



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 Administration Committee 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 Administration Committee's consideration in advance of the meeting only by sending them to 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 5:00 p.m. on Tuesday, May 12, 2020. All public comments will be provided to the Administration Committee 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 6, 2020

NOTICE OF MEETING

**ADMINISTRATION COMMITTEE
ORANGE COUNTY SANITATION DISTRICT**

Wednesday, May 13, 2020 – 5:00 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>

A regular meeting of the Administration Committee of the Orange County Sanitation District will be held in the manner indicated herein on
Wednesday, May 13, 2020 at 5:00 p.m.

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



ADMINISTRATION COMMITTEE MEETING DATE	BOARD MEETING DATE
05/13/20	05/27/20
06/10/20	06/24/20
07/08/20	07/22/20
AUGUST DARK	08/26/20
09/09/20	09/23/20
10/14/20	10/28/20
11/10/20 *	11/18/20 **
12/09/20	12/16/20 **
JANUARY DARK	01/27/21
02/10/21	02/24/21
03/10/21	03/24/21
04/14/21	04/28/21

**** Meeting will be held on the second Tuesday of the month***

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

**ROLL CALL
ADMINISTRATION COMMITTEE
Finance, Information Technology, Environmental Services
and Human Resources**

Meeting Date: May 13, 2020

Time: 5:00 p.m.

Adjourn: _____

COMMITTEE MEMBERS (13)

Chad Wanke, Chair	
Richard Murphy, Vice-Chair	
Jim Ferryman	
Cecilia Iglesias	
Peter Kim	
Mark Murphy	
Steve Nagel	
Andrew Nguyen	
Glenn Parker	
Erik Peterson	
Christina Shea	
David Shawver (Board Chair)	
John Withers (Board Vice-Chair)	

OTHERS

Brad Hogin, General Counsel	

STAFF

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	
Kelly Lore, Clerk of the Board	

ORANGE COUNTY SANITATION DISTRICT
BOARD OF DIRECTORS
Complete Roster

Effective 02/19/2020

AGENCY/CITIES	ACTIVE DIRECTOR	ALTERNATE DIRECTOR
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
----------------------	--------------	------------------



Orange County Sanitation District
ADMINISTRATION COMMITTEE
Regular Meeting Agenda
Wednesday, May 13, 2020 - 5:00 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 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 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 / (714) 593-7300
Asst. General Manager: Lorenzo Tyner, ltyners@ocsd.com / (714) 593-7550
Asst. General Manager: Rob Thompson, rthompson@ocsd.com / (714) 593-7310
Director of Human Resources: Celia Chandler, cchandler@ocsd.com / (714) 593-7202
Director of Engineering: Kathy Millea, kmillea@ocsd.com / (714) 593-7365
Director of Environmental Services: Lan Wiborg, lwiborg@ocsd.com / (714) 593-7450

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL - Clerk of the Board

DECLARATION OF QUORUM:

PUBLIC COMMENTS:

You may submit your comments and questions in writing for the Committee's consideration by sending them to the Clerk of the Board at 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 5:00 p.m. on May 12, 2020. All public comments will be provided to the Committee and may be read into the record or compiled as part of the record.

REPORTS:

The Committee 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.

CONSENT CALENDAR:

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

1. APPROVAL OF MINUTES [2020-969](#)

RECOMMENDATION:

Approve Minutes of the Regular Meeting of the Administration Committee Meeting held March 11, 2020.

Originator: Kelly Lore

Attachments: [Agenda Report](#)
[03-11-2020 Administration Committee Minutes](#)

2. COSTA MESA SANITARY DISTRICT ALTERNATE DISTRICT ENGINEER LENDING AGREEMENT [2020-1016](#)

RECOMMENDATION: Recommend to the Board of Directors to:

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](#)

3. ELECTRONIC RECORDING MEMORANDUM OF UNDERSTANDING COUNTY OF ORANGE CLERK-RECORDER'S OFFICE [2020-1043](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- 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](#)

4. CONSOLIDATED FINANCIAL REPORT FOR THE THIRD QUARTER ENDED MARCH 31, 2020 [2020-974](#)

RECOMMENDATION: Recommend to the Board of Directors to:

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](#)

5. APPROVE A CONTINGENCY INCREASE TO EXISTING SERVICE CONTRACT FOR HAZARDOUS WASTE DISPOSAL SERVICES [2020-1052](#)

RECOMMENDATION: Recommend to the Board of Directors to:

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](#)

**6. GENERAL MANAGER APPROVED PURCHASES AND ADDITIONS TO [2020-1051](#)
THE PRE-APPROVED OEM SOLE SOURCE LIST**

RECOMMENDATION: Recommend to the Board of Directors to:

- 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](#)

NON-CONSENT:

None.

INFORMATION ITEMS:

**7. SEISMIC EVALUATION OF STRUCTURES AT PLANT NOS. 1 AND 2, [2020-1060](#)
PROJECT NO. PS15-06**

RECOMMENDATION:

Information Item.

Originator: Kathy Millea

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

8. CAPITAL IMPROVEMENT PROGRAM PROPOSED BUDGET FOR FY2020-21 [2020-1059](#)

RECOMMENDATION:

Information Item.

Originator: Kathy Millea

Attachments: [Agenda Report](#)
[Presentation - CIP Budget](#)

9. INTERIM FOOD WASTE RECEIVING FACILITY, PROJECT NO. P2-124, AND PRICING POLICY DISCUSSION [2020-1058](#)

RECOMMENDATION:

Information Item.

Originator: Lorenzo Tyner and Kathy Millea

Attachments: [Agenda Report](#)
[Presentation - Interim Food Waste Facility](#)

DEPARTMENT HEAD REPORTS:

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 Directors may request staff to place an item on a future agenda.

ADJOURNMENT:

The next Administration Committee meeting is scheduled for Wednesday, June 10, 2020 at 5:00 p.m.



Orange County Sanitation District

ADMINISTRATION COMMITTEE

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

Agenda Report

File #: 2020-969

Agenda Date: 5/13/2020

Agenda Item No: 1.

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 Administration Committee Meeting held March 11, 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) with the complete agenda package:

- Minutes of the Administration Committee meeting held March 11, 2020



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



Orange County Sanitation District

ADMINISTRATION COMMITTEE

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

Agenda Report

File #: 2020-1016

Agenda Date: 5/13/2020

Agenda Item No: 2.

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: Recommend to the Board of Directors to:

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) 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

File #: 2020-1043

Agenda Date: 5/13/2020

Agenda Item No: 3.

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: Recommend to the Board of Directors to:

- 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) 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

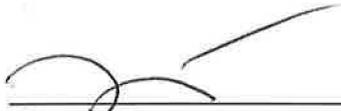
THE COUNTY OF ORANGE AS LEAD COUNTY:

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 COMMITTEE

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

Agenda Report

File #: 2020-974

Agenda Date: 5/13/2020

Agenda Item No: 4.

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: Recommend to the Board of Directors to:

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

File #: 2020-1052

Agenda Date: 5/13/2020

Agenda Item No: 5.

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: Recommend to the Board of Directors to:

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

ATTACHMENT

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

N/A



ADMINISTRATION COMMITTEE

Agenda Report

File #: 2020-1051

Agenda Date: 5/13/2020

Agenda Item No: 6.

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: Recommend to the Board of Directors to:

- 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) with the complete agenda package:

N/A



Orange County Sanitation District

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

ADMINISTRATION COMMITTEE

Agenda Report

File #: 2020-1060

Agenda Date: 5/13/2020

Agenda Item No: 7.

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:

Information Item.

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 OCSD website (www.ocsd.com) with the complete agenda package:

