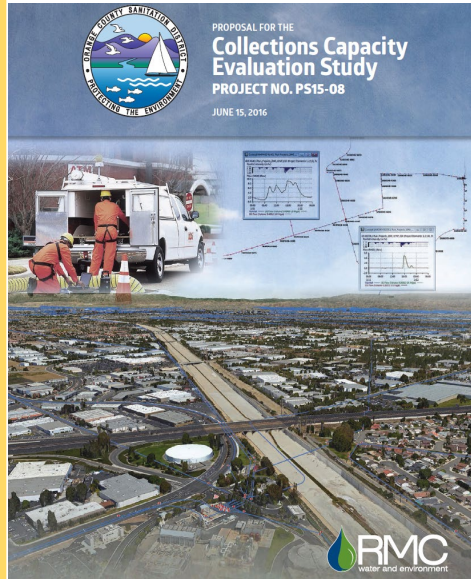
May 6, 2020



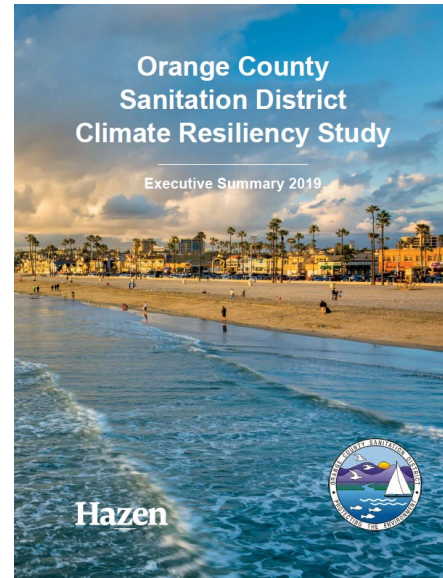
# Fostering Resilience at OCSD



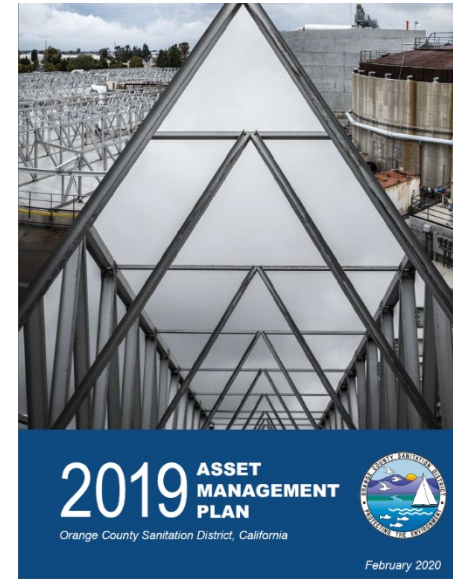
Seismic Evaluation Study



Collections Capacity Evaluation Study



Climate Resiliency Study 



Asset Management Plan

# Long History of Seismic Evaluations



1991

## **Seismic Risk Analysis Plants 1 and 2**

*Evaluated process facilities at Plant Nos. 1 and 2 relative to their performance to 1991 Building Code*

2014

## **SP-182: Plant No. 2 Digesters and Tunnels Seismic Hazard Evaluation**

*Quantify the vulnerability of Plant No. 2 digesters and associated facilities*

2018

## **PS15-06: Seismic Evaluation of Structures at Plant Nos. 1 and 2**

*Evaluated process facilities at Plant Nos. 1 and 2 constructed prior to 2001 Building Code*

# Long History of Seismic Evaluations



1991

## **Seismic Risk Analysis Plants 1 and 2**

*Evaluated process facilities at Plant Nos. 1 and 2 relative to their performance to 1991 Building Code*

2014

## **SP-182: Plant No. 2 Digesters and Tunnels Seismic Hazard Evaluation**

*Quantify the vulnerability of Plant No. 2 digesters and associated facilities*

2018

## **PS15-06: Seismic Evaluation of Structures at Plant Nos. 1 and 2**

*Evaluated process facilities at Plant Nos. 1 and 2 constructed prior to 2001 Building Code*



# Seismic Risks



**Local Faults**



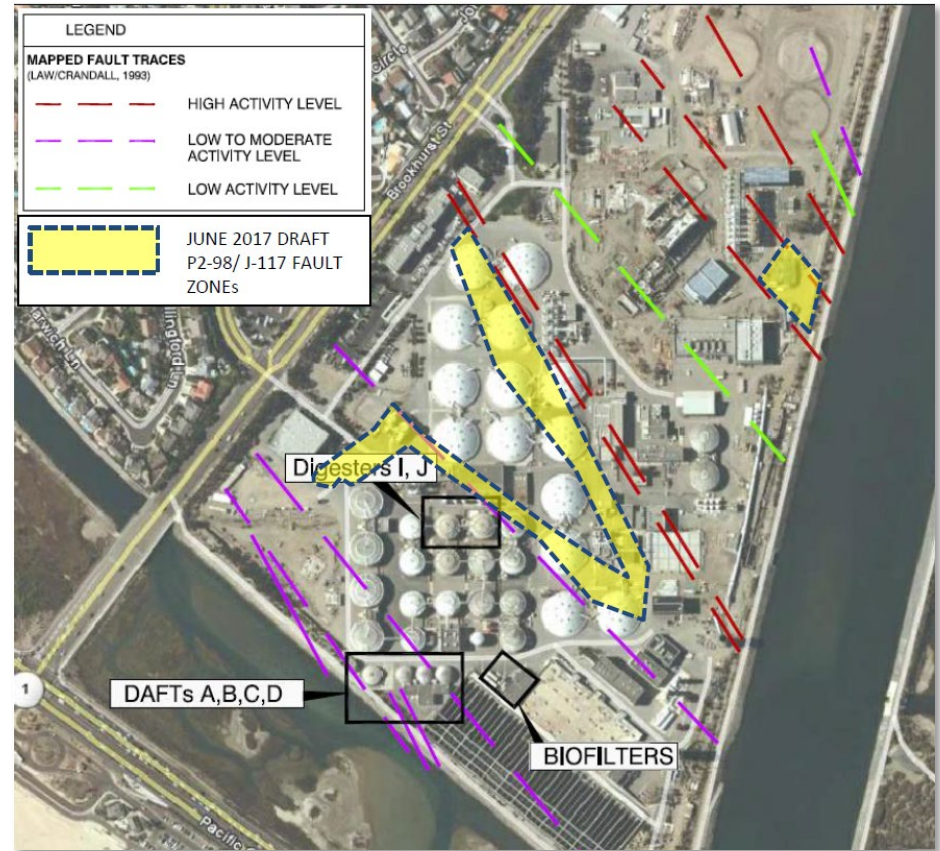
**Liquefaction**



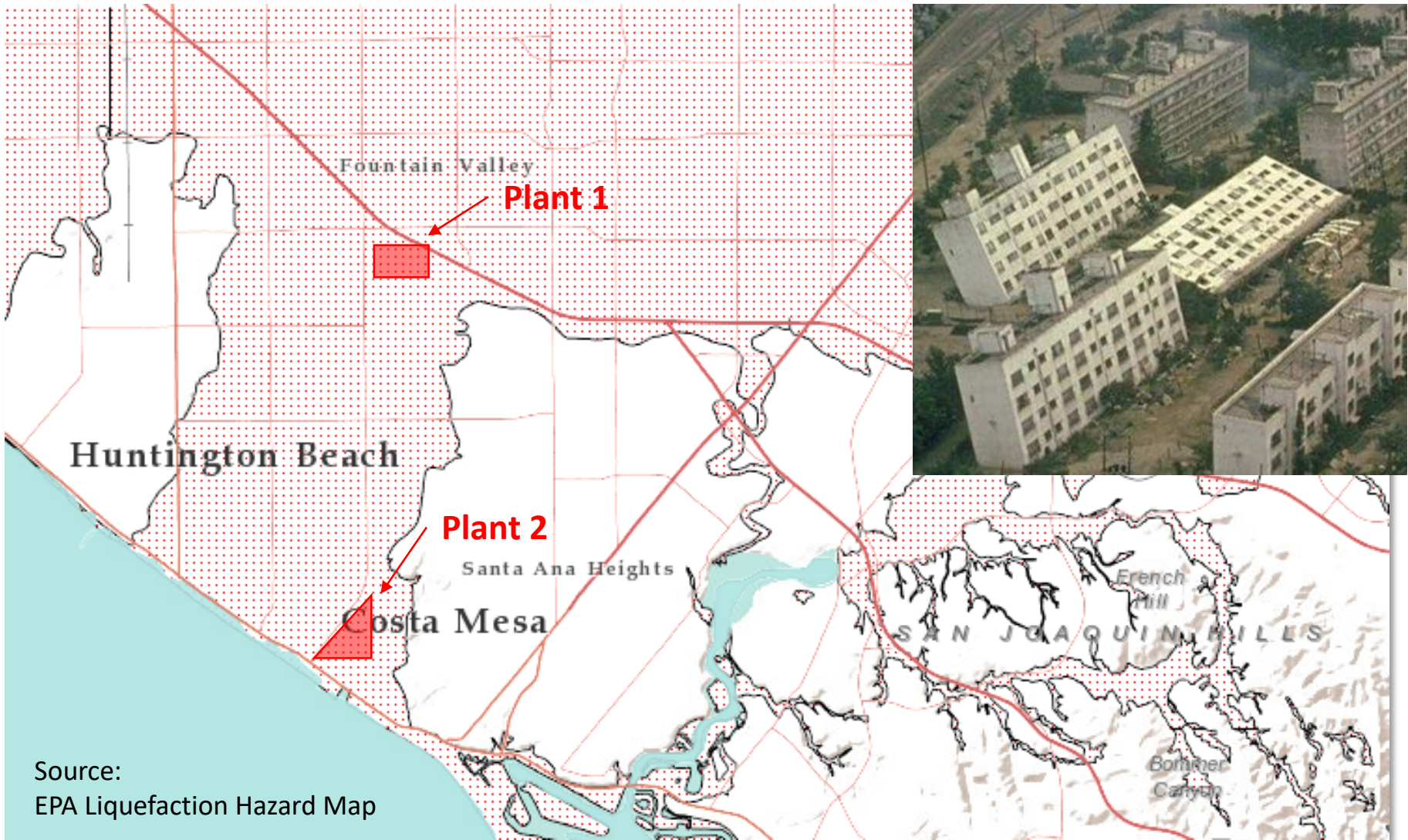
**Lateral Spread**



# Several Local Faults Impact Seismic Hazards



# Potential Liquefaction Hazard Zone



Source:  
EPA Liquefaction Hazard Map

# Lateral Spread a Risk

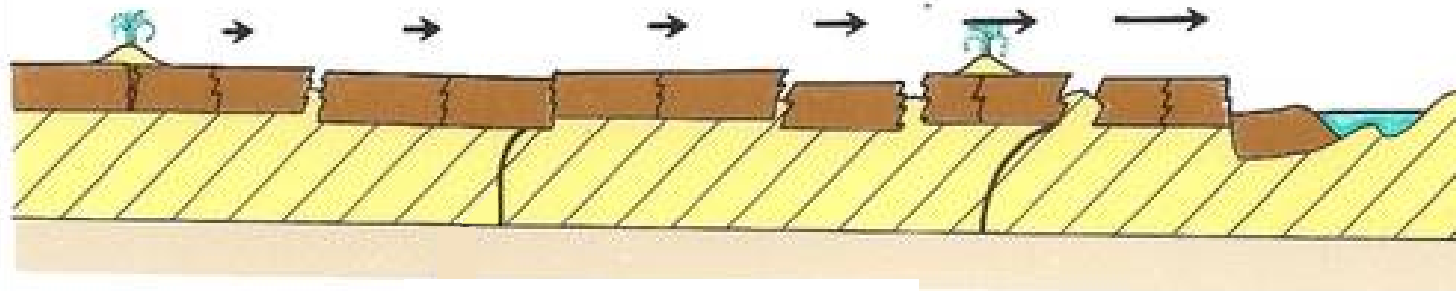


## LATERAL SPREAD

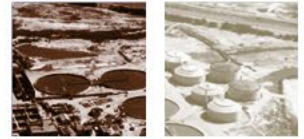
**Before earthquake:**



**After earthquake:**



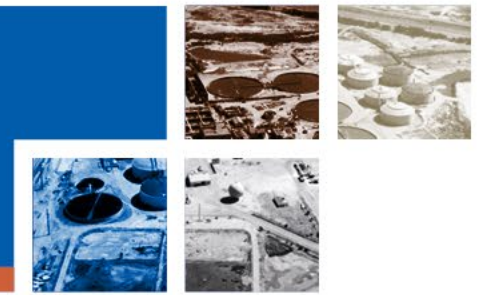
# Lateral Spread a Risk



## LATERAL SPREAD



# Mitigation Measures



If this is the problem...