- Seismic Evaluation of Structures at Plant Nos. 1 & 2
- Presentation

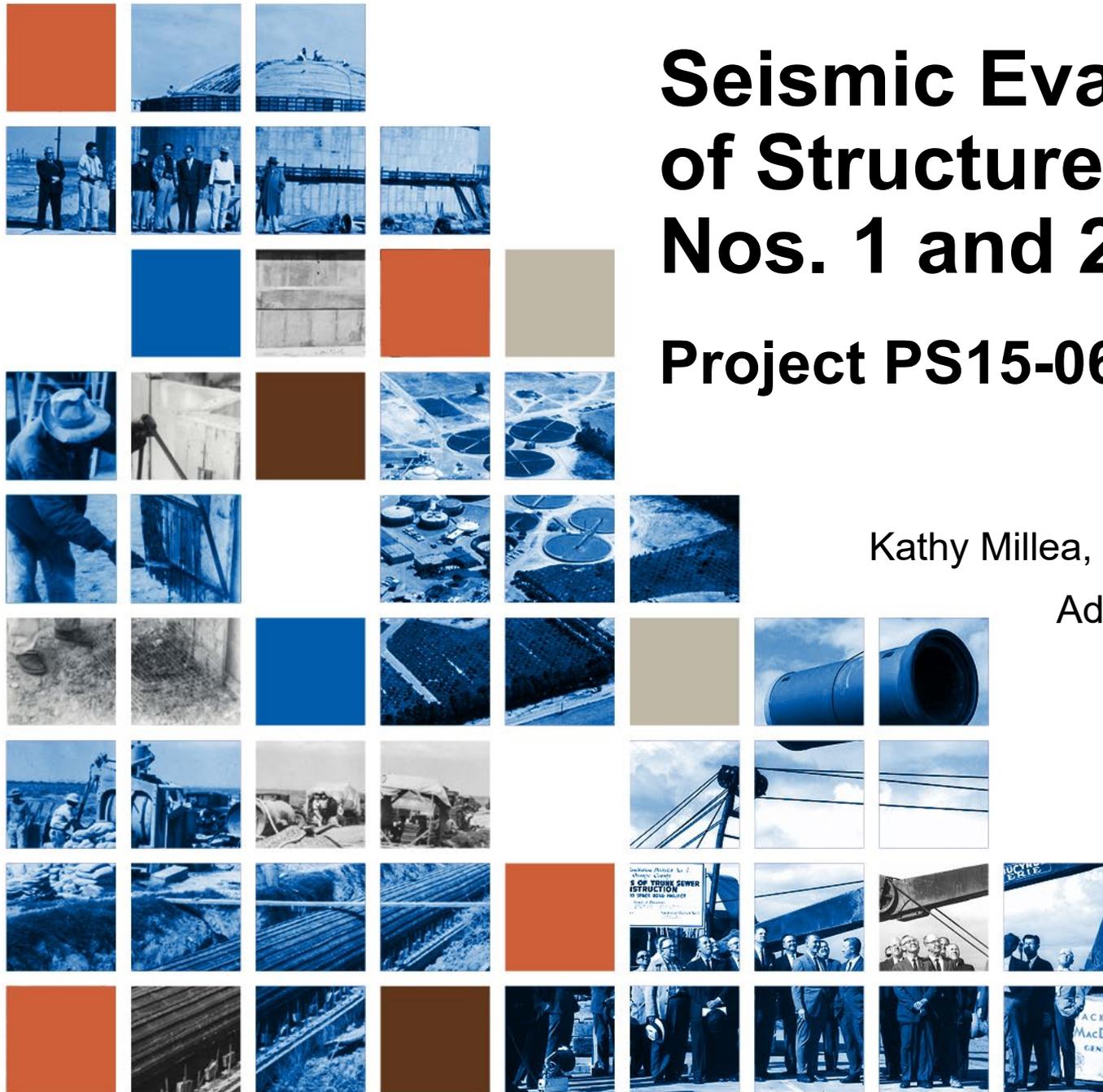
EY:sa:gc

Seismic Evaluation of Structures at Plant Nos. 1 and 2

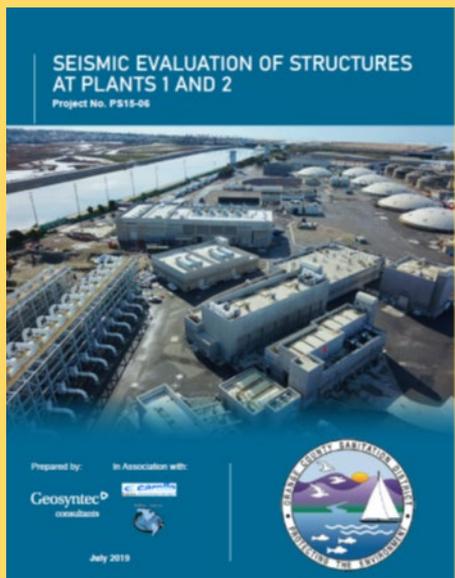
Project PS15-06

Kathy Millea, Director of Engineering
Administration Committee

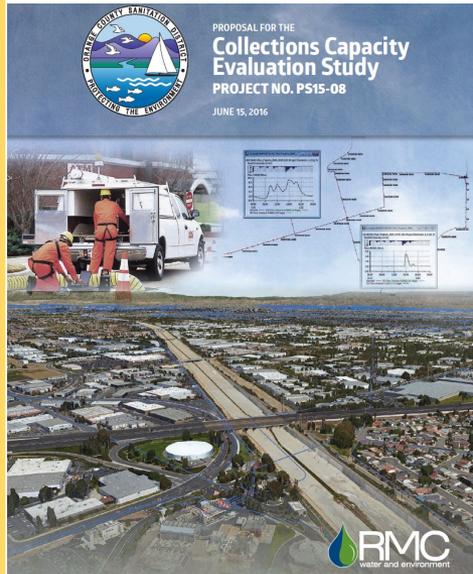
May 13, 2020



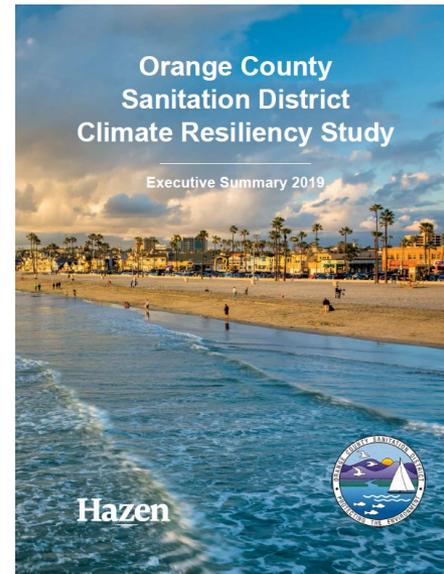
Fostering Resilience at OCSD



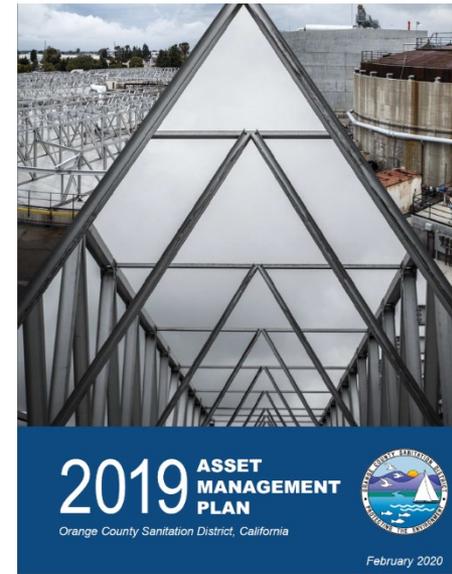
Seismic Evaluation Study



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



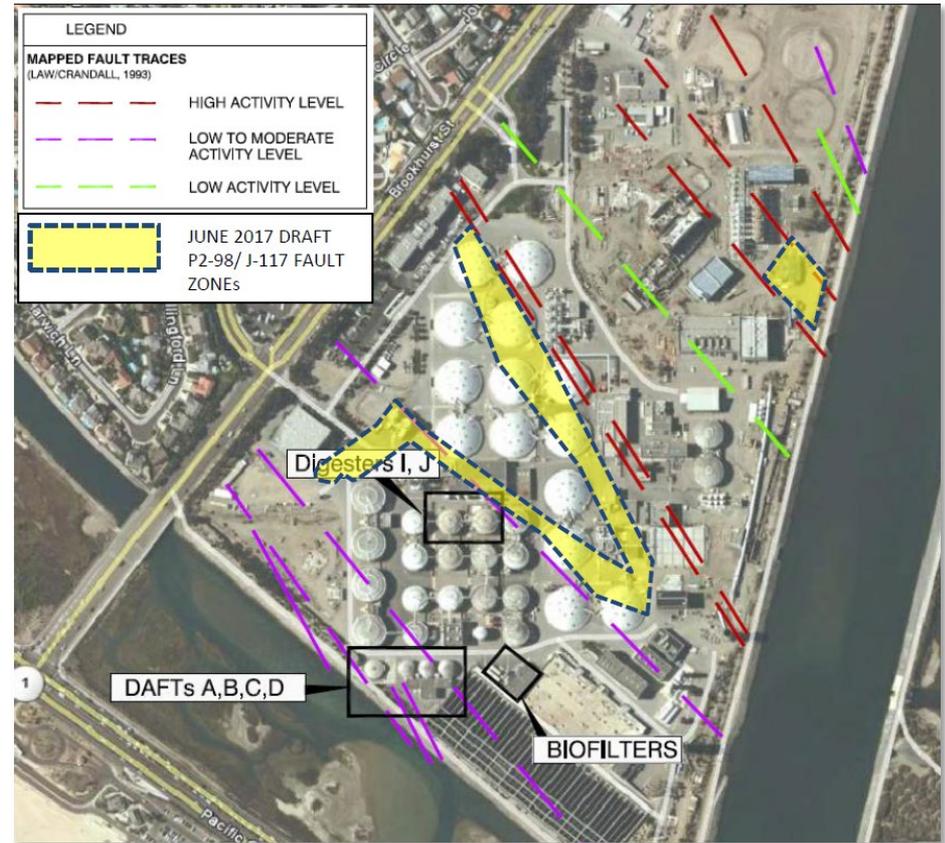
Liquefaction



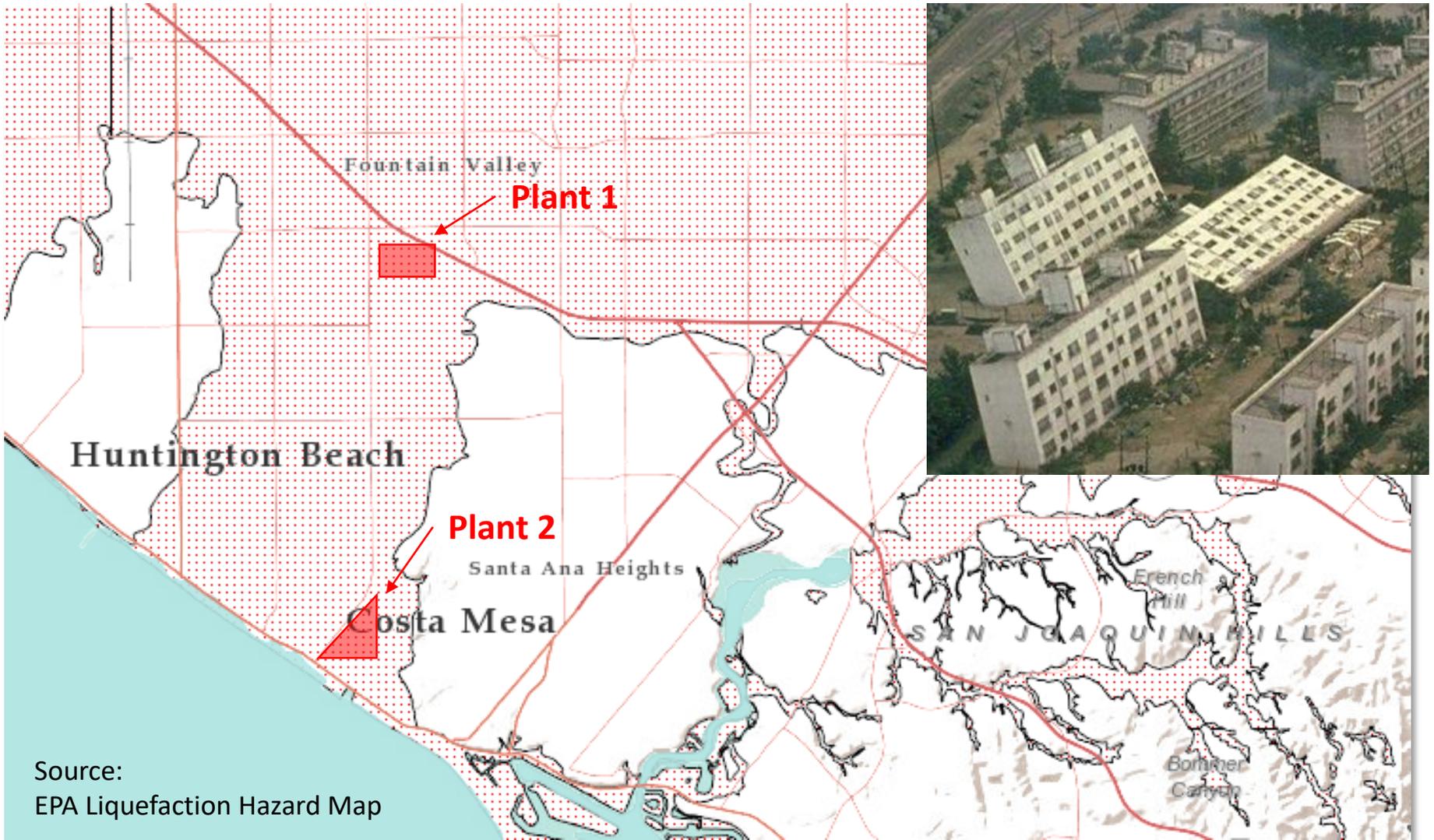
Lateral Spread



Several Local Faults Impact Seismic Hazards



Potential Liquefaction Hazard Zone



Source:
EPA Liquefaction Hazard Map

Lateral Spread a Risk

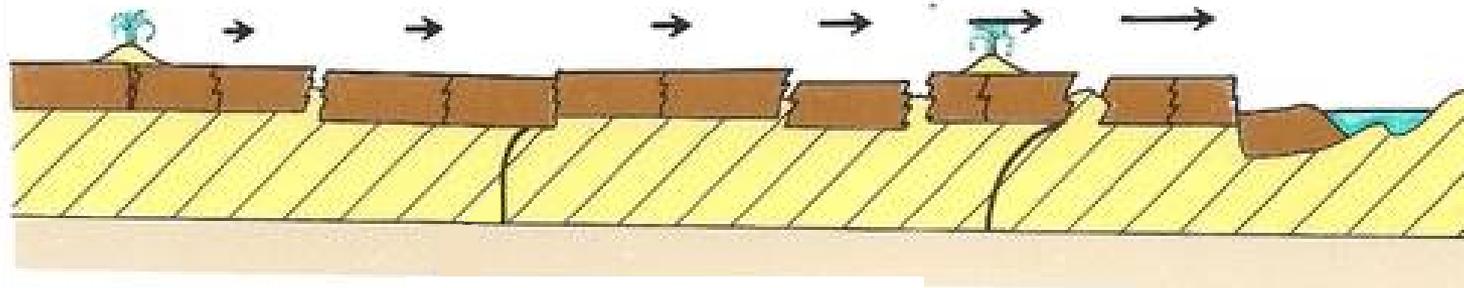


LATERAL SPREAD

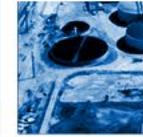
Before earthquake:



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

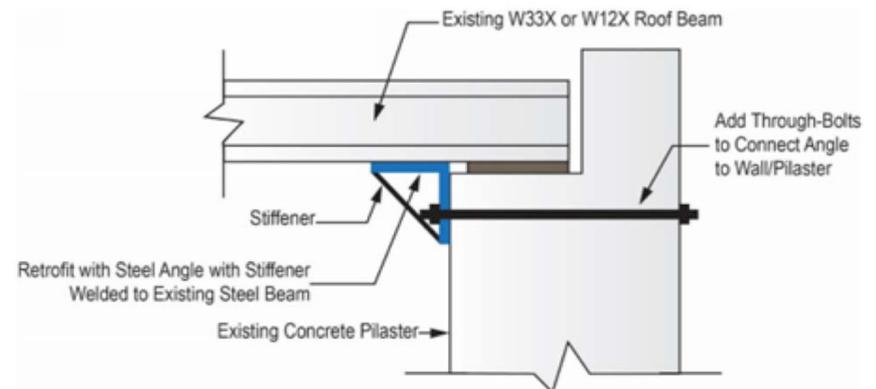
Separation of the roof element from the wall caused roof to collapse



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

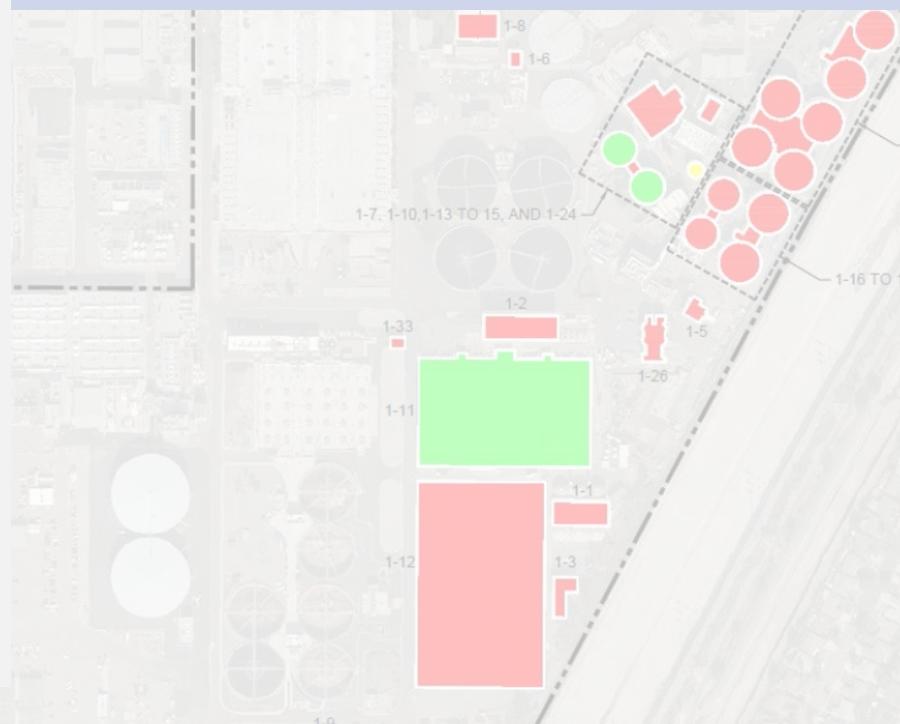
13 Structures Improved Under Planned Projects

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



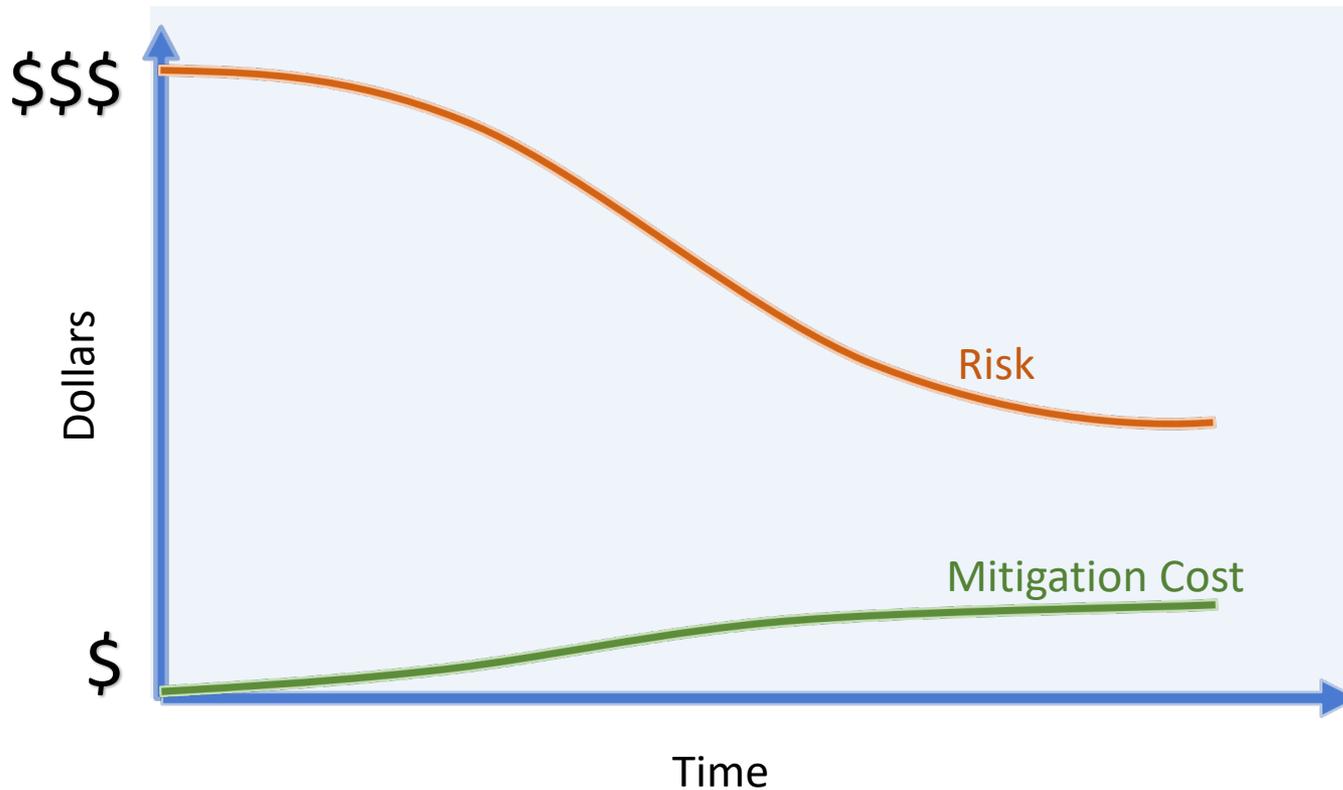
Study Summary

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

File #: 2020-1059

Agenda Date: 5/13/2020

Agenda Item No: 8.

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

SUBJECT:

CAPITAL IMPROVEMENT PROGRAM PROPOSED BUDGET FOR FY2020-21

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Item.

BACKGROUND

Staff will present the proposed Capital Improvement Program (CIP) budget to be included in the upcoming FY2020-21 and 2021-22 Budget recommendation.

RELEVANT STANDARDS

- Protect Orange County Sanitation District assets
- Ensure the public's money is wisely spent

ATTACHMENT

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

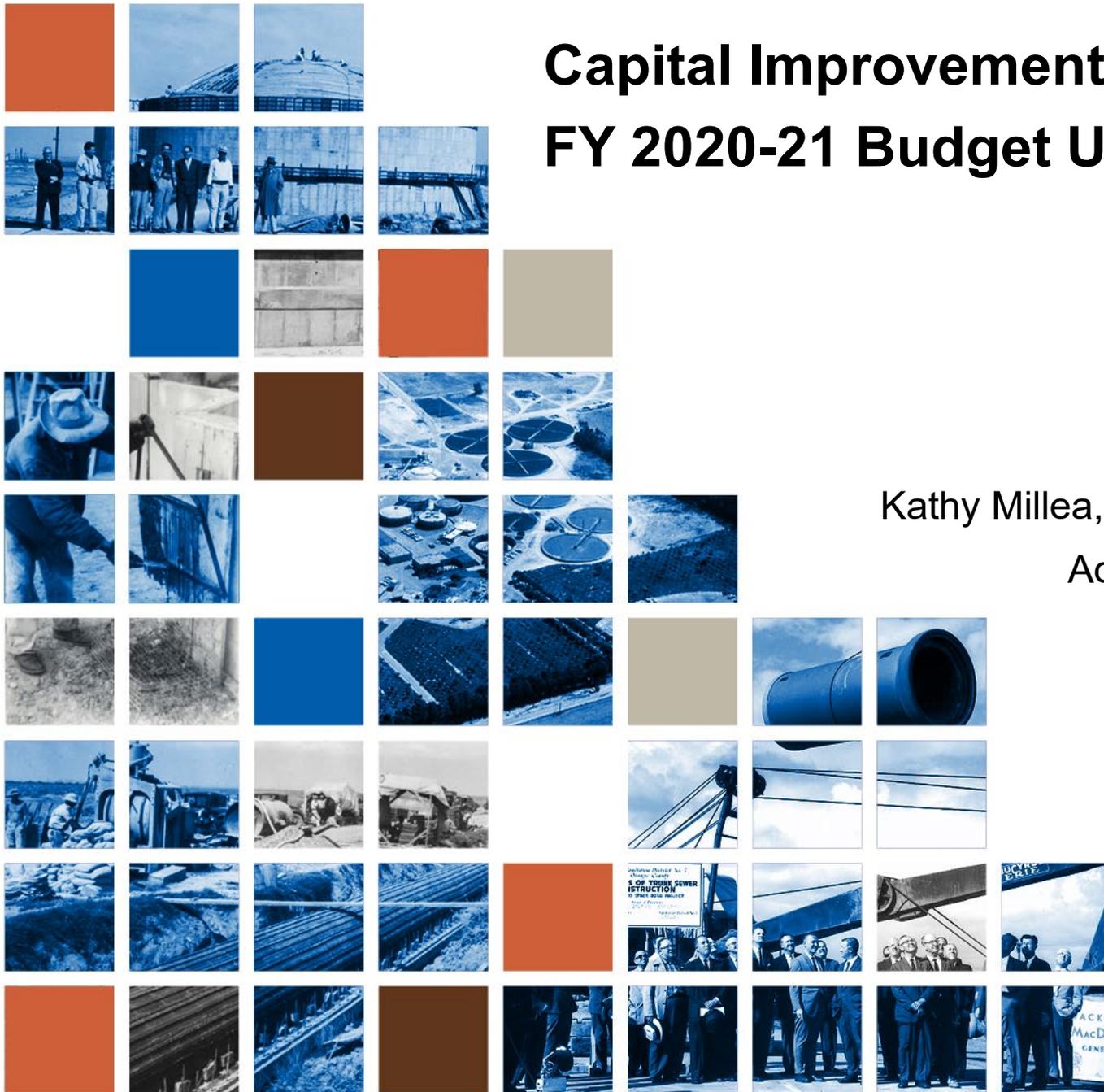
- Presentation

EY:sa

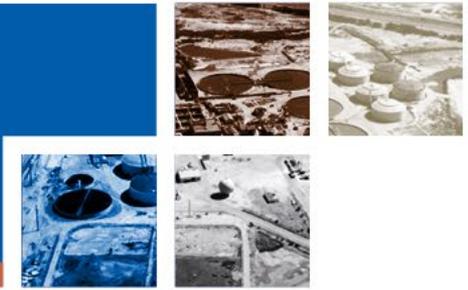
Capital Improvement Program (CIP) FY 2020-21 Budget Update

Kathy Millea, Director of Engineering
Administration Committee

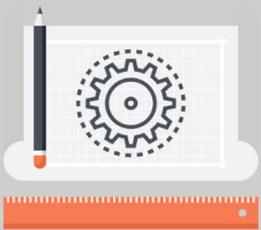
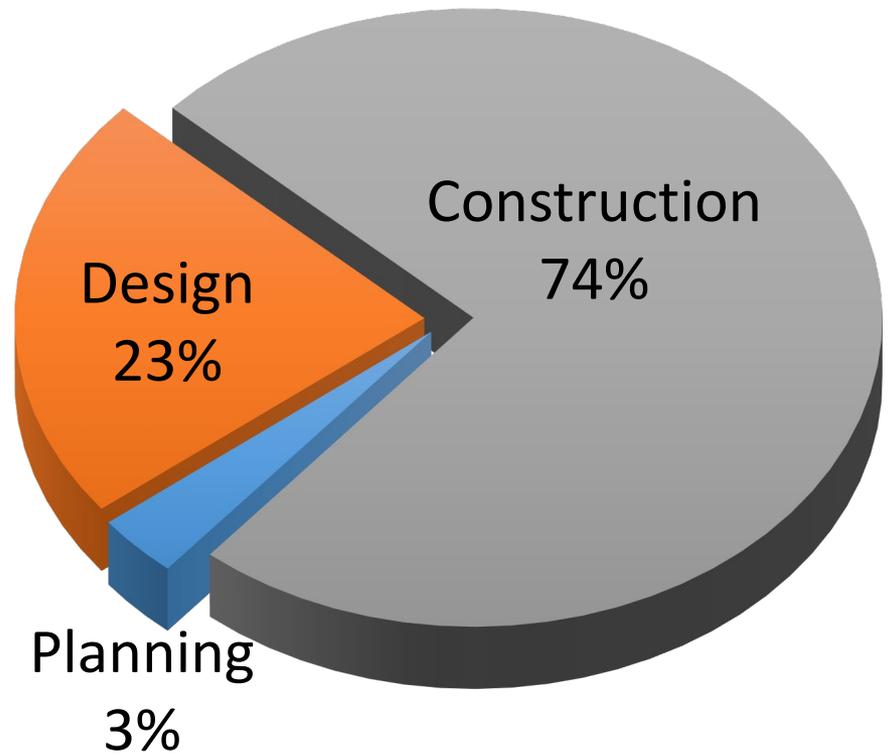
May 13, 2020



FY 2019-20 Review

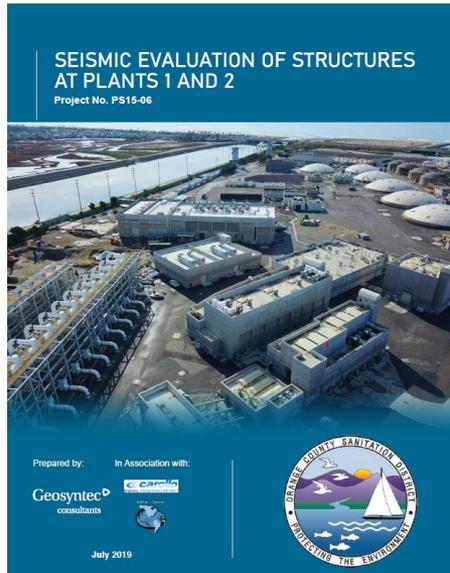


120M
NET CIP OUTLAY

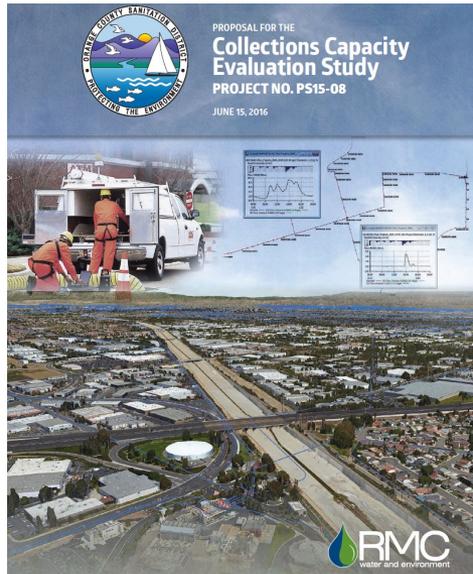


127
TOTAL PROJECTS

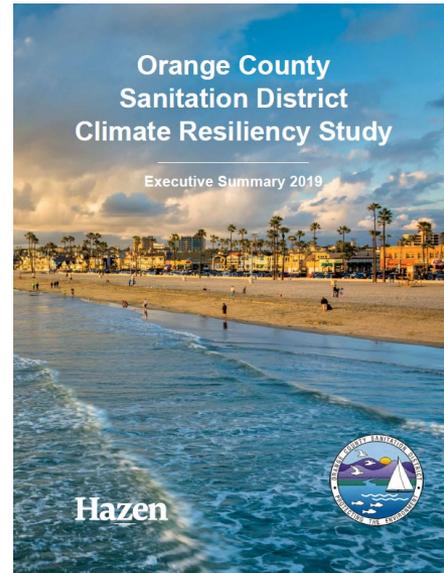
Completed Planning Studies



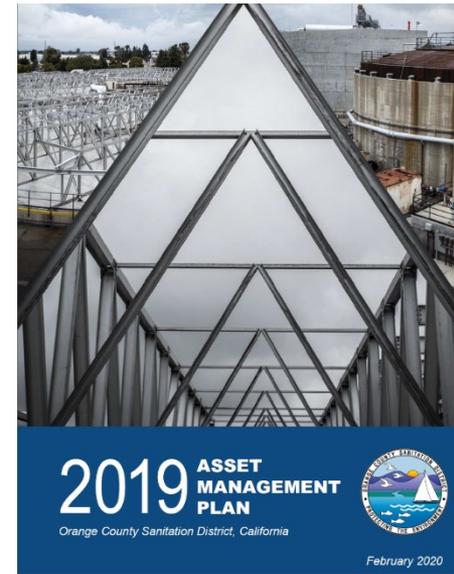
Seismic Evaluation Study



Collections Capacity Evaluation Study



Climate Resiliency Study 



Asset Management Plan

Design & Construction Accomplishments



14

DESIGNS AWARDED

Totaling
\$10.6 million



**NEW CONSTRUCTION
STARTED**

6

\$61 million
construction costs



**ADVERTISED
FOR BID**

16

\$48 million
construction costs



19

**PROJECTS
COMPLETED**

\$193 million
construction costs



37

ACTIVE DESIGNS

\$810 million
construction costs



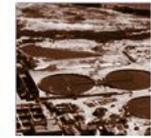
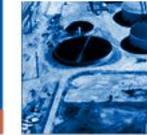
**ACTIVE
CONSTRUCTION**