**Local Faults**



**Liquefaction**



**Lateral Spread**



# What is the solution?

# Structural Mitigation



## Vulnerability

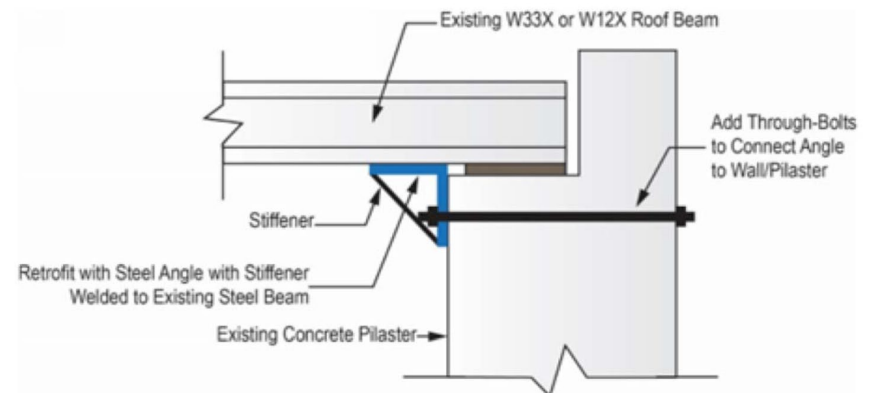
Separation of the roof element from the wall caused roof to collapse



Ref: 1994 Northridge Earthquake. EERI, Earthquake Engineering Research Institute

## Mitigation

Installation of wall anchorage



# Geotechnical Mitigation



## Vulnerability

Soils became liquified during a seismic event, reducing the ground's ability to support loads



Niigata Japan, June 16, 1964  
Photo Credit: National Geophysical Data Center

## Mitigation

Deep soil mixing is one alternative to stabilize soil by “cementing” the sand particles together





# Lateral Spread Mitigation



## Vulnerability

Seismic event causes soil to move laterally towards a free surface of lower elevation (river bed)



## Mitigation

Installation of closely spaced piles effectively creates a “wall” that is designed to resist lateral soil movement



Ref: Michael J. Crozier, 'Landslides - Hill country, regolith and submarine landslides', Te Ara - the Encyclopedia of New Zealand

# Summary of Seismic Risk Mitigation



## 63 Structures Evaluated

Designed to older Building Codes that do not consider current seismic performance criteria

## 48 Structures Identified with Structural and/or Geotechnical Deficiencies

Deficiencies from design code changes that influence loading conditions and building performance during seismic events

## 16 Structures Impacted by Lateral Spread

Caused by liquefiable soils and vertical separation between the plant sites and the Santa Ana River or Talbert Marsh

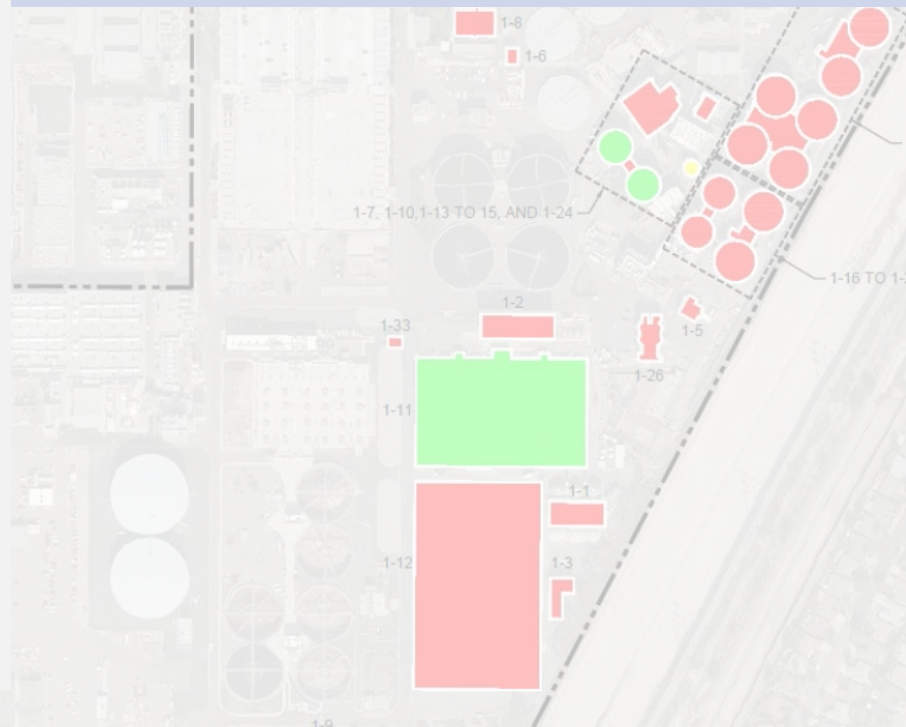
## 13 Structures Improved Under Planned Projects

Identified in the 2017 Facilities Master Plan; separate seismic projects will be created for other facilities

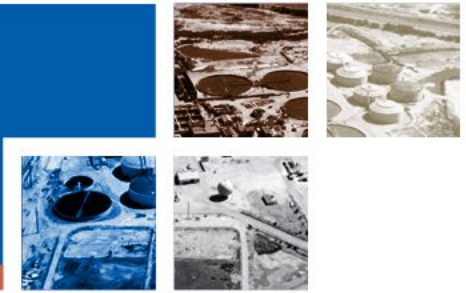
## 3 Structures Require Complete Replacement

The seismic upgrade costs are greater than the value of the structure

Mitigation Costs	Plant 1	Plant 2
Structural	\$25 M	\$16 M
Geotechnical	\$11 M	\$143 M
Lateral Spread	\$100 M	\$50 M



# Recommendations



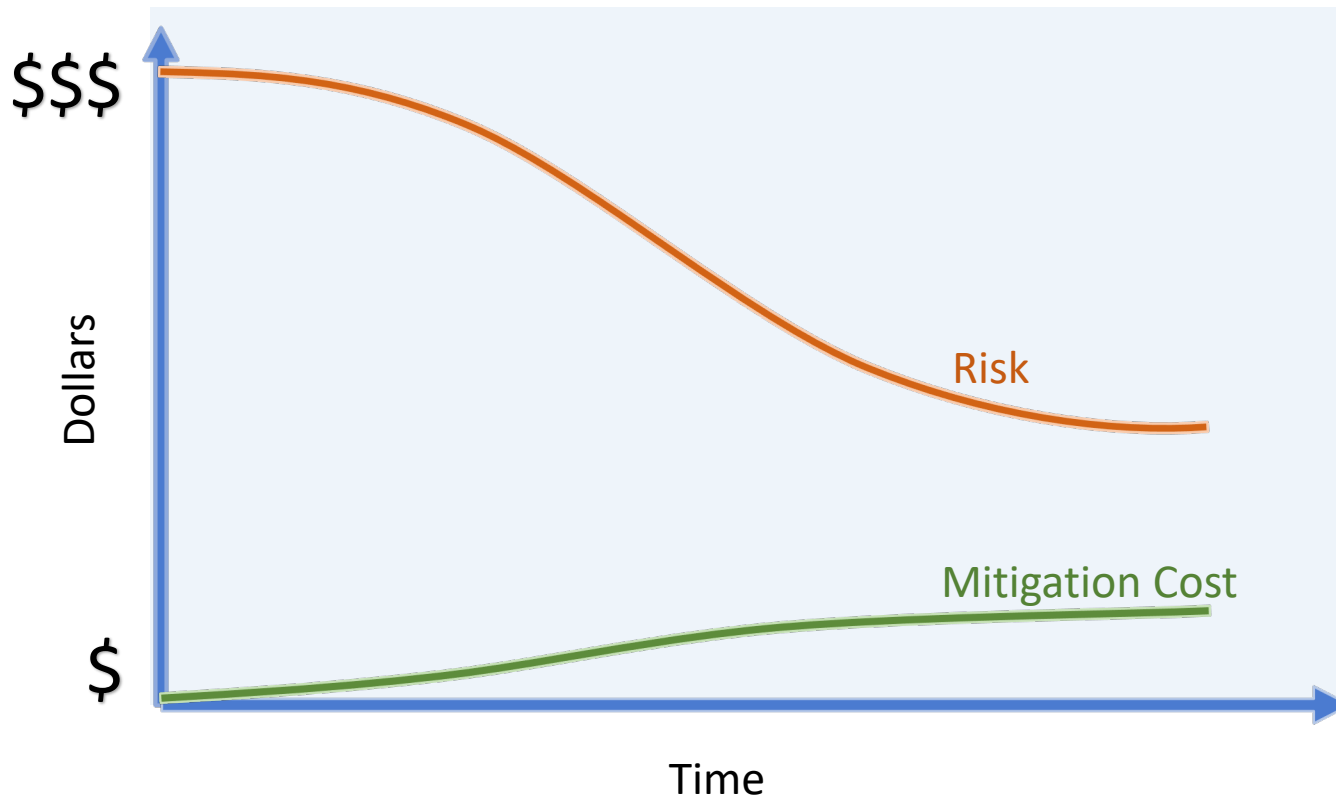
## Study Summary

Mitigation Costs	Plant 1	Plant 2
Structural	\$25 M	\$16 M
Geotechnical	\$11 M	\$143 M
Lateral Spread	\$100 M	\$50 M

## Budget Proposal

Mitigation Costs	Plant 1	Plant 2
Structural	\$25 M	\$16 M
Geotechnical	\$9 M	\$125 M
Lateral Spread	\$100 M	\$50 M

# A Strategic Seismic Program Will Reduce Long-Term Risk



## Risks

Replacement costs of critical facilities that may be compromised from a seismic event

## Seismic Program

Implementation costs of performing seismic rehabilitation of facilities



# Questions?





# Orange County Sanitation District

## ADMINISTRATION COMMITTEE

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

### Agenda Report

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**File #:** 2020-1080

**Agenda Date:** 5/27/2020

**Agenda Item No:** 10.

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**FROM:** James D. Herberg, General Manager  
Originator: Kathy Millea, Director of Engineering

**SUBJECT:**

**COSTA MESA SANITARY DISTRICT ALTERNATE DISTRICT ENGINEER LENDING AGREEMENT**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Approve an employee lending agreement between the Orange County Sanitation District and the Costa Mesa Sanitary District so the Orange County Sanitation District can provide Alternate District Engineer services, effective May 25, 2020 through May 24, 2021, with one 12-month extension as approved by the General Manager.

**BACKGROUND**

The Orange County Sanitation District (Sanitation District) currently provides ongoing sewer-related project design and approval services to Costa Mesa Sanitary District (CMSD) by permitting an employee to serve as Alternate District Engineer on an as-needed basis. The prior agreement for these services will terminate on May 24, 2020. Services are limited to five hours per month, performed at the Sanitation District location, and the Sanitation District invoices CMSD on a project-basis.

**RELEVANT STANDARDS**

- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities

**PROBLEM**

The current CMSD District Engineer, Hamers & Associates, also provides professional consulting and design of sewer services for private development within the City of Costa Mesa. Design reviews of such plans would create a conflict of interest situation for CMSD since only the District Engineer reviews private development sewer design submittals for CMSD.

**PROPOSED SOLUTION**

Enter into an employee lending agreement with CMSD so services of a Sanitation District engineer can be provided to CMSD for up to 12 months.

## **TIMING CONCERNS**

The Sanitation District can no longer provide existing services after May 24, 2020 since the current agreement will expire.

## **RAMIFICATIONS OF NOT TAKING ACTION**

No impacts to the Sanitation District, however CMSD would need to seek an Alternate District Engineer elsewhere.

## **PRIOR COMMITTEE/BOARD ACTIONS**

April 2018 - Approved an employee lending agreement between the Orange County Sanitation District and the Costa Mesa Sanitary District so the Orange County Sanitation District can provide Alternate District Engineer services, effective May 25, 2018 through May 24, 2019, with one (1) 12-month extension as approved by the General Manager.

## **ADDITIONAL INFORMATION**

On April 25, 2018, the Sanitation District Board of Directors authorized the contract of a Sanitation District Engineer as the Alternate District Engineer to the CMSD for a period of up to 12 months, with the option to extend the agreement for an additional 12 months. On March 25, 2019, the Sanitation District and CMSD General Managers authorized the extension of this agreement for the allotted 12 months.

## **CEQA**

N/A

## **FINANCIAL CONSIDERATIONS**

N/A

## **ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

- Employee Lending Agreement

DL:dm

## EMPLOYEE LENDING AGREEMENT

This Agreement is made this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between Orange County Sanitation District, a special district, (hereinafter, "OCSD") with Costa Mesa Sanitary District, a special district, (hereinafter, "CMSD").

- A. CMSD is a special district formed under the Sanitary District Act of 1923 (Health & Safety Code §§ 6400 et seq.). The District boundaries encompass all of the City of Costa Mesa and portions of Newport Beach and unincorporated Orange County. The District provides wastewater collection and transmission to Orange County Sanitation District facilities for treatment and disposal;
- B. OCSD is a special district formed under the County Sanitation District Act of 1939 (Health & Safety Code §§ 4700 et seq.) that provides wastewater collection, treatment, and disposal services for central and northwest Orange County.
- C. CMSD and OCSD desire to enter into an agreement wherein OCSD will permit employee Daniel Lee, P.E ("Alternate") to serve as Alternate District Engineer ("Position") for CMSD on an as-needed basis for up to 12 months as a workforce development opportunity;
- D. The workforce development opportunity arrangement will provide a public benefit to both Parties as it will allow CMSD to provide ongoing sewer-related project design and approval when conflicts of interest exist with current CMSD employees as well as providing ongoing opportunities beneficial to OCSD and its employees; and
- E. The purpose of this Agreement is to set forth the terms and conditions governing the understanding between the Parties.

### THE PARTIES AGREE AS FOLLOWS:

#### I. GENERAL TERMS

- A. This Agreement shall be effective for services performed by Alternate on behalf of CMSD from May 25, 2020 through May 24, 2021, unless terminated earlier or extended as provided below.
- B. The beginning date and ending date of the Position shall be mutually agreed by the parties prior to the Alternate beginning in the Position.
- C. The Parties may mutually agree to extend the term of this Agreement for a subsequent 12 months. The General Manager for OCSD shall have authority to exercise the 12-month extension on behalf of OCSD. The General Manager of the CMSD shall have the authority to exercise the 12-month extension on behalf of CMSD.
- D. Either party may terminate this Agreement without cause for any reason at any time upon giving at least thirty (30) days prior written notice to the other party. Such notice shall state the termination date. The General Manager for OCSD shall have authority to terminate this Agreement on behalf of OCSD. The General Manager for the CMSD shall have the authority to terminate this Agreement on behalf of CMSD.



- E. Either Party may immediately terminate this Agreement for cause including, but not limited to, the failure of the other Party to satisfy its obligations under this Agreement. The General Manager for OCSD shall have authority to terminate this Agreement on behalf of OCSD. The General Manager of the CMSD shall have the authority to terminate this Agreement on behalf of CMSD.
- F. In the event of termination of this Agreement, Alternate shall immediately cease all activities in the Position or as provided in any termination date given. Additionally, any payments owed by either party to the other will immediately become due and outstanding.
- G. Both Parties agree not to subcontract, assign, or otherwise transfer the Agreement or any part of the services to be performed under this Agreement without prior written consent and approval from the other Party.
- H. The Alternate shall provide services to CMSD through the OCSD on a project-basis and shall be for all purposes, an independent contractor working through the OCSD to provide services to CMSD. No employment relationship between Alternate and CMSD is expressed or implied by this Agreement.

## II. CMSD'S RIGHTS AND RESPONSIBILITIES

- A. CMSD shall pay to OCSD based on the time worked by Alternate in the Position and at the rate of \$73.03 per hour and any fraction thereof. Should the Alternate's pay structure at OCSD increase, CMSD agrees to engage in good faith discussions with OCSD to adjust the above pay rate to reflect any increase to Alternate's OCSD-based wage rate. In no event shall Alternate provide services in the Position in excess of five hours per month without the express written approval of OCSD.
- B. OCSD shall be the sole and exclusive Party responsible for determining Alternate's rate of pay and amount of salary, wages, and benefits payable to Alternate during the period Alternate works in the Position. Should OCSD need to increase the rate of compensation due to increases in contractually obligated cost increases (e.g. merit increases, cost of living, health benefits, etc.), CMSD agrees to negotiate with OCSD on such matter upon receiving proper notice from OCSD of the need to discuss increases to the reimbursement rate above \$73.03 per hour.
- C. OCSD shall serve as the location for Alternate to provide all services for CMSD in the Position. CMSD shall not require Alternate to provide services at any CMSD location without the express written approval of OCSD.
- D. CMSD shall pay all invoices within thirty (30) days of invoice date.
- E. CMSD agrees not to enter into any contract or agreement with any other party, agency, entity, or person which may have the effect of obligating OCSD in any way, except with the prior written consent of OCSD.
- F. CMSD, at its sole cost and expense, shall obtain, keep in force, and maintain any policy of insurance necessary or appropriate to provide coverage, defense, or indemnification of OCSD as it relates to Alternate or Alternate's performance during the period Alternate works in the Position.
- G. CMSD shall inform Alternate of all CMSD policies, procedures, rules, and regulations applicable to Alternate and notify Alternate that they are responsible for complying with CMSD's policies, procedures, rules, and regulations during the period Alternate works in the Position.

- H. CMSD agrees and covenants that they will maintain a work environment free from unlawful discrimination and/or harassment in compliance with federal and state law.
- I. CMSD may stop Alternate from serving in the Position in its sole discretion and for any reason. Should CMSD remove Alternate from the Position prior to the agreed termination date, CMSD shall notify OCSD of the removal and this Agreement will be deemed terminated upon said notice and any payments owed by either party to the other will immediately become due and outstanding.

### III. OCSD'S RIGHTS AND RESPONSIBILITIES

- A. Alternate is an employee of OCSD and primarily engaged in work duties, tasks, and support for OCSD. Alternate will provide contract services for CMSD in Position as time is available. Should OCSD determine that CMSD's requests or demands of OCSD or Alternate unreasonably interferes with Alternate's regular and expected work duties at OCSD, OCSD shall have the authority to terminate the Agreement for cause.
- B. OCSD shall assume sole and exclusive responsibility for the payment of Alternate's salary, wages, and benefits during the period Alternate works in the Position. OCSD shall be the sole and exclusive Party responsible for determining Alternate's rate of pay and amount of salary, wages, and benefits payable to Alternate during the period Alternate works in the Position.
- C. OCSD shall be solely responsible for the payment of any payroll taxes, withholdings, and any other insurance premiums and benefits of any kind owed to Alternate.
- D. OCSD shall invoice CMSD on a project-basis for all amounts incurred by Alternate for time spent working in Position.
- E. OCSD shall be responsible for counseling and disciplining Alternate. CMSD may provide input on Alternate's performance to OCSD and may request OCSD take disciplinary action against Alternate. OCSD shall maintain Alternate records, including but not limited to, personnel file, medical file, and discipline file.

### IV. INDEMNIFICATION.

- A. CMSD agrees to defend all claims of loss, indemnify and hold harmless OCSD and its officers, officials, agents, volunteers and employees from any and all claims for damage to property, personal injury, wrongful death or other losses and costs, including but not limited to reasonable attorney fees and defense costs, arising out of the negligent acts or omissions or willful misconduct of CMSD or its agents, employees, officers, officials, or volunteers in the performance of this Agreement.
- B. OCSD agrees to defend all claims of loss, indemnify and hold harmless CMSD and its officers, officials, agents, volunteers and employees from any and all claims for damage to property, personal injury, wrongful death or other losses and costs, including but not limited to reasonable attorney fees and defense costs, arising out of the negligent acts or omissions or willful misconduct of OCSD or its agents, employees, officers, officials, or volunteers in the performance of this Agreement.
- C. No employee benefits shall be available to Alternate from CMSD in connection with work performed under this Agreement. Except for the hourly rates paid by CMSD to OCSD as provided

in this Agreement, CMSO shall not pay any other form of compensation to OCSO or Alternate for performing services hereunder. CMSO is not responsible for any taxes or government withholdings on behalf of Alternate. OCSO agrees to defend, indemnify, and hold CMSO harmless against any claims for wages, salary, benefits, or withholdings made by or on behalf of Alternate or any government entity for work performed under this Agreement.