15

\$275 million
construction costs

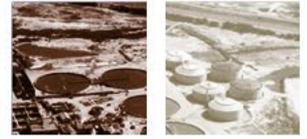


FY 2019-20 CIP Performance



Performance Measure	Goal	Performance
Net CIP Outlay	85% - 105% (\$130M-\$161M)	78% (\$120M)
Non-Construction Cost (% of Construction Costs)	< 37.5%	34.6%
Cumulative Change Order Rate	< 5%	5.3%

FY 2020-21 Budget



Board Presentations:

February – Budget Assumptions

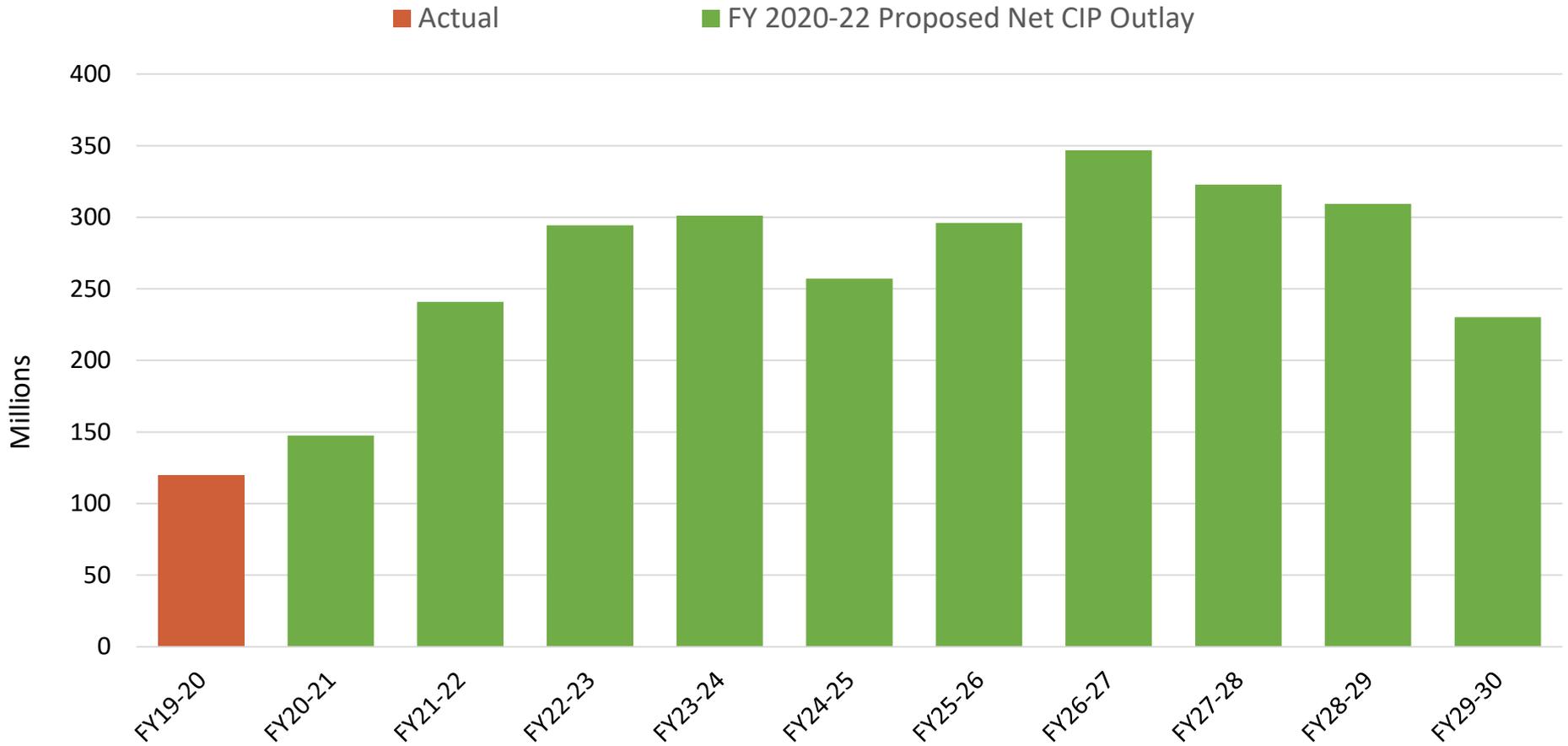
March – Revenue and Debt

April – Operational Expenditures and Insurances

May – Capital Improvement Program

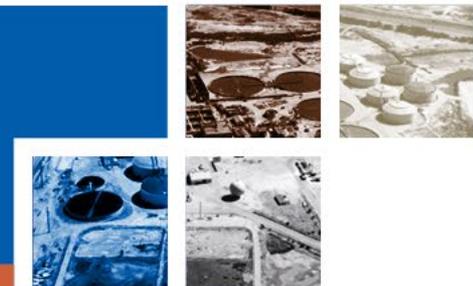
June – Board adopts FY 2020-21 Budget

10-Year Net CIP Outlay: \$2.7 Billion

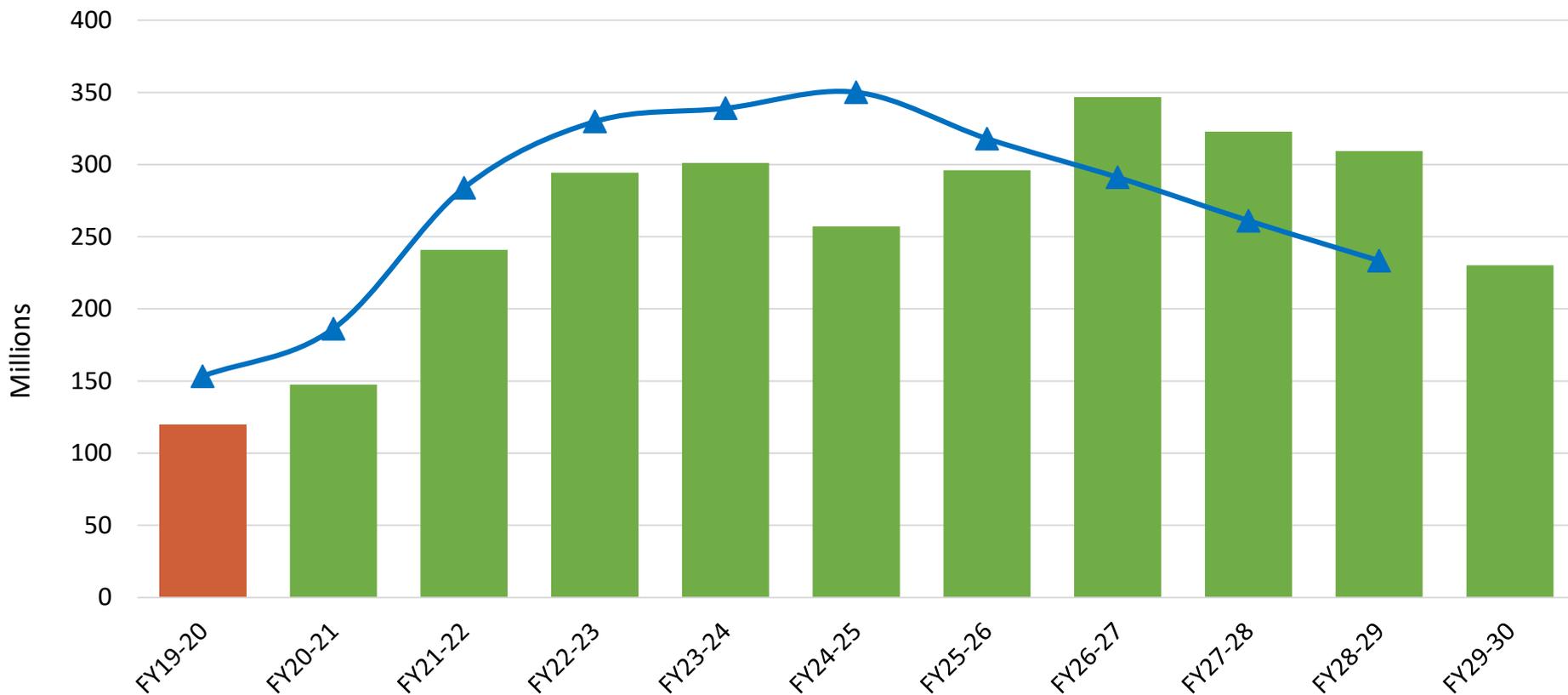


Ref: FY 2020-21 Budget, Section 4

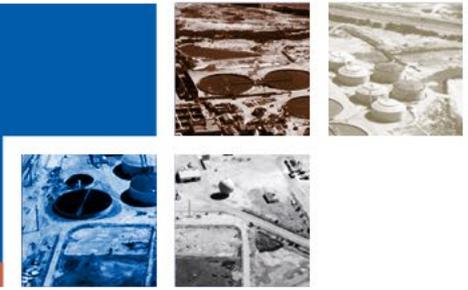
10-Year Net CIP Outlay: \$2.7 Billion



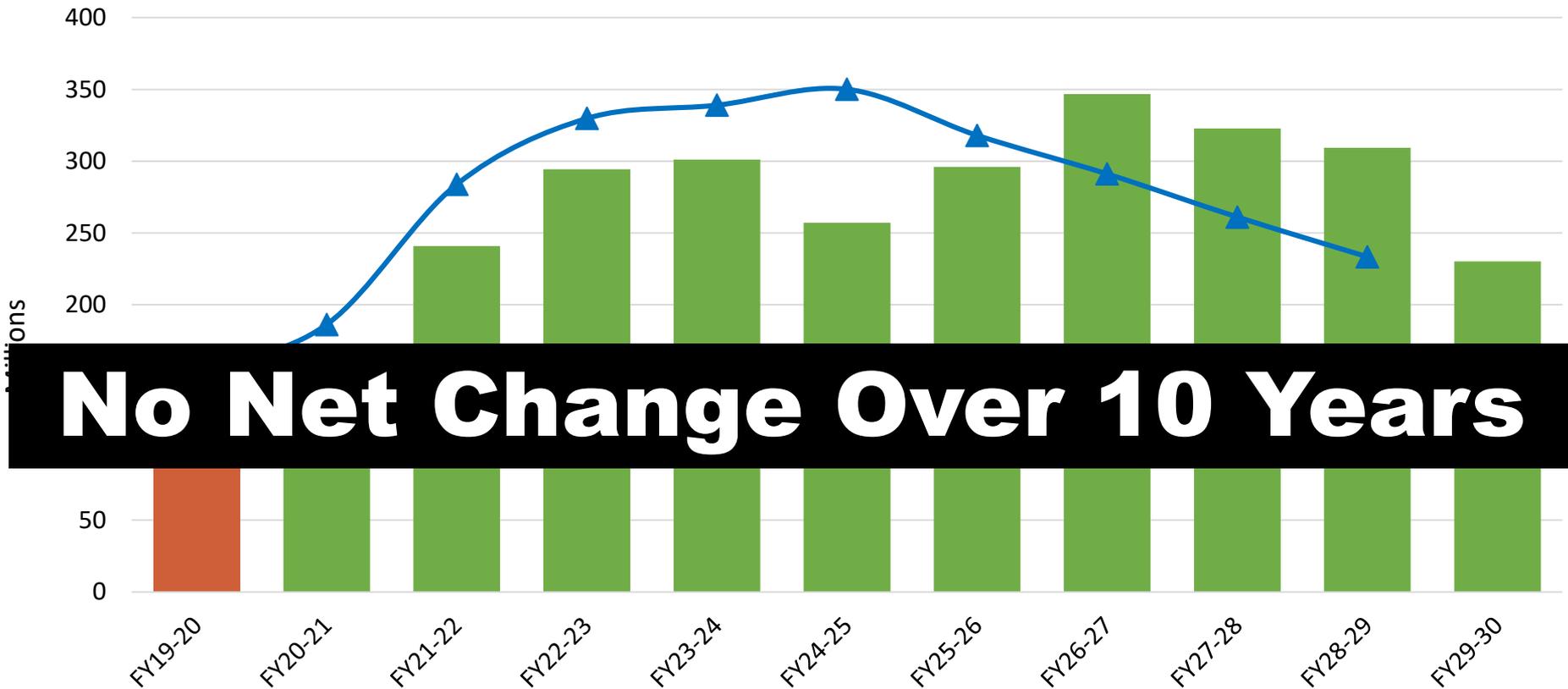
Actual FY 2020-22 Proposed Net CIP Outlay FY2019-20 Approved Net CIP Outlay



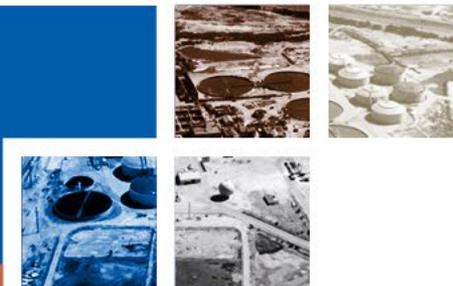
10-Year Net CIP Outlay: \$2.7 Billion



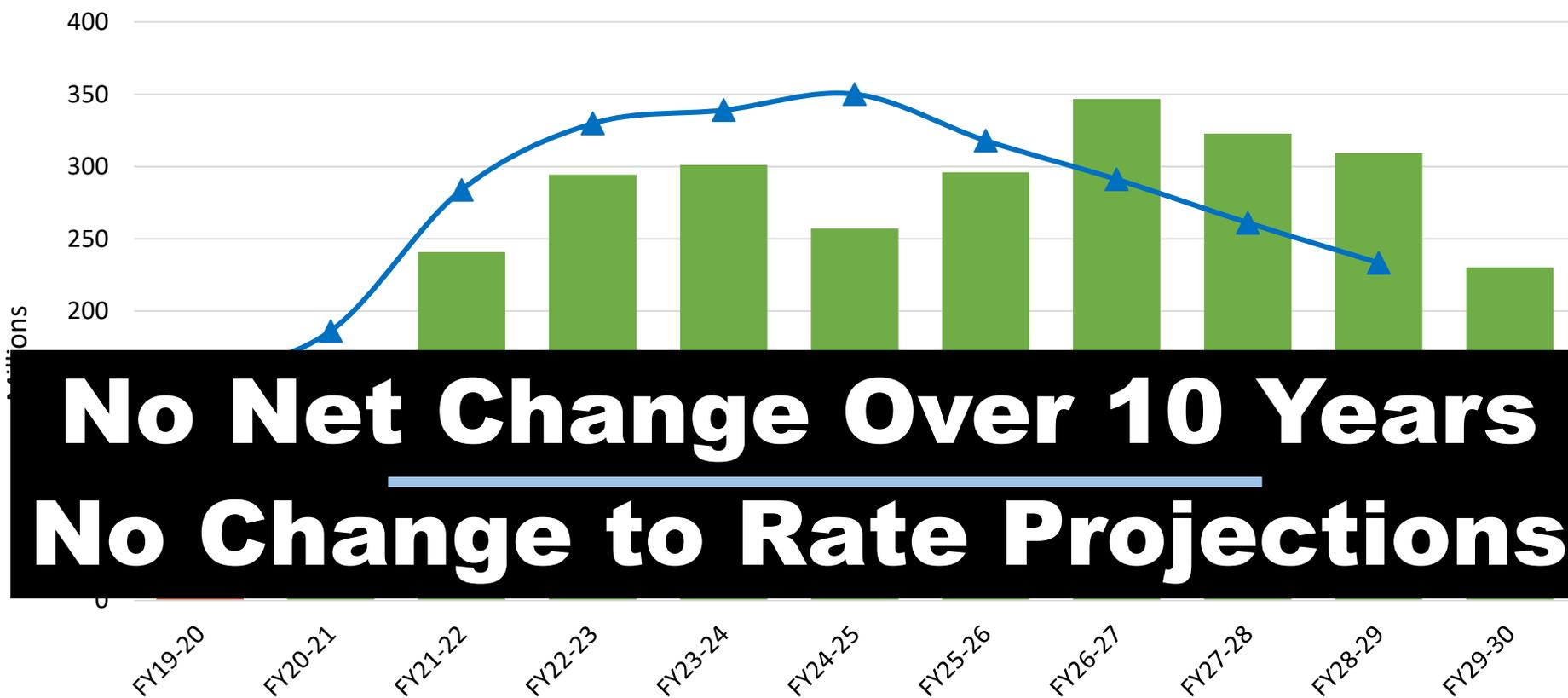
Actual FY 2020-22 Proposed Net CIP Outlay FY2019-20 Approved Net CIP Outlay



10-Year Net CIP Outlay: \$2.7 Billion

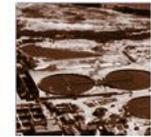
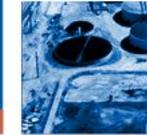


Actual FY 2020-22 Proposed Net CIP Outlay FY2019-20 Approved Net CIP Outlay



No Net Change Over 10 Years
No Change to Rate Projections

Total CIP Budget Authority

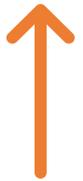


Total CIP Budget Authority	Budget
FY 19-20 Approved Total CIP Budget Authority	\$4.026 billion
FY 20-21 Proposed Total CIP Budget Authority	\$4.179 billion
Net Change	\$153 million (3.6%)

Total CIP Budget Authority



Net Change	\$153 million	
Midyear CIP Approvals by Board	\$1 million	} \$658M
Proposed New Projects	\$392 million	
Proposed Project Budget Increases	\$265 million	
Proposed Projects Budget Decreases	-\$247 million	} -\$505M
Proposed Project Cancellations/Closures	-\$257 million	
Capital Equipment Purchases	-\$0.7 million	



Total CIP Budget Authority



Net Change	\$153 million	
Midyear CIP Approvals by Board	\$1 million	} ↑ \$658M
Proposed New Projects	\$392 million	
Proposed Project Budget Increases	\$265 million	} ↓ -\$505M
Proposed Projects Budget Decreases	-\$247 million	
Proposed Project Cancellations/Closures	-\$257 million	
Capital Equipment Purchases	-\$0.7 million	

New Projects



Project No.	Project Name	Proposed Budget	Start Date
J-135	Central Generation Engine Overhauls at Plant No. 1 and 2	\$26 M	2020
1-23	Santa Ana Trunk Sewer Rehabilitation (Santa Ana)	\$54 M	2021
J-136	Power Building Structural Seismic Improvements at Plant Nos. 1 and 2	\$7 M	2021
P1-137	Supports Buildings Seismic Improvements at Plant No. 1	\$24 M	2021
P1-138	Network, Telecom and Server Relocation at Plant No. 1	\$3 M	2021
P2-135	Sodium Bisulfite Station Rehabilitation at Plant No. 2	\$4 M	2021
P2-137	Digesters Rehabilitation at Plant No. 2	\$41 M	2021
P2-138	Operations and Maintenance Complex at Plant No. 2	\$95 M	2021
1-24	Greenville Trunk Improvements (Santa Ana)	\$49 M	2022
7-69	North Trunk Improvements (Tustin)	\$9 M	2022
P2-136	Activated Sludge Aeration Basin at Plant No. 2	\$65 M	2022
P1-136	12.47 kV Switchgear Replacement at Central Generation at Plant No. 1	\$15 M	2025

New Projects



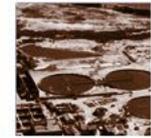
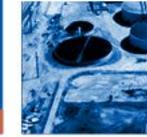
Project No.	Project Name	Proposed Budget	Start Date
J-135	Central Generation Engine Overhauls at Plant No. 1 and 2	\$26 M	2020
1-23	Santa Ana Trunk Sewer Rehabilitation (Santa Ana)	\$54 M	2021
J-136	Power Building Structural Seismic Improvements at Plant Nos. 1 and 2	Seismic	
P1-137	Supports Buildings Seismic Improvements at Plant No. 1	Seismic	
P1-138	Network, Telecom and Server Relocation at Plant No. 1	\$3 M	2021
P2-135	Sodium Bisulfite Station Rehabilitation at Plant No. 2	\$4 M	2021
P2-137	Digesters Rehabilitation at Plant No. 2	\$41 M	2021
P2-138	Operations and Maintenance Complex at Plant No. 2	Seismic	
1-24	Greenville Trunk Improvements (Santa Ana)	\$49 M	2022
7-69	North Trunk Improvements (Tustin)	\$9 M	2022
P2-136	Activated Sludge Aeration Basin at Plant No. 2	\$65 M	2022
P1-136	12.47 kV Switchgear Replacement at Central Generation at Plant No. 1	\$15 M	2025

New Projects



Project No.	Project Name	Proposed Budget	Start Date
J-135	Central Generation Engine Overhauls at Plant No. 1 and 2	\$26 M	2020
1-23	Santa Ana Trunk Sewer Rehabilitation (Santa Ana)	\$54 M	2021
J-136	Power Building Structural Seismic Improvements at Plant Nos. 1 and 2	Seismic	
P1-137	Supports Buildings Seismic Improvements at Plant No. 1	Seismic	
P1-138	Network, Telecom and Server Relocation at Plant No. 1	\$3 M	2021
P2-135	Sodium Bisulfite Station Rehabilitation at Plant No. 2	\$4 M	2021
P2-137	Digesters Rehabilitation at Plant No. 2	Replaces P2-91-1	
P2-138	Operations and Maintenance Complex at Plant No. 2	Seismic	
1-24	Greenville Trunk Improvements (Santa Ana)	\$49 M	2022
7-69	North Trunk Improvements (Tustin)	\$9 M	2022
P2-136	Activated Sludge Aeration Basin at Plant No. 2	\$65 M	2022
P1-136	12.47 kV Switchgear Replacement at Central Generation at Plant No. 1	\$15 M	2025

Top Budget Increases



Project No.	Project Name	Proposed Budget	Phase
P2-133	B/C-Side Primary Sedimentation Basins Rehabilitation at Plant No. 2	\$280 M	Future
J-133	Laboratory Rehabilitation at Plant No. 1	\$44 M	Future
3-68	Los Alamitos Sub-Trunk Extension (Seal Beach, unincorporated)	\$84 M	Future
3-60	Beach Relief Trunk/Knott Interceptor/Miller Holder Trunk Rehabilitation (Buena Park)	\$35 M	Future
M-FE	Small Construction Projects Program	\$65 M	Future
P1-126	Primary Sedimentation Basins No. 3-5 Replacement at Plant No. 1	\$118 M	Future
P2-126	Warehouse, Electrical Substation & 12kV Service Center Replacement at Plant 2	\$65 M	Project Development
P2-128	TPAD Digester Facility at Plant 2	\$455 M	Pre-Design
5-67	Bay Bridge Pump Station Replacement (Newport Beach)	\$74 M	Pre-Design
J-124	Digester Gas Facilities Rehabilitation	\$173 M	Design

Top Budget Increases



Project No.	Project Name	Proposed Budget	Phase
P2-133	B/C-Side Primary Sedimentation Basins Rehabilitation at Plant No. 2	\$280 M	Future
J-133	Laboratory Rehabilitation at Plant No. 1	Seismic	
3-68	Los Alamitos Sub-Trunk Extension (Seal Beach, unincorporated)	\$84 M	Future
3-60	Beach Relief Trunk/Knott Interceptor/Miller Holder Trunk Rehabilitation (Buena Park)	\$35 M	Future
M-FE	Small Construction Projects Program	\$65 M	Future
P1-126	Primary Sedimentation Basins No. 3-5 Replacement at Plant No. 1	\$118 M	Future
P2-126	Warehouse, Electrical Substation & 12kV Service Center Replacement at Plant 2	Merged Project	
P2-128	TPAD Digester Facility at Plant 2	Seismic	
5-67	Bay Bridge Pump Station Replacement (Newport Beach)	\$74 M	Pre-Design
J-124	Digester Gas Facilities Rehabilitation	\$173 M	Design

Top Budget Decreases



Project No.	Project Name	Proposed Budget	Phase
P1-127	Central Generation Rehabilitation at Plant No. 1	\$68 M	Future
J-120	Process Control Systems Upgrades	\$33 M	Future
P2-119	Central Generation Rehabilitation at Plant No. 2	\$108 M	Future
5-66	Crystal Cove Pump Station Rehabilitation (Newport Beach)	\$13 M	Future
11-33	Edinger Pump Station Replacement (Huntington Beach)	\$10 M	Future
3-64	Rehabilitation of Western Regional Sewers (Anaheim, Buena Park, Cypress, La Palma, Los Alamitos, Seal Beach, unincorporated)	\$70 M	Pre-Design
P2-98	Primary Treatment Rehabilitation at Plant No. 2	\$237 M	Design
P2-122	Headworks Modifications at Plant No. 2 for GWRS Final Expansion	\$32 M	Construction
3-62	Westminster Blvd Force Main Replacement (Seal Beach, Westminster)	\$44 M	Construction
P2-123	Return Activated Sludge Piping Replacement at Plant 2	\$11 M	Construction