- D. CMSO agrees to defend all claims of loss, indemnify, and hold harmless OCSO and its officers, officials, agents, volunteers and employees from any and all claims for damage to property, personal injury, wrongful death or other losses and costs, including but not limited to reasonable attorney fees and defense costs, arising out of the negligent acts or omissions or willful misconduct of the Alternate during the period Alternate works in the Position.
- E. CMSO hereby releases, waives, and discharges OCSO its officers, officials, agents, volunteers and employees from, and covenants not to sue OCSO for, any and all claims for damage to property, personal injury, wrongful death or other losses and costs, including but not limited to reasonable attorney fees and defense costs, arising out of the negligent acts or omissions or willful misconduct of the Alternate during the period Alternate works in the Position.
- F. In the event that it is determined by a Court or similar judicial body that Alternate was subjected to discrimination, harassment, or retaliation under any local, state, or federal law during the time Alternate was performing work in the Position, CMSO shall pay the costs of OCSO's legal defense and fully indemnify OCSO against any and all claims asserted against OCSO or its officers, officials, agents, volunteers or employees per the terms of all indemnification provisions in this Agreement.
- G. In the event that it is determined by a Court or similar judicial body that Alternate discriminated, harassed, or retaliated against anyone in violation of any local, state, or federal law during the time Alternate was performing work in the Position, OCSO shall pay the costs of CMSO's legal defense and fully indemnify CMSO against any and all claims asserted against CMSO or its officers, officials, agents, volunteers or employees per the terms of all indemnification provisions in this Agreement
- H. CMSO expressly agrees that the foregoing Indemnification and Release provisions are intended to be as broad as possible and inclusive as is permitted by the laws of the State of California and that if any portion is held invalid, it is agreed that the balance shall, notwithstanding, continue in full legal force and effect.
- I. In the event of inconsistency in Indemnification provisions, the more specific provision shall control.

#### V. MISCELLANEOUS PROVISIONS

- A. Captions and headings in this Agreement are solely for the convenience of the parties, are not a part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement or any of its provisions.
- B. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument.

- C. This Agreement is the entire agreement between the parties. No other agreements, oral or written, have been entered into with respect to the subject matter of this Agreement.

D. The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California.

VI. EXECUTION

By signing below, each of the following represent that they have authority to execute this Agreement and to bind the party on whose behalf their signature is made.

COSTA MESA SANITARY DISTRICT

ORANGE COUNTY SANITATION  
DISTRICT

James Ferryman

\_\_\_\_\_

By: Costa Mesa Sanitary District

By: \_\_\_\_\_

Name: James Ferryman

Name: \_\_\_\_\_

Title: Board President

Title: \_\_\_\_\_

Date: 4/27/2020

Date: \_\_\_\_\_



# Orange County Sanitation District

## ADMINISTRATION COMMITTEE

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

### Agenda Report

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**File #:** 2020-1081

**Agenda Date:** 5/27/2020

**Agenda Item No:** 11.

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**FROM:** James D. Herberg, General Manager  
Originator: Kelly A. Lore, Clerk of the Board

**SUBJECT:**

**ELECTRONIC RECORDING MEMORANDUM OF UNDERSTANDING COUNTY OF ORANGE  
CLERK-RECORDER'S OFFICE**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

- A. Approve the 2020 SECURE G2G Memorandum of Understanding with the counties of Los Angeles, Orange, Riverside, and San Bernardino, for the use of the SECURE Government to Government (G2G) Portal for a term of five (5) years; and
- B. Authorize the Clerk of the Board, or designee, to transmit/record any and all required Orange County Sanitation District real property documents in an electronic format.

**BACKGROUND**

The County of Orange Clerk-Recorder's Office accepts electronically recorded documents in lieu of written paper documents. Orange County Sanitation District (Sanitation District) and the Clerk-Recorder have determined that an electronic recordation system benefits both entities economically and operationally. Valuable staff hours are saved in the transportation of documents to and from the County with long waiting periods for recordation.

The Sanitation District's Clerk of the Board has been using the current SECURE G2G software for the past five years, from a secure location in the Board Services Vault. The SECURE G2G System computer workstation is exclusively dedicated to electronic recording and may only be used to transmit documents to or receiving messages/confirmations from the Clerk-Recorder's Office. The workstation cannot be used by Sanitation District staff for any other function. The recording takes a few minutes and an answer is received within minutes to hours of either its successful recordation or a notification of its failure and reason why.

There is no cost to the Sanitation District and the County provides all associated training to the appropriate staff and maintains and updates the system free of charge. The minimal indirect costs of Board Services staff time maintaining the system and recording documents is a substantial savings in comparison to the existing indirect cost of other Sanitation District staff's travel time (to/from County offices), postage costs, locating, routing, and/or transferring documents to other departments.

## RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard
- Comply with State and County regulations

## PROBLEM

The Current Memorandum of Understanding (MOU) will expire in October of 2020.

## PROPOSED SOLUTION

Approve the new 2020 SECURE G2G MOU, recently approved by the Orange County Board of Supervisors. This new MOU was prepared in accordance with AB 2143 (County recorder: electronic recording) chaptered September 2016, and the amended Department of Justice electronic recording regulations effective January 1, 2020.

## RAMIFICATIONS OF NOT TAKING ACTION

Without approval, the Sanitation District will be unable to record real property documents electronically.

## PRIOR COMMITTEE/BOARD ACTIONS

October 2015 - Approved the Electronic Recording Memorandum of Understanding (MOU) between the County of Orange and Orange County Sanitation District for the use of the SECURE Government to Government (G2G) Portal for a term of five (5) years; and authorized the Clerk of the Board, or her designee, to transmit/record any and all required Orange County Sanitation District real property documents in an electronic format.

## FINANCIAL CONSIDERATIONS

This request complies with the authority levels of the Sanitation District's Purchasing Ordinance. The Sanitation District is exempt from recording costs. Any unforeseen, additional costs will be absorbed within the existing Sanitation District's operation budget if the need arises.

## ATTACHMENT

*The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

- Memorandum of Understanding - SECURE G2G Portal

**MEMORANDUM OF UNDERSTANDING  
BETWEEN OWNER COUNTIES AND GOVERNMENT PARTICIPANTS  
FOR THE USE OF THE SECURE GOVERNMENT TO GOVERNMENT (G2G)  
PORTAL**

THIS MEMORANDUM OF UNDERSTANDING (“**MOU**” or “**Agreement**”), made and entered into on \_\_\_\_\_, is between the counties of Los Angeles, Orange, Riverside, and San Diego (hereinafter collectively referred to as “**Owners**”) that own the Statewide Electronic Courier Universal Recording Environment (“**SECURE**”) with the Orange County Clerk-Recorder acting on their behalf as the Lead County, and \_\_\_\_\_ the submitting party (“**Government Agency**”), recording electronically through the SECURE Government to Government (**G2G**) Portal. The Owners and Government Agency are collectively referred to as the “Parties.”

**WHEREAS**, California Government Code Section 27279(b) states “[t]he recorder of any county may, in lieu of a written paper, accept for recording digitized images, digital images, or both, of a recordable instrument, paper, or notice if [. . .] [t]he requester and addressee for delivery of the recorded images are the same and can be readily identified as a local or state government entity, or an agency, branch, or instrumentality of the federal government.”

**WHEREAS**, the Counties of Orange, Los Angeles, Riverside and San Diego are the Owners of the SECURE G2G Portal; and

**WHEREAS**, the SECURE G2G Portal functions as a separate portal under the same security framework as the existing SECURE system; and

**WHEREAS**, the Counties of Orange, Los Angeles, Riverside and San Diego entered into an agreement dated August 19, 2008 to share the ownership and ongoing maintenance of a multi-county G2G electronic recording portal; and

**WHEREAS**, Orange County is the “Lead County” in supporting this SECURE G2G Portal and is responsible for executing any agreements with participants with the approval of the other Owners.

**NOW THEREFORE**, the Parties, for and in consideration of the mutual promises and agreements herein continued, do agree to the following:

**1. DEFINITIONS**

- A. Owners:** means the Counties of Los Angeles, Orange, Riverside and San Diego Counties.
- B. Lead County:** means the County of Orange as the designated lead in developing and supporting the multi-county system and responsible for handling the administrative



functions, negotiating and executing any contract relating to the support and maintenance of SECURE.

- C. Partner County or Partner Counties:** means non-owner counties that have contracted to use SECURE.
- D. SECURE G2G Portal:** means the SECURE Government to Government Portal.
- E. Government Agency:** means a government entity, other government agency, or a county department of the Owners that submits package(s) of documents electronically to an Owner or Partner County using the SECURE G2G Portal for the purpose of electronically recording under this MOU.
- F. SECURE:** means the Statewide Electronic Courier Universal Recording Environment used by multiple counties to electronically receive and return documents for recording.
- G. Government to Government:** means the acts of a county recorder recording a document for a Government Agency through the SECURE G2G Portal.
- H. Operational Issues:** means issues regarding the business rules that dictate what can be recorded by an individual Owner county or Partner County.
- I. Technical Issues:** means issues regarding how the SECURE G2G Portal electronically receives and returns recordable documents.
- J. Infrastructure:** means the non-software components used to electronically receive and return recordable documents through the SECURE G2G Portal.

## **2. PURPOSE**

The purpose of this MOU is to define the requirements, rules and policies needed for Parties to share in the use of the SECURE G2G Portal to electronically record documents in a secure electronic recording environment.

## **3. TERM**

This Agreement shall become effective upon the signature of the Parties for a term of 5 years unless terminated in writing by either party in accordance with this Agreement. The parties, by written agreement, may extend the agreement for no more than one additional year.

## **4. FEES and COST**

Government Agency is exempt from fees for SECURE G2G Portal system use, maintenance and technical support. Government Agency may be held responsible to pay any other applicable fees, taxes, and other charges, however denominated, for the recordation of

documents. Government Agency is responsible for startup costs, which may include reimbursements for setup and tokens if applicable.

## **5. Eligibility**

Established Government Agencies at the local, state or federal level, as defined below, will be allowed to submit legal documents for electronic recording through the SECURE G2G Portal pursuant to California Government Code section 27279(b), which states in part “[t]he recorder of any county may, in lieu of a written paper, accept for recording digitized images, digital images, or both, of a recordable instrument, paper, or notice if [ . . . ] [t]he requester and addressee for delivery of the recorded images are the same and can be readily identified as a local or state government entity, or an agency, branch, or instrumentality of the federal government.”

## **6. SECURE G2G Portal Recording Requirements**

SECURE G2G Portal recording requirements and specifications are generally set forth in Attachment A and Attachment B, incorporated herein by reference, to this Agreement.

- 6.1 Government Agency shall comply with any and all requirements and specifications of the Agreement and in Attachments A and B (collectively Attachments).
- 6.2 Government Agency understands that the requirements and specifications may change from time to time.
- 6.3 Government Agency understands that the requirements and specifications set forth in the attachments could be specific to individual Owner or Partner Counties.
- 6.4 Government Agency acknowledges that the recording requirements and specifications contained in the attachments may not be exhaustive of the recording requirements for the individual Owners and Partner Counties.
- 6.5 Owners will provide written notice to the Government Agency within 30 days if there are any changes to the requirements or specifications.
- 6.6 Attachment A – Provides the technical specifications including submission methods, communication protocol security framework and imaging standards.
- 6.7 Attachment B – Contains the processing schedules, hours of operation, policies, sample document types and authority, technical service contact and security incident contact information for electronic recording with each individual Owner or Partner County.

## **7. Government Agency Acknowledgments and Responsibilities**

- 7.1 Government Agency must supply all electronic recording equipment, i.e., computer, monitor, scanner, printer, an internet connection and a token from the Lead County, if applicable.