Project Cancellations/ Closures



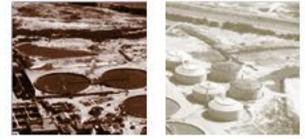
Project No.	Project Name	Approved Budget	Status
P1-100	Digester Rehabilitation at Plant 1	\$66 M	Closed
5-60	Newport Force Main Rehabilitation (Newport Beach)	\$60 M	Closed
7-37	Gisler - Red Hill Trunk Improvements - Reach B (Tustin)	\$25 M	Closed
J-131	18350 Mt. Langley St. Building Purchase and Improvement	\$10 M	Closed
P2-107	SCADA System and Network Upgrades	\$5 M	Closed
P2-118	Activated Sludge Aeration Basin Deck Repair at Plant No. 2	\$2 M	Closed
SP-152	Climate Resiliency Study	\$1 M	Closed
P2-134	Substation Replacement at Plant No. 2	\$40 M	Cancelled
7-67	Main Street Pump Replacement and Force Main Rehabilitation (Irvine, Costa Mesa)	\$17M	Cancelled
P2-91-1	Plant No. 2 Digester Facilities Rehabilitation	\$16 M	Cancelled
1-101	Raitt and Bristol Street Sewer Extension (Santa Ana)	\$7 M	Cancelled
J-121	UPS System Upgrades	\$5 M	Cancelled
P2-125	Perimeter Screening at Plant No. 2	\$3 M	Cancelled

Project Cancellations/ Closures



Project No.	Project Name	Approved Budget	Status
P1-100	Digester Rehabilitation at Plant 1	\$66 M	Closed
5-60	Newport Force Main Rehabilitation (Newport Beach)	\$60 M	Closed
7-37	Gisler - Red Hill Trunk Improvements - Reach B (Tustin)	\$25 M	Closed
J-131	18350 Mt. Langley St. Building Purchase and Improvement	\$10 M	Closed
P2-107	SCADA System and Network Upgrades	\$5 M	Closed
P2-118	Activated Sludge Aeration Basin Deck Repair at Plant No. 2	\$2 M	Closed
SP-152	Climate Resiliency Study	\$1 M	Closed
P2-134	Substation Replacement at Plant No. 2	Merged Project	
7-67	Main Street Pump Replacement and Force Main Rehabilitation (Irvine, Costa Mesa)	Merged Project	
P2-91-1	Plant No. 2 Digester Facilities Rehabilitation	Replaced with P2-137	
1-101	Raitt and Bristol Street Sewer Extension (Santa Ana)	\$7 M	Cancelled
J-121	UPS System Upgrades	\$5 M	Cancelled
P2-125	Perimeter Screening at Plant No. 2	\$3 M	Cancelled

OCSD is “Shovel Ready”



37
PROJECTS

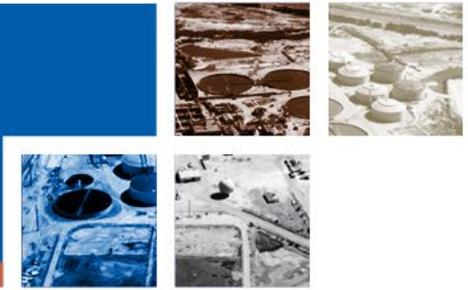


\$

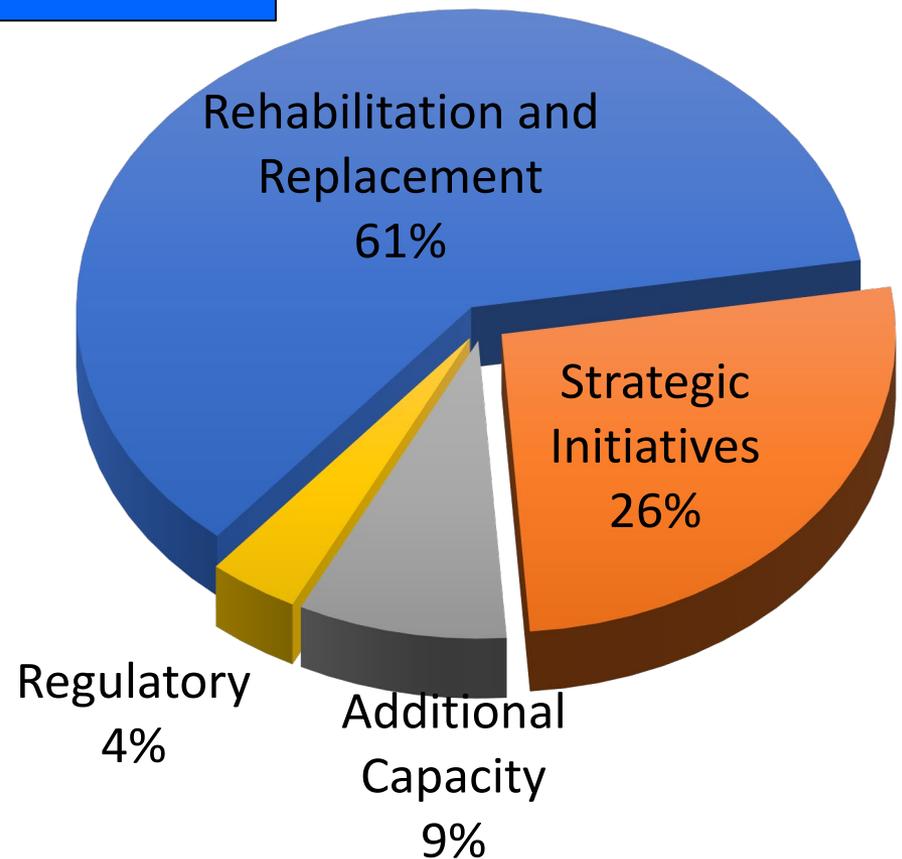
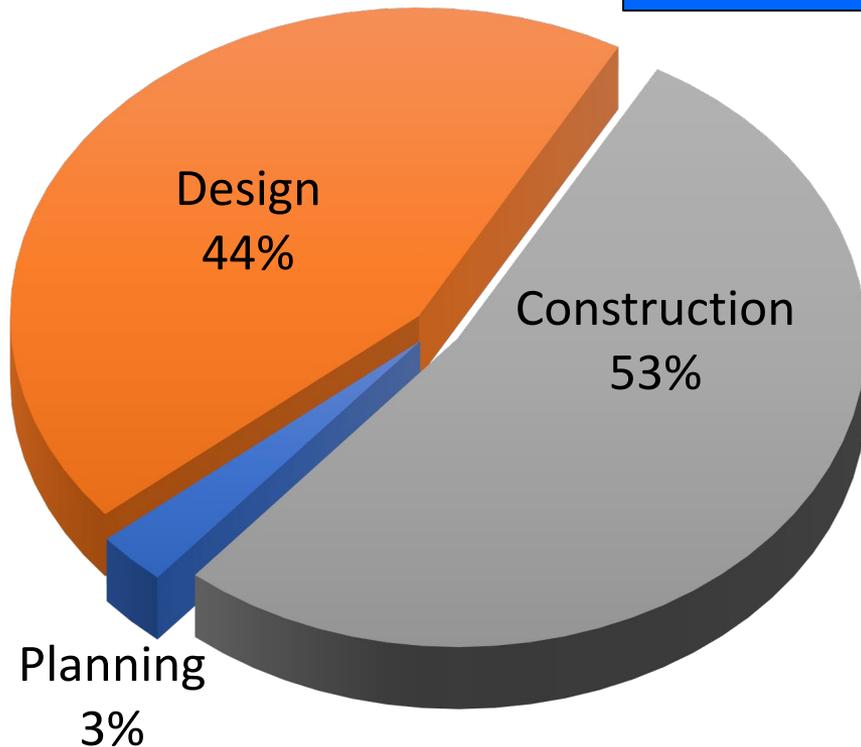
500M

Project Name	Construction Cost
Plant 1	\$ 293,268,000
Plant 2	\$ 139,400,000
Plant No. 1 and 2	\$ 20,000,000
Plant No. 1	\$ 6,752,000
Plant No. 2	\$ 5,453,000
Plant No. 1	\$ 5,105,000
Plant No. 1	\$ 4,500,000
Plant No. 2	\$ 4,100,000
Plant No. 1	\$ 2,691,000
Plant No. 2	\$ 2,500,000
Plant No. 1	\$ 2,500,000
Plant No. 2	\$ 1,200,000
Plant No. 1	\$ 880,000
Plant No. 2	\$ 750,000
Plant No. 1	\$ 662,000
Plant No. 2	\$ 661,000
Plant No. 1	\$ 650,000
Plant No. 2	\$ 650,000

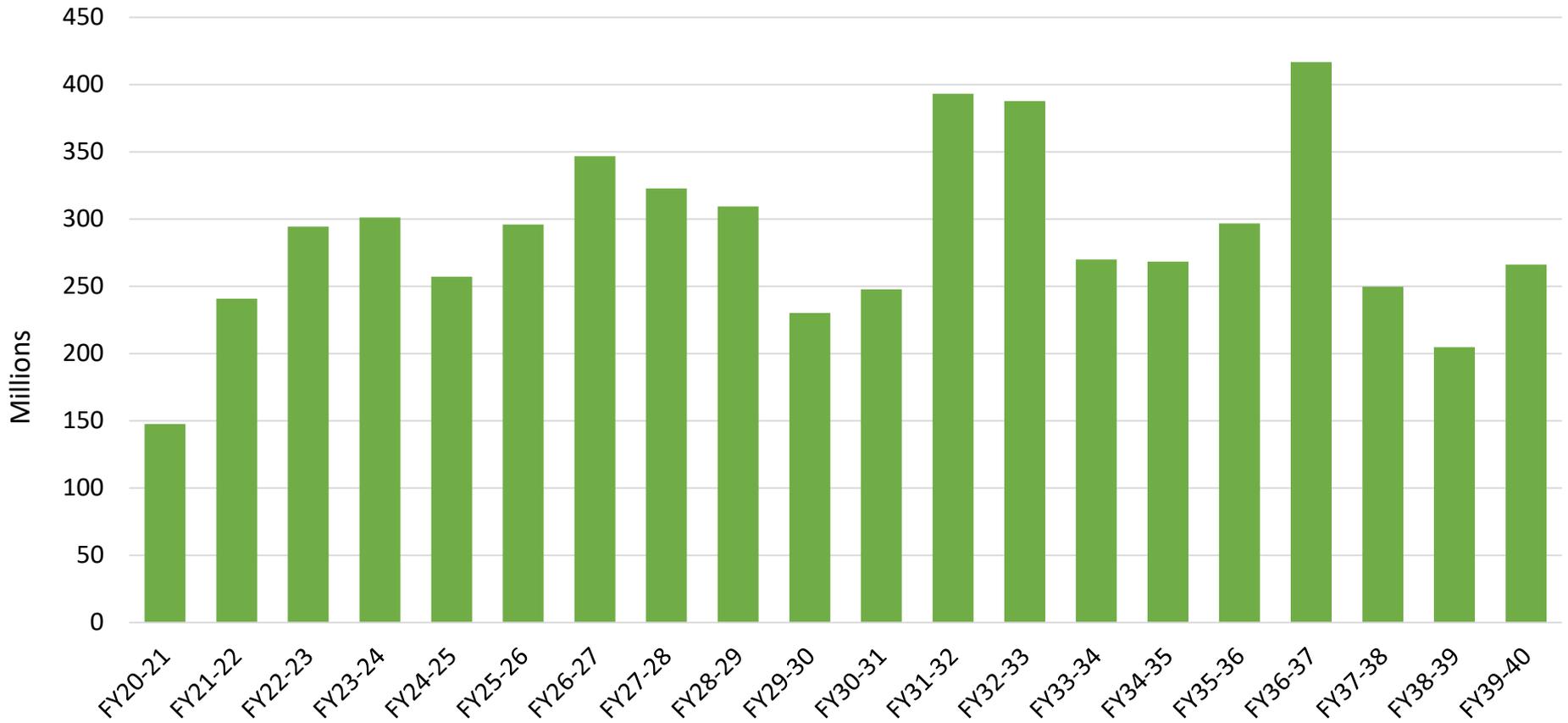
Projected FY 2020-21 Net CIP Outlays by Project Phase



Total Net CIP Outlay
\$147.6 million



20-Year Net CIP Outlay: \$5.7 Billion



Ref: FY 2020-21 Budget, Section 2



Questions?





Orange County Sanitation District

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

ADMINISTRATION COMMITTEE

Agenda Report

File #: 2020-1058

Agenda Date: 5/13/2020

Agenda Item No: 9.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager and Kathy Millea, Director of Engineering

SUBJECT:

INTERIM FOOD WASTE RECEIVING FACILITY, PROJECT NO. P2-124, AND PRICING POLICY DISCUSSION

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Item.

BACKGROUND

California State Assembly Bill 1826 and Senate Bill 1383 require cities to divert organics such as food waste away from landfills in effort to reduce short-lived climate pollution such as methane. This regulatory shift has created an opportunity in the wastewater sector to provide a cost-neutral and environmentally friendly service to help manage organics such as food waste by way of anaerobic co-digestion. Specifically, preprocessed food waste would be mixed with sludge in anaerobic digesters to produce methane gas and energy. The Orange County Sanitation District understands the importance of and opportunity presented by these mandates and elected to design an Interim Food Waste Receiving Facility, Project No. P2-124, and initiate pricing policy discussions through the Strategic Plan 2019 process.