- 7.2 The electronic documents or records shall be considered the “original” record of the transaction in substitution for, and with the same intended effect as, paper documents or records. In the case that such documents or records bear a digital or electronic signature, those signatures shall have the same effect as paper documents or records bearing handwritten signatures.
- 7.3 Government Agency is responsible for the accuracy, completeness and content of documents submitted for recording through the G2G portal.
- 7.4 Government Agency shall immediately notify Lead County of any security incident, including but not limited to attempts at or actual unauthorized access which could compromise or otherwise adversely affect SECURE’s data systems.
- 7.5 Government Agency shall ensure that all security measures and credentials implemented are protected. Government Agency assumes all responsibility for documents submitted through unique credentials provided to Government Agency for the purposes of engaging in G2G recording.
- 7.6 Government Agency is responsible for receiving and verifying receipt of documents recorded to ensure that the source of the receipt is the county where the document was to be recorded.
- 7.7 Government Agency shall address all Operational Issues related to the electronic recording process with the individual Owner or Partner Counties.
- 7.8 Government Agency shall notify the Lead County of all problems involving Technical Issues. Government Agency shall work in good faith with the Lead County to resolve any Technical Issues. Resolution of Technical Issues may require Government Agency to provide onsite access to Lead County.
- 7.9 Government Agency shall comply with each county’s individual recording requirements. Government Agency’s submission of a document via the SECURE G2G Portal for transmission to a particular county for recording does not guarantee the document will be recorded by that individual county. Each Owner or Partner County may have its own specific requirements for the recordation of documents including, but not limited to, document types authorized for recording and payment methods. Documents not meeting a county’s specific requirements for recording may be rejected by the respective county.
- 7.10 Following the electronic recordation of a document, Government Agency agrees to deliver the original document and/or notify the real party in interest.

## **8. Lead County Responsibilities**

- 8.1 Lead County shall conduct ongoing monitoring of the SECURE G2G Portal to protect the integrity of the transmission process.

- 8.2 Lead County shall test and maintain the SECURE G2G Portal software and hardware.
- 8.3 If the SECURE G2G Portal experiences delays or power failures that interfere with the normal course of business, the Lead County will work with the individual Owner or Partner County and Government Agency until the problem has been remedied.
- 8.4 Lead County will coordinate the SECURE G2G Portal administration, training, policy creation, access control and establishment of contracts required for Government Agency to submit to Partner Counties.
- 8.5 Lead County shall facilitate communication between Government Agency and Owner or Partner Counties.

## **9. SECURE G2G Portal Review**

Government Agency's right to submit documents under this Agreement is subject to Owners review and acceptance of Government Agency's standards and procedures. Such approval will not be unreasonably withheld by Owners. This review is to confirm that all requirements of this Agreement are met.

## **10. General Recording Requirements**

Submission, acceptance, recording and rejection of any document must comply with all applicable federal, state and local laws. County specific recording requirements are generally set forth in Attachment B.

## **11. Suspension**

Lead County, with the concurrence of all the other Owners, may suspend Government Agency's submission of documents to the SECURE G2G Portal, restrict access, or deny access to Government Agency and any of Government Agency's individual staff members at any time in its sole discretion as it deems necessary.

Notice of suspension will be immediately provided to Government Agency by Lead County on behalf of Owners. Government Agency may resume submission upon satisfactory resolution of the reason for suspension after notification from the Lead County. Whether a matter is resolved is determined solely by the SECURE Owners.

The following is a non-exhaustive list of reasons for suspension:

- 11.1 To protect the public interest.
- 11.2 To protect the integrity of public records.
- 11.3 To protect real property owners from financial harm.

11.4 To prevent fraud.

11.5 For Government Agency's violation of, or to prevent the violation of, any federal, state, or local law.

11.6 For Government Agency's failure to notify Lead County of modifications which could compromise or otherwise adversely affect SECURE's data systems.

11.7 For Government Agency's default of any provision of this Agreement.

## **12. Limitation of Liability**

Owners and Partner Counties shall be held harmless from and not incur any liability for any damages whatsoever caused either directly or indirectly for:

12.1 Information electronically transmitted by the Government Agency.

12.2 Any breach of security, fraud or deceit resulting from electronic recording.

12.3 Damages resulting from software, hardware, or other equipment failure.

12.4 Delays or power failures that interfere with the normal course of electronic recording.

12.5 Restricting or terminating Government Agency's ability to electronically record documents.

12.6 Claims, disputes or legal actions concerning an electronic transaction, including, but not limited to, the accuracy, completeness or content of documents submitted for recording.

12.7 Government Agency, Owners and Partner Counties shall not be liable to each other for:

12.7.1 Any special, incidental, exemplary or consequential damages arising from or as a result of any delay, omission or error in the electronic recording transmission or receipt.

12.7.2 Any failure to perform processing of the transactions and documents where such failure is beyond the party's reasonable control (including, without limitation, any mechanical, electronic or communications failure, which prevents the parties from transmitting or receiving the electronic recording transactions).

12.7.3 Except for payment and indemnity obligations hereunder, any cessation, interruption or delay in the performance of an obligation hereunder due to earthquake, flood, fire, storm, natural disaster, act of God, war, armed conflict, terrorist action, labor strike, lockout boycott, provided that the party relying

upon this paragraph: (a) shall have given the other party written notice thereof promptly and, in any event within five (5) days of discovery thereof and, (b) shall take all reasonable steps reasonably necessary under the circumstances to mitigate the effects of the force majeure event upon which such notice is based in the event the force majeure event described in this paragraph extends for a period in excess of three (3) days.

### **13. Indemnification**

- 13.1 Owners shall not be responsible for any damage or liability occurring by reason of any acts or omissions on the part of Government Agency under or in connection with any work, authority or jurisdiction delegated or determined to be the responsibility of Government Agency under this Agreement. It is also understood and agreed that pursuant to Government Code Section 895.4, Government Agency shall fully indemnify, defend, and hold Owners and their respective officers, employees, and agents harmless from, and against, any claims, demands, liability, damages, costs (including attorney's fees), and expenses, including, without limitation, those involving bodily injury, death, or personal injury of any person or property damage of any nature whatsoever (collectively "Claims"), arising from, or related to, any acts or omissions on the part of the Government Agency under or in connection with any work, authority or jurisdiction delegated to or determined to be the responsibility of Government Agency under this Agreement, except to the extent caused by the sole negligence or willful misconduct of the Owners. This provision shall survive termination or expiration of this Agreement.
- 13.2 Notwithstanding section 13.1 above, in the event the Government Agency under this Agreement is a county department of an Owner, such Government Agency's indemnification obligations to each other Owner hereunder shall not exceed each Owner's indemnification obligations under that certain Multi-County Agreement Between the Counties of Los Angeles, Orange, Riverside, and San Diego for Shared Ownership and Ongoing Maintenance of an Electronic Recording Delivery System (the "Multi-County Agreement").
- 13.3 In the event of fraud that arises directly or indirectly from Government Agency's submission of a document through the SECURE G2G Portal for electronic recording that impacts the value of or title to real estate, Government Agency shall defend and indemnify the Owners against any Claims (as defined in section 13.1, above) for any G2G electronic recording transaction in which the Government Agency engages.

### **14. Termination**

- 14.1 Either party may terminate this Agreement for any reason by providing 30 calendar days' written notice of termination.
- 14.2 Owners may terminate this Agreement immediately if Government Agency is in default of any of the terms of this Agreement.

14.3 Notwithstanding any other provision of this Agreement, the Owners may terminate this Agreement immediately at any time in its sole discretion as it deems necessary. The following is a non-exhaustive list of reasons for termination:

14.3.1 To protect the public interest.

14.3.2 To protect the integrity of public records.

14.3.3 To protect real property owners from financial harm.

14.3.4 To prevent fraud.

14.3.5 For Government Agency's violation of, or to prevent the violation of, any federal, state or local law.

14.4 The indemnification and limitation of liability provisions of this Agreement shall survive any termination of this Agreement.

## **15. Dispute Resolution**

Owners and Government Agency will attempt, in good faith, to resolve any controversy or claim arising out of or relating to G2G electronic recording through either negotiation or mediation prior to initiating litigation.

## **16. Governing Laws and Venue**

This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

## **17. Amendment**

Any amendments or modifications to this Agreement shall be in writing duly executed by each party's authorized official, which shall become effective at a time mutually agreed upon by the Parties. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or Agreement not incorporated herein shall be binding on either party.

## **18. Assignment**

This Agreement shall not be assigned by a party, either in whole or in part, without prior written consent of other party. Any assignment or purported assignment of this Agreement by a party without the prior written consent of the other party will be deemed void and of no force or effect.

## **19. Entire Agreement**

This Agreement contains the entire and complete understanding of the Parties and supersedes any and all other agreements, oral or written, with respect to the terms under this Agreement.

## **20. Parties in Interest**

None of the provisions of this Agreement or any other document relating hereto provides any rights or remedies to any person other than the Parties hereto and the Partner Counties and their respective successors, transferees, assumers and assigns, if any.

## **21. Privileged and Confidential Information**

The Government Agency agrees that all personal information, which is considered privileged and confidential under state law contained within the documents submitted for recording will not be released by the Government Agency to any individual or other legal entity who would not otherwise have authorized access to such information. Any release of information by the Government Agency to any unauthorized individual or other legal entity may result in the Owners terminating this Agreement.

## **22. Waiver**

No waiver of the breach of any of the covenants, agreements, restrictions, or conditions of this Agreement by Owners shall be construed to be a waiver of any succeeding breach of the same or other covenants, agreements, restrictions, or conditions of this Agreement. No delay or omission of Owners, in exercising any right, power or remedy herein provided in the event of default shall be construed as a waiver thereof or acquiescence therein, or be construed as a waiver of a variation of any of the terms of this Agreement.

## **23. Severability**

If any term or portion of this Agreement is held to be invalid, illegal, void or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

## **24. Sections and Attachments**

All sections and attachments referred to herein are attached hereto and incorporated by reference.

## **25. Headings**

The Agreement captions, clause, section and attachment headings used in this Agreement are inserted for convenience of reference only and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.



**26. No Presumption Against Drafter**

This Agreement is deemed to have been drafted jointly by the Parties. This Agreement shall be construed without regard to any presumption or rule requiring construction against or in favor of the party receiving a particular benefit under this Agreement. No rule of strict construction will be applied against any party or person.

**27. Notices**

Any notice requirement set forth herein shall be in writing and delivered to the appropriate party at the address listed in this subparagraph. Notice shall be given by electronic mail or deposited in the United States mail, postage prepaid, to the parties listed below. Addresses for notice may be changed from time to time by written notice to the other party. All communications shall be effective when actually received; provided, however, that nonreceipt of any communication as the result of a change in address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For reporting a security incident, the Government Agency shall also report the incident to the Lead County at the email address specified below.

**Government Agency**

**[GOVERNMENT AGENCY TO PROVIDE NOTICE CONTACT INFORMATION]**

**Lead County:**

Orange County Clerk-Recorder  
Attn: SECURE G2G Coordinator  
601 N. Ross Street  
Santa Ana, CA 92701  
Email: SecureSupport@rec.ocgov.com

**29. Signatures in Counterparts:**

This MOU may be executed in counterparts by the parties. This MOU is in effect as to any signatory party upon execution and, for purposes of enforcement, true copies of signatures shall be deemed to be original signatures.

**IN WITNESS WHEREOF**, the parties hereto have caused this MOU to be executed and attested to by their proper officers thereunto duly authorized and their official seals to be hereto affixed, as of the day and year first above written.

***--Signatures Follow--***

**OWNERS**

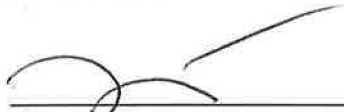
**THE COUNTY OF ORANGE AS LEAD COUNTY:**

Approved By: Hugh Nguyen

Signature: \_\_\_\_\_  
Orange County Clerk-Recorder

Date: \_\_\_\_\_

**THE OFFICE OF THE ORANGE COUNTY COUNSEL  
APPROVED AS TO FORM**

Signature:  \_\_\_\_\_  
Title: Deputy County Counsel  
Dated: 2/24/2020 \_\_\_\_\_

**GOVERNMENT AGENCY**

**DEPARTMENT OF (Government Agency):** \_\_\_\_\_

**COUNTY:** \_\_\_\_\_

**Approved By:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## **Attachment A - Technical Specifications**

### **1. Submission Methods**

SECURE G2G Portal User Interface (UI) – Government Agencies who will be scanning paper or uploading image files directly into the SECURE G2G Portal must use a token for authentication. Government Agencies will receive recording confirmation via the UI. The UI allows user to upload a pre-scanned 300 DPI TIFF Group IV image or use a browser scanner TWAIN plugin.

SECURE G2G Portal Web API (API) – Government Agencies that directly connect to the API must adhere to the XSD standard. The XML files that are uploaded must include Base64 encoded 300 DPI TIFF Group IV image files. This process does not require a user to be involved in the transfer; it is an automatic process that will be programmed by the submitter in conjunction with the County. Government Agencies will receive recorded information via XML return package.

### **2. Communications Protocol**

HTTPS is required for the submission of instruments.

### **3. Security Framework**

The required security framework is provided for in the SECURE G2G Portal software. The SECURE G2G Portal software shall use a minimum of 128-bit file and image encryption. Industry standard Secure Sockets Layer (SSL) and user login with password that is encrypted shall be employed. User passwords are controlled by the Government Agency and at a minimum changed at 90-day intervals to reduce security exposure.

**a) Endpoint Security (Authentication Token)** - Government Agencies will require one token for each agency staff member that will be utilizing the UI. For use of the token to submit documents through the SECURE G2G Portal for recording electronically, please refer to the SECURE G2G Portal User Manual.

#### **b) Computers and User Accounts**

Government Agency computer(s) connected to the SECURE G2G Portal must be dedicated workstations for G2G recording only. Government Agency computers utilized for such are required to comply with a workstation checklist provided by Lead County.

Computers that connect to SECURE G2G Portal will have system and application logging enabled with a retention period of 3 months. Lead County may request reports of user access and transaction activity.

Workstations used to submit, retrieve, or, when applicable, return SECURE G2G Portal payloads are protected from unauthorized use and access. As a minimum, workstations shall meet all of the following requirements:

- Anti-malware software configured to start on system boot-up.
- All critical operating system patches applied within one month from when the patch first becomes available.
- A hardware firewall installed and maintained.
- Up to date virus scan software that shall check for definition updates every twenty-four hours.
- A full virus scan configured to run weekly at a minimum.
- Installed applications shall be limited to the purpose of performing the necessary operational needs of the recording process as defined by the County Recorder.
- Screen Lock must be configured for activation after 10 minutes of inactivity.

Shared user accounts may not be issued. At no time shall more than one person be authorized access to SECURE G2G Portal using a single SECURE G2G Portal user account or set of identity credentials. Each person shall be uniquely identified. If a user's status changes, so that access to SECURE G2G Portal is no longer required, the user's SECURE G2G Portal account and identity credentials shall be disabled and revoked, but not deleted from the system. SECURE G2G Portal user accounts and identity credentials are non-transferable.

### **c) Imaging Standards**

The following imaging standards shall be complied with:

- Documents must be scanned or uploaded at 300 DPI TIFF Group IV image or use a browser scanner TWAIN plugin.
- Documents will be scanned in portrait mode.
- All pages, including attachments, must be numbered sequentially.
- Documents must be scanned to original size.
- Document details, such as margins, font size and other similar requirements, must meet all applicable state statutes as set out in Government Code Section 27361 et seq.

**Attachment B**  
**Additional Electronic Recording Requirements (Orange County)**

Attachment B – Orange County

1. Hours of Operation

Recordable government documents may be submitted from 6:30 p.m. the previous day (Pacific Time) Monday through Friday, excluding County Holidays, for next day recording.

Recordable government documents may be submitted from 12:00 a.m. to 4:00 p.m. (Pacific Time) Monday through Friday, excluding County Holidays, for same day recording.

2. Turnaround Timeframes

Documents submitted will be recorded on a First In-First Out (“FIFO”) basis, and will be returned daily.

3. Concurrent Documents

Government Agency must identify concurrent documents. Documents shall be identified and submitted in the proper recording order; i.e., 1 of 3, 2 of 3 etc. Concurrent documents shall be submitted as one batch and shall not be combined with additional orders.

4. Processing Schedules

Corrections must be resubmitted within 30 minutes of return from Orange County.

Resubmission of rejected document(s) will only be accepted if they are submitted prior to 4:00 p.m. on the same day. Corrections not resubmitted timely will result in the return of the entire batch.

5. Batch Submittals

Before submitting any document the Government Agency must be approved. Orange County allows Government Agencies to use the batch name of their choice as long as it meets the following requirements:

- Keep it simple. A good example of a simple batch name is ABCD1234.
- Batch name should be short and not contain any spaces.

Government Agency shall limit the size of each batch to a maximum of 25 documents.

6. Recording Fees

All fees shall be submitted according to the Orange County Clerk-Recorder Department's approved Financial Services Unit accounting procedures.

Government Agencies identified as failing to submit proper fees will be blocked from submitting documents until financial issues are resolved.

7. Return Options

Recorded documents will be returned to the Government Agency in electronic format after recordation is complete. Recorded documents will contain the recording label, which includes the fees associated with the document being recorded.

Orange County reserves the right to make changes to the indexing and/or Document Transfer Tax information as necessary.

Submitted documents that are rejected either as a correction or a reject/pull will be returned to the Government Agency in electronic format along with a description of the reason(s) for rejection.

8. Illegible Documents

Government Agency is responsible for scanning at 300 dpi and performing quality assurance on each page of all documents to ensure compliance with photographically reproducible standards. Documents or page(s) not meeting this requirement will be rejected for rescanning and submission.

9. Preliminary Change of Ownership Report (PCOR)

PCOR's shall be scanned and submitted as a separate attachment to the document. Documents containing PCOR's as part of the recordable document will be rejected and returned to the Government Agency for correction.

10. Non-Disclosure Statements also known as Not for Public Record ("NPR")

Non-Disclosure Statements shall be scanned and submitted as a separate attachment to the document. Documents containing a Non-Disclosure Statement as part of the recordable document will be rejected and returned to the Government Agency for correction.

Government Agency shall mask the applicable taxes on the face of the document.

11. Technical Service Help and Security Incident Contact Information

If assistance is needed for technical issues or a security issue needs to be reported, contact (714) 478-9891 between the hours of 7:00 a.m. and 5:00 p.m. (Pacific Time).

12. Payment Options

Government Agency is responsible for the recording fees of any document submitted for recording.

13. Account Setup Procedures

The Government Agency must complete the applicable Memorandum of Understanding and submit it for approval. Once approved a Customer ID for billing purpose will be created and the account activated.

14. Reporting and Reconciliation

An invoice is sent daily to the Government Agency. Government Agency is responsible for verifying the invoice and contacting the department if a discrepancy is found.





# Orange County Sanitation District

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

## ADMINISTRATION COMMITTEE

### Agenda Report

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**File #:** 2020-1082

**Agenda Date:** 5/27/2020

**Agenda Item No:** 12.

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**FROM:** James D. Herberg, General Manager  
Originator: Lorenzo Tyner, Assistant General Manager

**SUBJECT:**

**CONSOLIDATED FINANCIAL REPORT FOR THE THIRD QUARTER ENDED MARCH 31, 2020**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Receive and file the Orange County Sanitation District Third Quarter Financial Report for the period ended March 31, 2020.

**BACKGROUND**

Included in this consolidated report are the following quarterly financial reports for the period ended March 31, 2020:

- **Third Quarter Budget Review**  
The Budget Review Summary provides the Directors, staff, and general public with a comprehensive overview of the financial results of the Orange County Sanitation District (Sanitation District) through the third quarter ended March 31, 2020.
- **Quarterly Treasurer's Report**  
This section reports on financial portfolio performance with respect to the Sanitation District's funds. Both Long-Term and Liquid Operating Monies Portfolios are summarized. A performance summary table can be found in this agenda report. The report also contains information on the U.S. and global economic outlook from the Sanitation District's investment manager, Chandler Asset Management.
- **Certificates of Participation Quarterly Report**  
The report includes a summary of each outstanding debt issuance and a comparative chart illustrating the COP rate history.

**RELEVANT STANDARDS**

- Quarterly financial reporting

**ADDITIONAL INFORMATION**

The quarterly treasurer’s report contained within the Consolidated Financial Reports for the Third Quarter Ended March 31, 2020 is being submitted in accordance with the Sanitation District’s investment policy that requires the report be submitted to the governing body following the end of each quarter and includes the following information:

- Performance results in comparison with the ICE BAML 3-month treasury bill index for the liquid operating portfolio; and the ICE BAML Corp./Govt. 1-5 Year Bond index for the long-term portfolio as identified in the investment policy; and the time-weighted total rate of return for the portfolio for the prior three months, six months, nine months, twelve months, and since inception compared to the Benchmark returns for the same periods:

**Portfolio Performance Summary  
As of March 31, 2020**

	Liquid Operating Monies (%)		Long-Term Operating Monies (%)	
	Total Rate of Return	Benchmark	Total Rate of Return	Benchmark
3 Months	0.72	0.57	2.51	2.97
6 Months	1.23	1.04	3.01	3.42
9 Months	1.83	1.61	3.92	4.27
12 Months	2.53	2.25	5.68	6.20
Annualized Since Inception 30 Nov 2014	1.25	1.12	2.23	2.27

- A listing of individual securities held at the end of each reporting period (see the detailed listings of each security contained within the report).

- Cost and market values of the portfolios:

	<u>Liquid Operating</u>	<u>Long-Term</u>
Cost	\$112.9 M	\$567.3 M
Market Value	\$113.5 M	\$590.3 M

- Modified duration of the portfolio compared to the Benchmark:

	<u>Liquid Operating</u>	<u>Long-Term</u>
District Policy	< 0.50	< 5.00
Benchmark	0.16	2.54
Portfolio	0.22	2.47

- Dollar change in value of the portfolio for a one percent (1%) change in interest rates:

Liquid Operating - \$246,644  
 Long- Term - \$14,582,032

- None of the portfolios are currently invested in reverse repurchase agreements.