RELEVANT STANDARDS

- Maintain and adhere to appropriate internal planning documents (Biosolids Master Plan)
- Use all practical and effective means for resource recovery

PRIOR COMMITTEE/BOARD ACTIONS

July 2019 - Informational item and presentation to the Operations and Administration Committees regarding the project.

September 2018 - Approved a Professional Design Services Agreement with Kennedy/Jenks Consultants to provide engineering design services for Interim Food Waste Receiving Facility, Project No. P2-124, for an amount not to exceed \$695,000, and approved a contingency of \$69,500 (10%).

ADDITIONAL INFORMATION

In 2018, the Biosolids Master Plan (“Master Plan”) evaluated the feasibility of receiving pre-processed food waste for anaerobic digestion to produce additional methane gas. It concluded the costs to construct and operate the facilities and handle the additional biosolids production could be offset by tipping fees charged to food waste processors/solid waste haulers and additional power associated with the increased methane gas production. As such, the Master Plan recommended an interim food waste facility be constructed until a more permanent facility can be constructed in 10 to 15 years when the designated space would become available following demolition of existing digesters. The Interim Food Waste Receiving Facility will consist of prefabricated storage tanks, mixing and transfer pumps, and piping to the digesters.

The Board will be provided an update on the design of the Interim Food Waste Receiving Facility which includes an update of the project viability and tipping fees calculated based on project and operational costs. Pricing information will be provided on tipping fees established by other wastewater treatment plants that are currently or planning to receive food waste. Lastly, the informational update will close with a discussion on policy questions related to the development of a tipping fee that was previously introduced as part of the Food Waste Treatment Policy referenced in the 2019 Strategic Plan.

CEQA

This project was covered under the Biosolids Master Plan Program Environmental Impact Report, adopted by the Board on June 27, 2018. A Notice of Determination was filed on September 27, 2018, after Board approval of the Professional Design Services Agreement.

ATTACHMENT

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

- Presentation

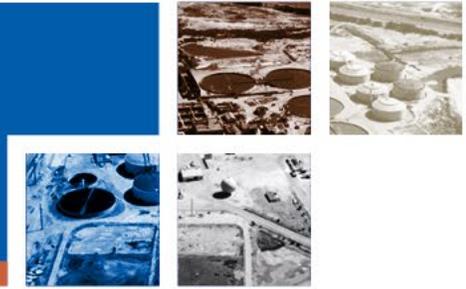


Interim Food Waste Receiving Facility, P2-124 Pricing and Policy Discussion

Administration Committee Meeting
May 13, 2020

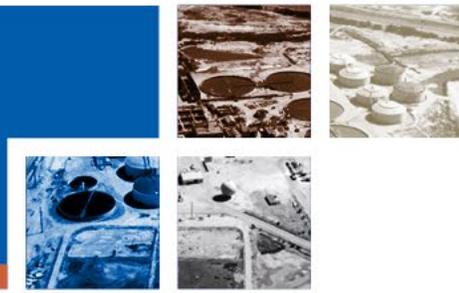


Objectives



- Help cities divert food waste from landfills
- Utilize existing OCSD infrastructure
- Recover energy and organics from food waste
- Provide a cost-effective option for ratepayers

History



**STATE
MANDATES
2011-2020**



**OCSD BIOSOLIDS
MASTER PLAN 2015
RECOMMENDATION**



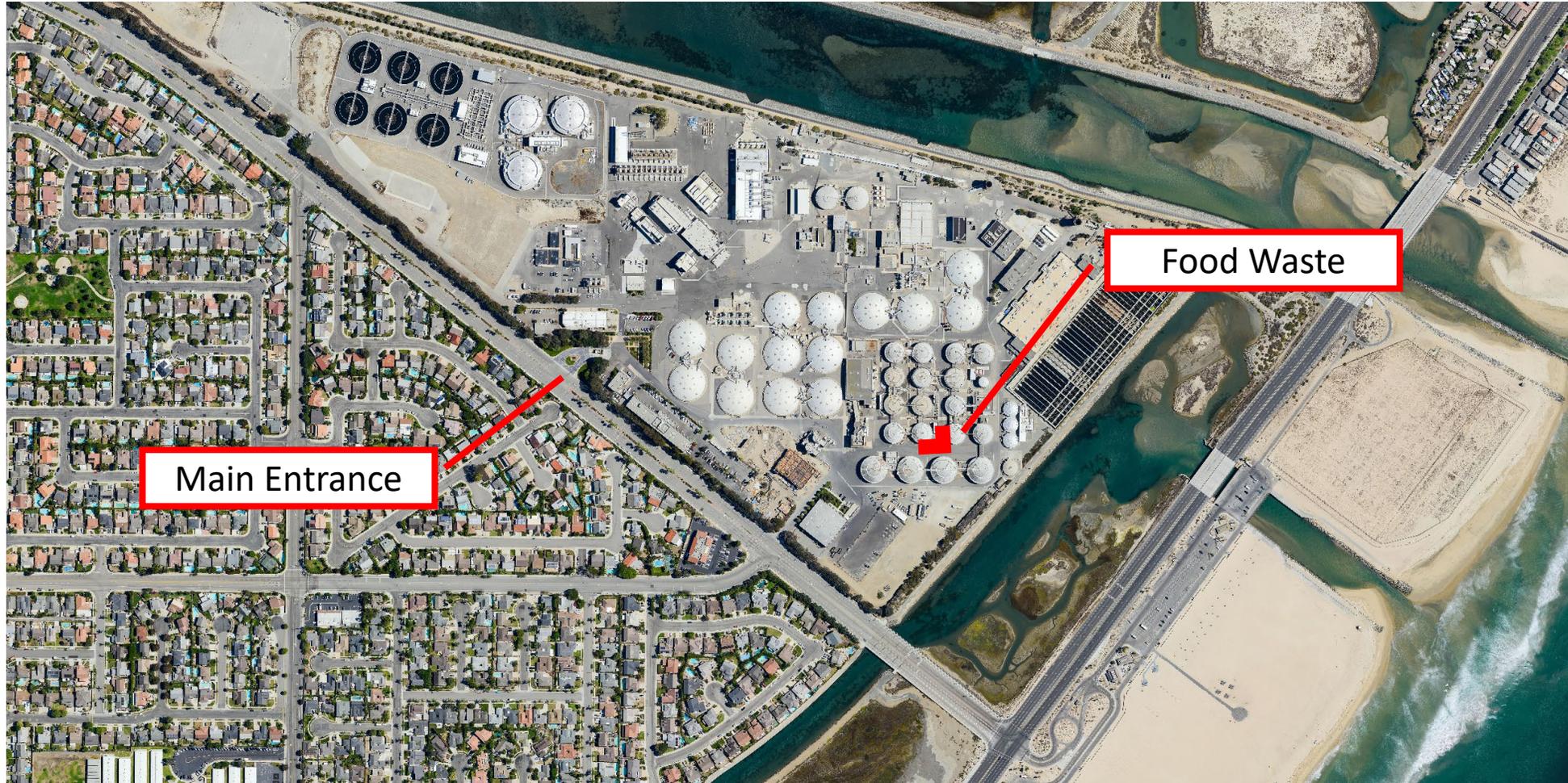
**P2-124
PROJECT
DESIGN
2018-2020**



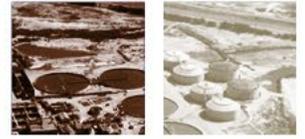
**OCSD 2019
STRATEGIC PLAN**



Location – Plant No. 2



Facility Highlights



- 10-15 Year Life
- 150 Wet Tons/Day
- 5-6 Trucks/Day
- 15% Gas Production Increase



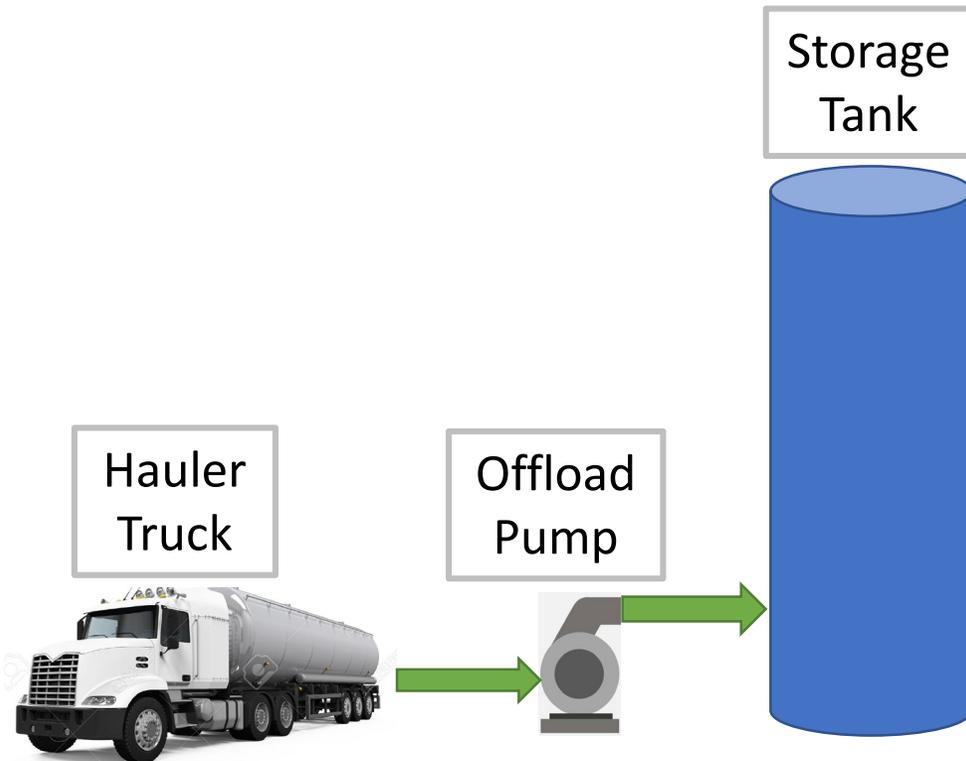
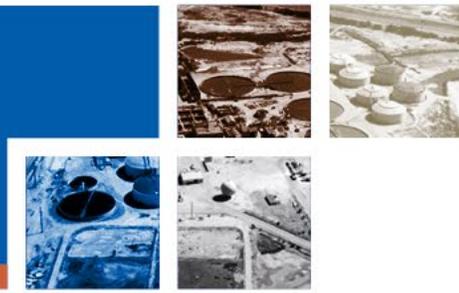
Facility Process