- The percent of the Liquid Operating Monies portfolio maturing within 90 days: 67.1%
- Average portfolio credit quality:  
Liquid Operating - AA+/Aaa  
Long- Term - AA/Aa1
- Percent of portfolio with credit ratings below "A" by any rating agency and a description of such securities:  
Liquid Operating - no exceptions  
Long- Term - Percent of portfolio - 0.5%

	Cost	Maturity Date	Moody	S&P	Fitch
SLMA 2008-9 A	\$12,143.46	4/25/2023	Baa3	B	B
AMRESKO Residential Securities 1999-1 A	\$89,377.81	6/25/2029	NR	A+	BBB
Morgan Stanley Note	\$3,200,848.00	7/28/2021	A3	BBB+	A

- All investments are in compliance with this policy and the California Government Code, except for the following Lehman Brother holdings that the Sanitation District is pursuing collection through the bankruptcy court:  
  
Lehman Brothers Note-Defaulted \$ 600,000 par value purchased 9/19/2008  
Lehman Brothers Note-Defaulted \$2,000,000 par value purchased 9/18/2008
- Sufficient funds are available for the Sanitation District to meet its operating expenditure requirements for the next six months.

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

N/A

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:*

- Consolidated Financial Report for the Third Quarter Ended March 31, 2020



# Orange County Sanitation District

## ADMINISTRATION COMMITTEE

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

### Agenda Report

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**File #:** 2020-1083

**Agenda Date:** 5/27/2020

**Agenda Item No:** 13.

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**FROM:** James D. Herberg, General Manager  
Originator: Celia Chandler, Director of Human Resources

**SUBJECT:**

**APPROVE A CONTINGENCY INCREASE TO EXISTING SERVICE CONTRACT FOR HAZARDOUS WASTE DISPOSAL SERVICES**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Approve a contingency increase of \$35,000 (in addition to the original contingency of \$19,200 for a total contingency of \$54,200, in addition to the original contract amount of \$192,000) to the Service Contract with Clean Harbors Environmental Services, Inc., Specification No. S-2017-841, for hazardous waste services, for the remainder of the contract term ending June 30, 2020.

**BACKGROUND**

The Orange County Sanitation District (Sanitation District) utilizes Clean Harbors Environmental Services, Inc. (CHES), a third-party California registered, EPA permitted, hazardous waste disposal service provider, to perform routine collection, manifesting, off-site transportation, inspection, recordkeeping, hazardous waste disposal, and emergency spill response for the two treatment plant facilities. Services are provided weekly, with manifesting, transportation, and disposal services provided quarterly in accordance with regulatory requirements.

The Hazardous Waste Disposal Services contract with CHES was approved by the Board in 2017 for a one-year performance period, with up to four (4) one-year renewals. There are two (2) remaining one-year renewal options available.

Staff requests approval of contingency to the service contract with CHES ending June 30, 2020, as described herein, to ensure continued compliance with hazardous waste disposal requirements.

**RELEVANT STANDARDS**

- CA Government Code: Title 22, Division 4.5 Environmental Health Standards for Management of Hazardous Waste
- Protect Orange County Sanitation District assets
- Commitment to safety & reducing risk in all operations

**PROBLEM**

The current contract term with CHES has a period of performance of July 1, 2019 through June 30, 2020. The annual amount allocated to the Hazardous Waste Disposal Services is \$192,000, which was budgeted based upon historical cost information. Unforeseen disposal costs, primarily due to emergency spill response activities in Operations and Maintenance, has exhausted the annual approved amount. The budgeted amount, previously approved by the Board, is not sufficient to cover anticipated services through June 30, 2020.

**PROPOSED SOLUTION**

Approve a contingency increase of \$35,000 (in addition to the original contingency of \$19,200) for a total contingency of \$54,200, in addition to the contract amount of \$192,000, to cover the cost of services through June 30, 2020.

**TIMING CONCERNS**

Approval of the contingency increase is necessary to meet compliance requirements related to hazardous waste disposal.

**RAMIFICATIONS OF NOT TAKING ACTION**

Without approval of the contingency increase for additional funds, the Sanitation District will not be able to properly manage generated hazardous waste resulting in fines, violations, and potential releases to the environment.

**PRIOR COMMITTEE/BOARD ACTIONS**

August 2017 - Approved a service contract with Clean Harbors Environmental Services, Inc., Specification No. S-2017-841, for the period of September 1, 2017 through June 30, 2018, for a total annual amount not to exceed \$192,000, with up to four (4) one-year renewal options; and an annual contingency of \$19,200.

**ADDITIONAL INFORMATION**

The Sanitation District is required to properly dispose of all hazardous waste generated. The primary service CHES provides is the transportation, treatment, and either recycling or disposal of hazardous waste generated by the Sanitation District, in addition to the following services:

- hazardous waste profiling - sampling a waste and conducting lab analysis to determine how the waste is supposed to be disposed of properly
- lab packs - sampling and properly packing small quantities of chemicals to ensure they are disposed of properly
- spill cleanup - providing the trained personnel, material, and equipment to clean up spills caused by Sanitation District activities that are beyond the capabilities of Sanitation District staff to handle
- hazardous waste storage yard inspections - examining all the different storage areas at Plant Nos. 1 and 2 to ensure compliance with regulations

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted. (Line item: Section 6, Page 20). Project contingency funds will be used for this request.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
08/23/2017	\$192,000	\$19,200
05/27/2020		\$35,000

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**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

N/A



# Orange County Sanitation District

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## ADMINISTRATION COMMITTEE

### Agenda Report

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**File #:** 2020-1084

**Agenda Date:** 5/27/2020

**Agenda Item No:** 14.

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**FROM:** James D. Herberg, General Manager  
Originator: Lorenzo Tyner, Assistant General Manager

**SUBJECT:**

**GENERAL MANAGER APPROVED PURCHASES AND ADDITIONS TO THE PRE-APPROVED OEM SOLE SOURCE LIST**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

- A. Receive and file Orange County Sanitation District purchases made under the General Manager's authority for the period of January 1, 2020 to March 31, 2020; and
- B. Approve the following additions to the pre-approved OEM Sole Source List for the period of January 1, 2020 to March 31, 2020:
- EATON - Batteries and Replacement Services
  - BR FROST COMPANY - Jaw Clutch Assemblies
  - CLA-VAL - Valves, Repairs, Maintenance, and Start-up Services
  - FRANKLIN MILLER - Taskmaster Grinders
  - FLOWSERVE (incl. WORTHINGTON, INGERSOLL-DRESSER, DURCO, PLEUGER, BYRON JACKSON, AND PACIFIC) - Pumps and Parts
  - GROTH - Flame Arrestors and Parts
  - IOPREDICT - Test Validation for Lead Instrumentation, Instrumentation Technicians I & II
  - OCECO - Flame Arrestors and Parts
  - PCB PIEZOTRONICS - Vibration Sensors, Switches, and Instrumentation for Vibration Analysis
  - PENN PROCESS COMPRESSORS (PPC/PENN) - Pistons and Parts
  - PUTZMEISTER - Equipment, Parts, Maintenance, Repairs, and Training
  - VAUGHAN - Pump Maintenance and Repairs

**BACKGROUND**

Staff provides the Administration Committee and the Board of Directors quarterly reports of General Manager approved and executed purchases between \$50,000 and \$100,000; maintenance and repair Services Task Orders between \$50,000 and \$300,000; and additions to the pre-approved OEM Sole Source List.

The list of additions to the pre-approved OEM Sole Source List displays the original equipment manufacturers (OEM) added this quarter that require sole source procurement to maintain, service, or replace equipment currently in operation at Orange County Sanitation District facilities, because the parts and/or service can only be provided by the OEM or their designated representative.

## RELEVANT STANDARDS

- Quarterly financial reporting
- Ensure the public's money is wisely spent

## PRIOR COMMITTEE/BOARD ACTIONS

December 2016 - Minute Order 12(b) authorized the General Manager to ratify additions or deletions to the OEM Sole Source list on the General Manager's quarterly approved purchases agenda report.

## ADDITIONAL INFORMATION

In accordance with Board purchasing policies, Ordinance No. OCSD-52, the General Manager has authority to approve and execute purchases between \$50,000 and \$100,000. Below is a summary of General Manager approved purchases, in amounts exceeding \$50,000, for the third quarter of fiscal year 2019-20:

Vendor Name	Amount	Department	Description/Discussion
ALFA LAVAL INC	\$57,399.94	Operations & Maintenance	Service Technician for the Rebuild of 4-Alfa Laval MOPX 205 Separators Centrifuges Board Award M.O. 2/26/20, Item 7 and Board Approved OEM Sole Source List 12/14/16, Item 12 (B)
ALFA LAVAL INC	\$90,000.00	Operations & Maintenance	Conduct One Year and Two Year Annual Services on the G3-125 Centrifuge Units at Plant No. 2 3/3/20 to 3/2/21 Board Approved OEM Sole Source List M.O. 2/26/20, Item 13(B) and M.O. 12/14/16, Item 12 (B)
BR FROST COMPANY	\$71,627.46	Operations & Maintenance	Purchase of sixty three (63) Jaw Clutch Assemblies with Sprockets / A-Plates (Drawings are Proprietary) Sole Source Justification 2213 Reason: Unique Product/Service
CEMTEK ENVIRONMENTAL, INC.	\$85,000.00	Operations & Maintenance	Ammonia Monitoring Technology Sole Source Justification 2233 Reason: Unique Product/Service
CHARLES KING CO INC	\$97,750.00	Operations & Maintenance	Olive Sub-Trunk Siphon Assessment Specification No. S-2020-1127



CORPORATE IMAGE MAINTENANCE INC	\$51,300.00	Operations & Maintenance	Additional Janitorial Services Outside of the Existing Contract due to COVID-19 Outbreak 3/16/20 to 6/15/20 Sole Source Justification 2245 Reason: Emergency and consistency of service
CORTECH ENGINEERING	\$76,764.64	Operations & Maintenance	Purchase of four (4) Seepex Model # STAF00603000RNNX00 Board Approved OEM Sole Source List M.O. 12/14/16, Item 12(B)
DIVERSIFIED PROJECT SERVICES INT'L INC.	\$82,390.00	Operations & Maintenance	LOX Tank Repair - Cryogenic Oxygen Tank Cleaning, Inspection Sole Source Justification 2195 Reason: Time Sensitive / Critical to Process and Lack of Redundancy Without Repairs
INTERTECH INCORPORATED	\$53,495.00	Operations & Maintenance	Modicon/Schneider Electric Proworx NXT Technical Education - Three (3) One-Week On-Site Training Sessions/PLC Technical Training Sole Source Justification 2207 Reason: Unique Product/Service
MODERN ICONCEPTS	\$95,130.00	Administrative Services	Consultant to provide upgrade to current SAFS software application and develop SAFS 2.0 Sole Source Justification 2217 Reason: Unique Product/Service
SEA BIRD ELECTRONICS INC	\$66,998.52	Environmental Services	Ocean Acidification and Hypoxia Sensor Packages Approved CORF Budget FY 19/20 Board Approved OEM Sole Source List M.O. 12/14/16, Item 12(B)
CORTECH ENGINEERING	\$74,729.00	Operations & Maintenance	Purchase of Seepex Pump to Replace Sludge Feed Pump 4 at Plant No. 2 Board Approved OEM Sole Source List M.O. 12/14/16, Item 12 (B)
E&M ELECTRIC AND MACHINERY INC.	\$69,780.00	Information Technology	Annual Renewal of Wonderware Historian Licenses with Premium Level Support 11/16/19 to 11/15/20 Board Approved OEM Sole Source List M.O. 12/14/16, Item 12 (B)
EIDE BAILLY LLP	\$75,000.00	Administrative Services	Internal Auditing Services 10/1/19 to 9/16/20 Specification No. CS-2019-1053
GIERLICH MITCHELL INC	\$63,645.90	Operations & Maintenance	Purchase of Gear Reducer for Emerson/Polychem Gearbox Board Approved OEM Sole Source List M.O. 11/28/18, Item 15 (B)
HOWARD RIDLEY CO	\$56,274.00	Operations & Maintenance	Repair Structural Deficiency of Walkway Between Digesters F & G ant Plant No. 2 (MP-688) Specification No. S-2019-1098
PUMPACTION CORP - SHG USA	\$58,469.16	Operations & Maintenance	Purchase of Putzmeister Pump Parts for Plant No. 2 Board Approved OEM Sole Source List M.O. 12/14/16, Item 12 (B)

RJ NOBLE COMPANY	\$58,160.00	Engineering	Northwest Tustin Overlay OCSD Utility Adjustment Sole Source Justification 2194 Reason: Unique Product/Service used in connection with City's contractor
VAUGHAN'S INDUSTRIAL REPAIR CO. INC	\$52,017.50	Operations & Maintenance	Repair Pump 1 at Plant No. 1 Primary Effluent Pump Station (PEPS) Specification No. S-2019-1097

Additionally, in accordance with Board purchasing policies, Ordinance No. OCSD-52, the General Manager has authority to approve and execute maintenance and repair Services Task Orders between \$50,000 and \$300,000. Below is a summary of General Manager approved maintenance and repair Services Task Orders, in amounts exceeding \$50,000, for the third quarter of fiscal year 2019-20:

Vendor Name	Amount	Department	Description/Discussion
O'CONNELL ENGINEERING & CONSTRUCTION INC	\$57,500.00	Operations & Maintenance	Air Compressor Installation - Blower Building Specification No. TOB-2020-1132 of Master Service Contract No. S-2018-942BD-6
INNOVATIVE ENGINEERING AND MAINTENANCE	\$205,300.00	Operations & Maintenance	Provide Truck Loading Screw Conveyor Installation at Plant No. 2 Specification No. TOB-2020-1143 of Master Service Contract S-2018-942BD-3
O'CONNELL ENGINEERING & CONSTRUCTION INC	\$57,500.00	Operations & Maintenance	Air Compressor Installation - Blower Building Specification No. TOB-2020-1132 of Master Service Contract No. S-2018-942BD-6

## CEQA

N/A

## FINANCIAL CONSIDERATIONS

N/A

## ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:

N/A

## ORANGE COUNTY SANITATION DISTRICT COMMON ACRONYMS

<b>ACWA</b>	Association of California Water Agencies	<b>LOS</b>	Level Of Service	<b>RFP</b>	Request For Proposal
<b>APWA</b>	American Public Works Association	<b>MGD</b>	Million Gallons Per Day	<b>RWQCB</b>	Regional Water Quality Control Board
<b>AQMD</b>	Air Quality Management District	<b>MOU</b>	Memorandum of Understanding	<b>SARFPA</b>	Santa Ana River Flood Protection Agency
<b>ASCE</b>	American Society of Civil Engineers	<b>NACWA</b>	National Association of Clean Water Agencies	<b>SARI</b>	Santa Ana River Interceptor
<b>BOD</b>	Biochemical Oxygen Demand	<b>NEPA</b>	National Environmental Policy Act	<b>SARWQCB</b>	Santa Ana Regional Water Quality Control Board
<b>CARB</b>	California Air Resources Board	<b>NGOs</b>	Non-Governmental Organizations	<b>SAWPA</b>	Santa Ana Watershed Project Authority
<b>CASA</b>	California Association of Sanitation Agencies	<b>NPDES</b>	National Pollutant Discharge Elimination System	<b>SCADA</b>	Supervisory Control And Data Acquisition
<b>CCTV</b>	Closed Circuit Television	<b>NWRI</b>	National Water Research Institute	<b>SCAP</b>	Southern California Alliance of Publicly Owned Treatment Works
<b>CEQA</b>	California Environmental Quality Act	<b>O &amp; M</b>	Operations & Maintenance	<b>SCAQMD</b>	South Coast Air Quality Management District
<b>CIP</b>	Capital Improvement Program	<b>OCCOG</b>	Orange County Council of Governments	<b>SOCWA</b>	South Orange County Wastewater Authority
<b>CRWQCB</b>	California Regional Water Quality Control Board	<b>OCHCA</b>	Orange County Health Care Agency	<b>SRF</b>	Clean Water State Revolving Fund
<b>CWA</b>	Clean Water Act	<b>OCSD</b>	Orange County Sanitation District	<b>SSMP</b>	Sewer System Management Plan
<b>CWEA</b>	California Water Environment Association	<b>OCWD</b>	Orange County Water District	<b>SSO</b>	Sanitary Sewer Overflow
<b>EIR</b>	Environmental Impact Report	<b>OOBS</b>	Ocean Outfall Booster Station	<b>SWRCB</b>	State Water Resources Control Board
<b>EMT</b>	Executive Management Team	<b>OSHA</b>	Occupational Safety and Health Administration	<b>TDS</b>	Total Dissolved Solids
<b>EPA</b>	US Environmental Protection Agency	<b>PCSA</b>	Professional Consultant/Construction Services Agreement	<b>TMDL</b>	Total Maximum Daily Load
<b>FOG</b>	Fats, Oils, and Grease	<b>PDSA</b>	Professional Design Services Agreement	<b>TSS</b>	Total Suspended Solids
<b>gpd</b>	gallons per day	<b>PFAS</b>	Per- and Polyfluoroalkyl Substances	<b>WDR</b>	Waste Discharge Requirements
<b>GWRS</b>	Groundwater Replenishment System	<b>PFOA</b>	Perfluorooctanoic Acid	<b>WEF</b>	Water Environment Federation
<b>ICS</b>	Incident Command System	<b>PFOS</b>	Perfluorooctanesulfonic Acid	<b>WERF</b>	Water Environment & Reuse Foundation
<b>IERP</b>	Integrated Emergency Response Plan	<b>POTW</b>	Publicly Owned Treatment Works	<b>WIFIA</b>	Water Infrastructure Finance and Innovation Act
<b>JPA</b>	Joint Powers Authority	<b>ppm</b>	parts per million	<b>WIIN</b>	Water Infrastructure Improvements for the Nation Act
<b>LAFCO</b>	Local Agency Formation Commission	<b>PSA</b>	Professional Services Agreement	<b>WRDA</b>	Water Resources Development Act

## ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS

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**ACTIVATED SLUDGE PROCESS** – A secondary biological wastewater treatment process where bacteria reproduce at a high rate with the introduction of excess air or oxygen and consume dissolved nutrients in the wastewater.

**BENTHOS** – The community of organisms, such as sea stars, worms, and shrimp, which live on, in, or near the seabed, also known as the benthic zone.

**BIOCHEMICAL OXYGEN DEMAND (BOD)** – The amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

**BIOGAS** – A gas that is produced by the action of anaerobic bacteria on organic waste matter in a digester tank that can be used as a fuel.

**BIOSOLIDS** – Biosolids are nutrient rich organic and highly treated solid materials produced by the wastewater treatment process. This high-quality product can be recycled as a soil amendment on farmland or further processed as an earth-like product for commercial and home gardens to improve and maintain fertile soil and stimulate plant growth.

**CAPITAL IMPROVEMENT PROGRAM (CIP)** – Projects for repair, rehabilitation, and replacement of assets. Also includes treatment improvements, additional capacity, and projects for the support facilities.

**COLIFORM BACTERIA** – A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere, used as indicators of sewage pollution. E. coli are the most common bacteria in wastewater.

**COLLECTIONS SYSTEM** – In wastewater, it is the system of typically underground pipes that receive and convey sanitary wastewater or storm water.

**CERTIFICATE OF PARTICIPATION (COP)** – A type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues.

**CONTAMINANTS OF POTENTIAL CONCERN (CPC)** – Pharmaceuticals, hormones, and other organic wastewater contaminants.

**DILUTION TO THRESHOLD (D/T)** – The dilution at which the majority of people detect the odor becomes the D/T for that air sample.

**GREENHOUSE GASES (GHG)** – In the order of relative abundance water vapor, carbon dioxide, methane, nitrous oxide, and ozone gases that are considered the cause of global warming (“greenhouse effect”).

**GROUNDWATER REPLENISHMENT SYSTEM (GWRS)** – A joint water reclamation project that proactively responds to Southern California’s current and future water needs. This joint project between the Orange County Water District and OCSD provides 70 million gallons per day of drinking quality water to replenish the local groundwater supply.

**LEVEL OF SERVICE (LOS)** – Goals to support environmental and public expectations for performance.

**N-NITROSODIMETHYLAMINE (NDMA)** – A N-nitrosamine suspected cancer-causing agent. It has been found in the GWRS process and is eliminated using hydrogen peroxide with extra ultra-violet treatment.

**NATIONAL BIOSOLIDS PARTNERSHIP (NBP)** – An alliance of the NACWA and WEF, with advisory support from the EPA. NBP is committed to developing and advancing environmentally sound and sustainable biosolids management practices that go beyond regulatory compliance and promote public participation to enhance the credibility of local agency biosolids programs and improved communications that lead to public acceptance.

**PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS)** – A large group (over 6,000) of human-made compounds that are resistant to heat, water, and oil and used for a variety of applications including firefighting foam, stain and water-resistant clothing, cosmetics, and food packaging. Two PFAS compounds, perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA) have been the focus of increasing regulatory scrutiny in drinking water and may result in adverse health effects including developmental effects to fetuses during pregnancy, cancer, liver damage, immunosuppression, thyroid effects, and other effects.

**PERFLUOROCTANOIC ACID (PFOA)** – An ingredient for several industrial applications including carpeting, upholstery, apparel, floor wax, textiles, sealants, food packaging, and cookware (Teflon).

**PERFLUOROCTANESULFONIC ACID (PFOS)** – A key ingredient in Scotchgard, a fabric protector made by 3M, and used in numerous stain repellents.

**PLUME** – A visible or measurable concentration of discharge from a stationary source or fixed facility.

**PUBLICLY OWNED TREATMENT WORKS (POTW)** – A municipal wastewater treatment plant.

**SANTA ANA RIVER INTERCEPTOR (SARI) LINE** – A regional brine line designed to convey 30 million gallons per day of non-reclaimable wastewater from the upper Santa Ana River basin to the ocean for disposal, after treatment.

**SANITARY SEWER** – Separate sewer systems specifically for the carrying of domestic and industrial wastewater.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD)** – Regional regulatory agency that develops plans and regulations designed to achieve public health standards by reducing emissions from business and industry.

**SECONDARY TREATMENT** – Biological wastewater treatment, particularly the activated sludge process, where bacteria and other microorganisms consume dissolved nutrients in wastewater.

**SLUDGE** – Untreated solid material created by the treatment of wastewater.

**TOTAL SUSPENDED SOLIDS (TSS)** – The amount of solids floating and in suspension in wastewater.

## **ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS**

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**TRICKLING FILTER** – A biological secondary treatment process in which bacteria and other microorganisms, growing as slime on the surface of rocks or plastic media, consume nutrients in wastewater as it trickles over them.

**URBAN RUNOFF** – Water from city streets and domestic properties that carry pollutants into the storm drains, rivers, lakes, and oceans.

**WASTEWATER** – Any water that enters the sanitary sewer.

**WATERSHED** – A land area from which water drains to a particular water body. OCSD's service area is in the Santa Ana River Watershed.