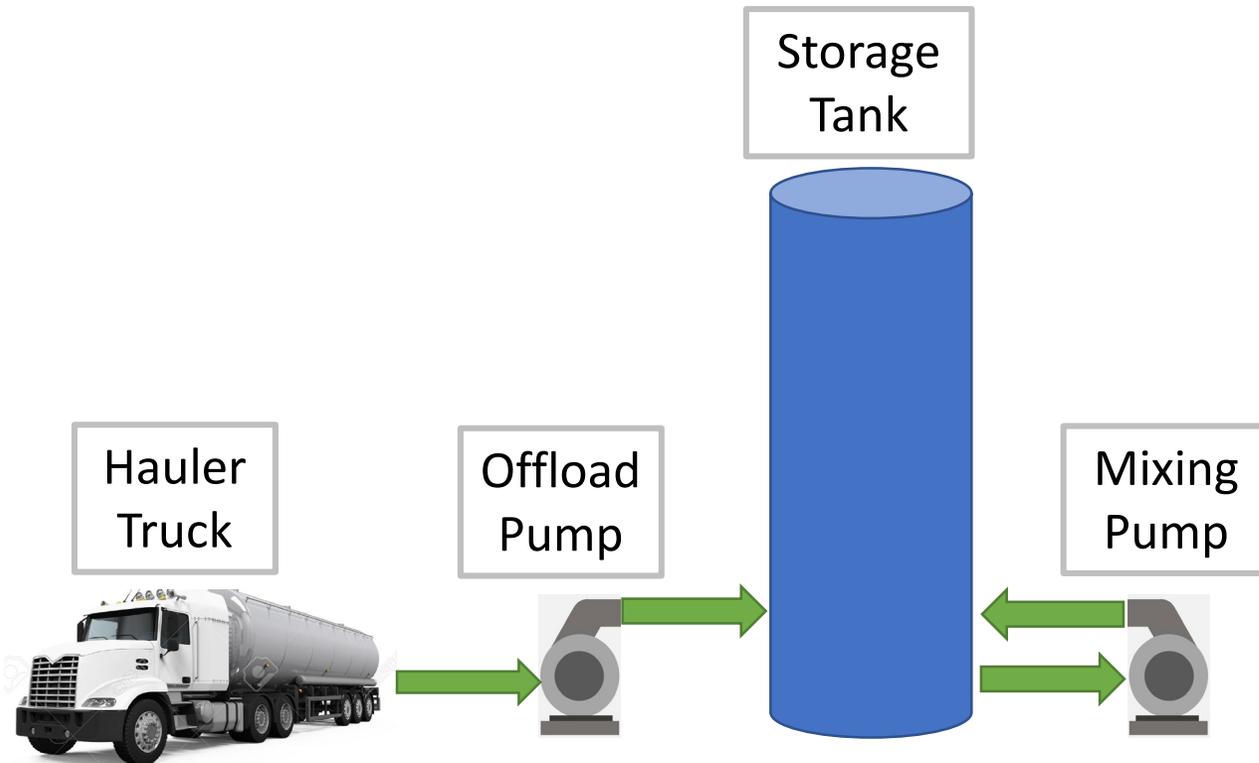
Hauler
Truck



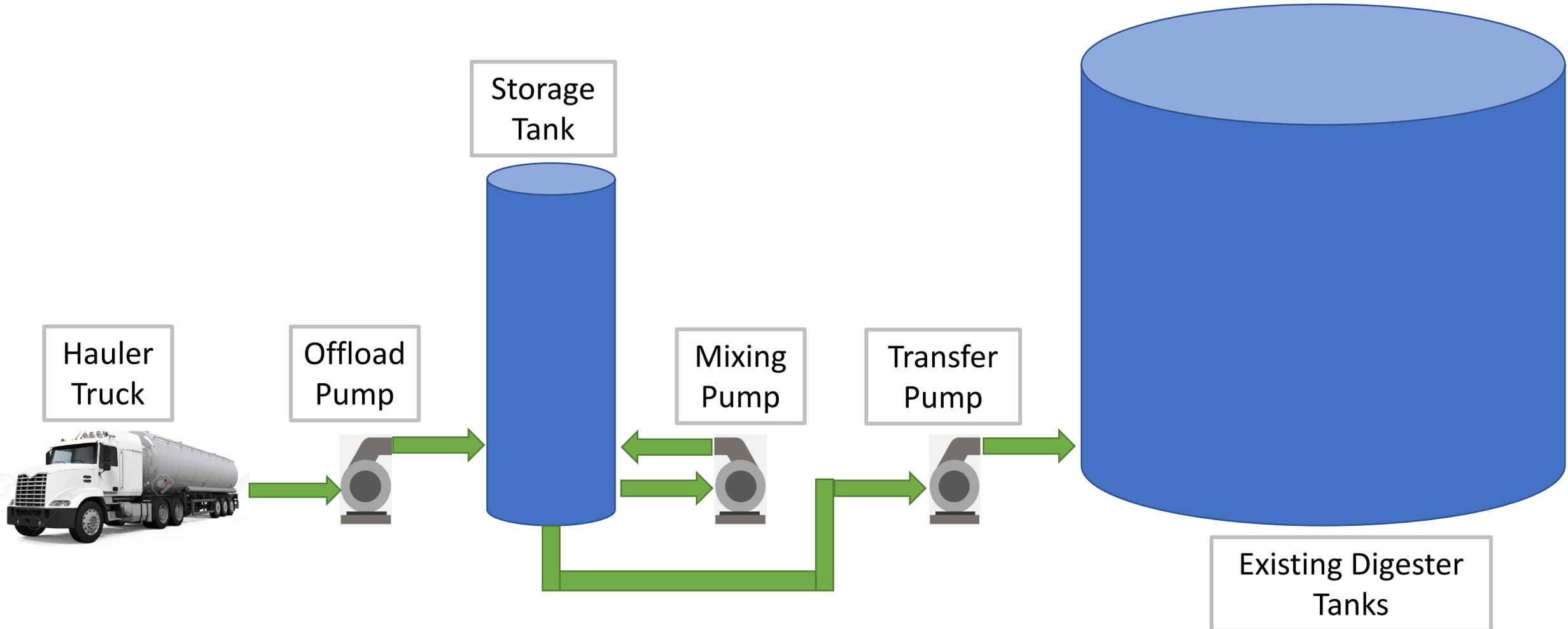
Facility Process



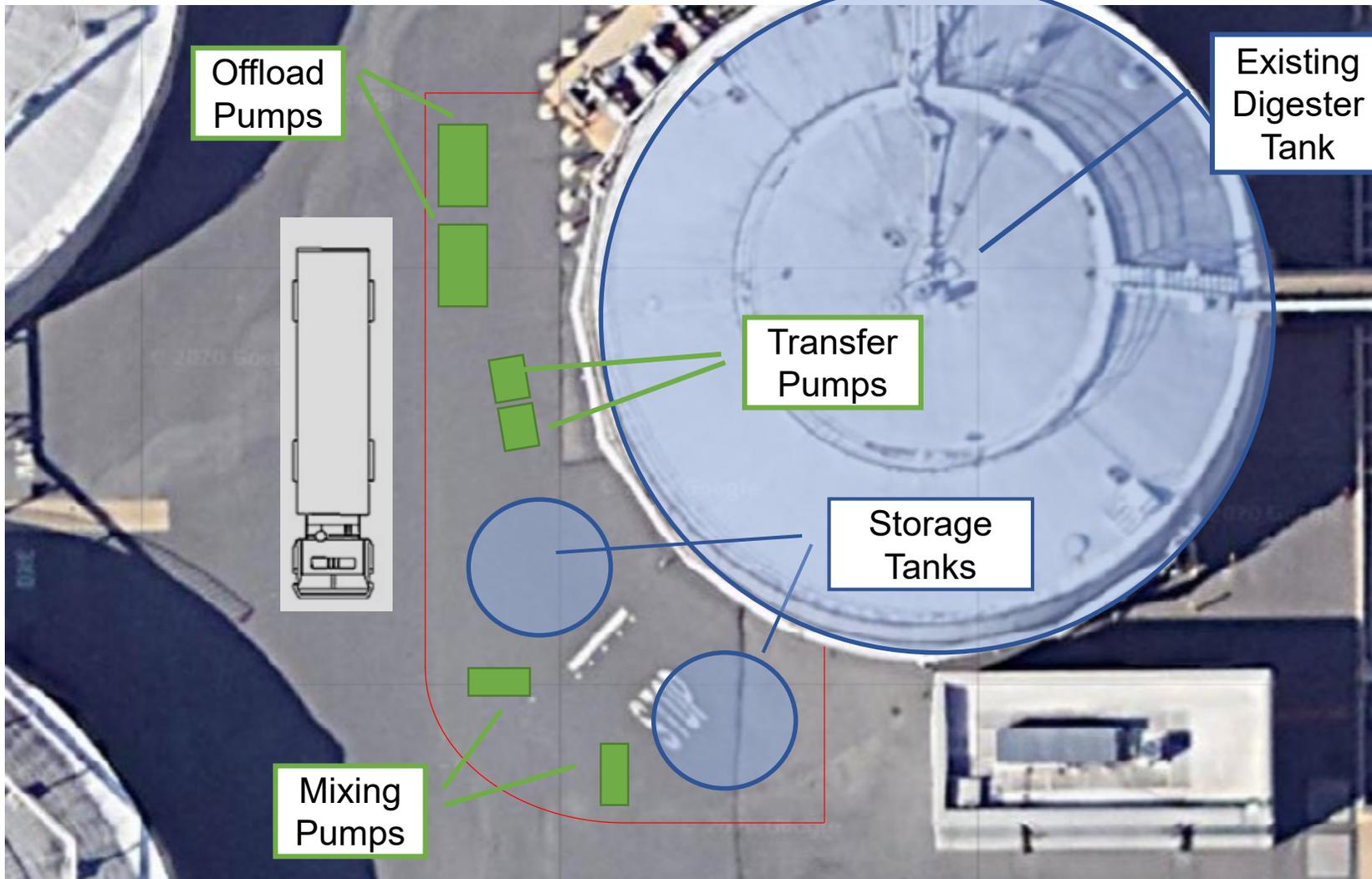
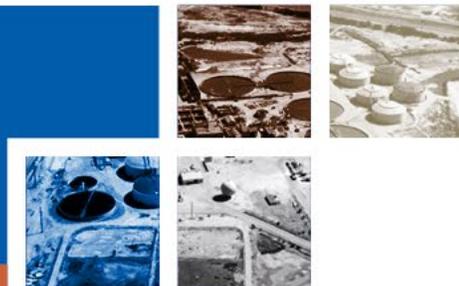
Facility Process



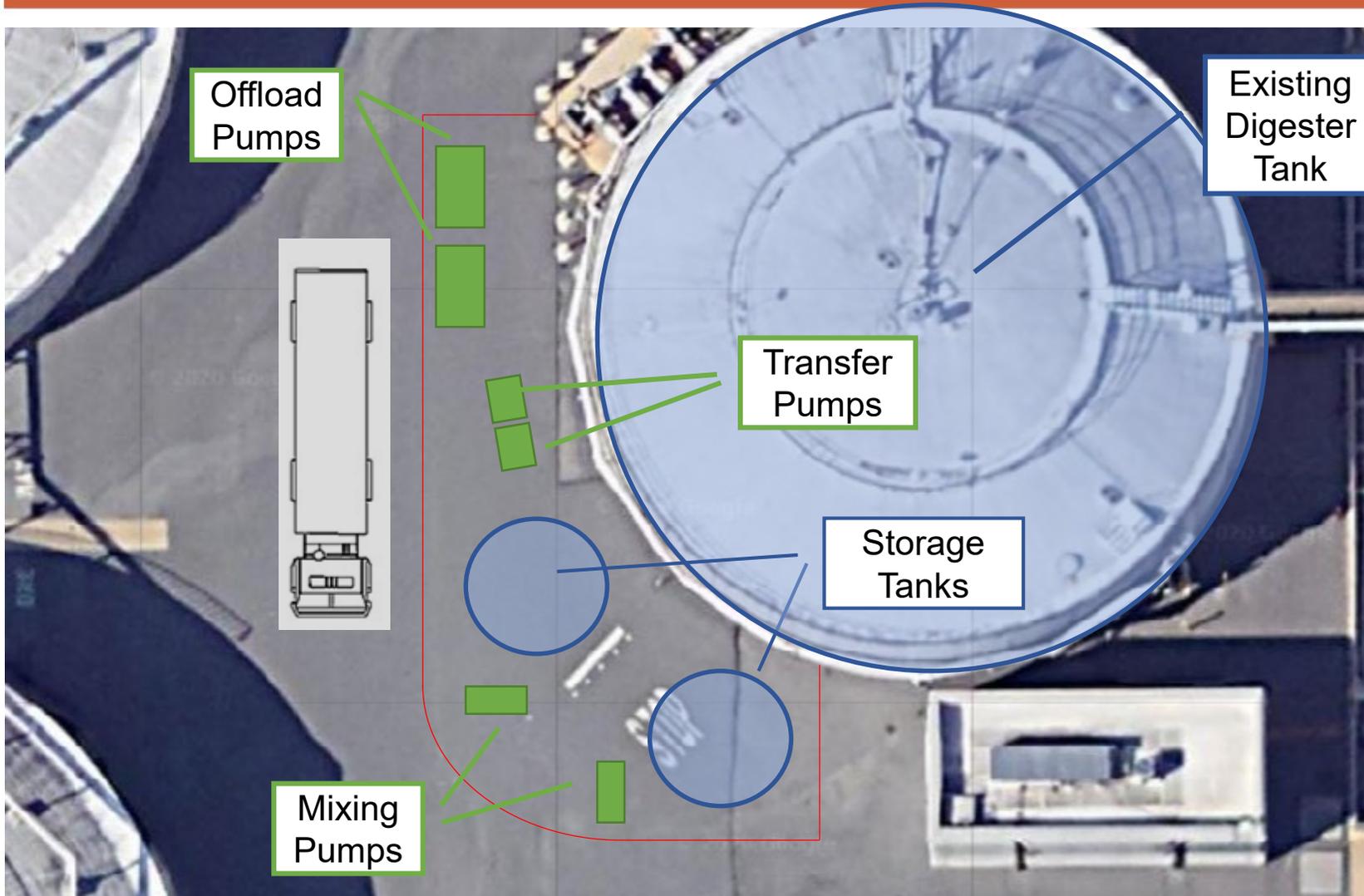
Facility Process



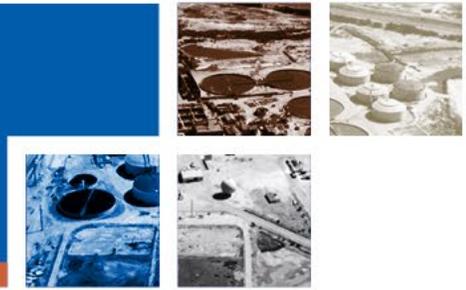
Facility Layout



Facility Layout



Project Budget & Schedule



Budget	
Construction	\$3.3M
Non-construction	\$2.2M
Contingency	\$0.8M
Total Project	\$6.3M

Schedule	
Advertise Bids	July 2020
Construction Award	Nov 2020
Facility On-line	Apr 2022

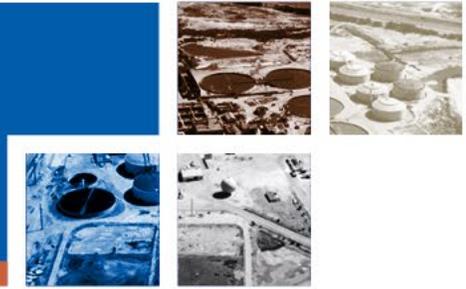
2019 Strategic Plan



Tipping Fee Policy Question:

How should OCSD structure the tipping fee for digestion of food waste?

Tipping Fee Basis



- Tipping fee cannot exceed OCSD costs
- Tipping fee transparency and notification to member agencies
- Different fee for food waste from outside OCSD's service area

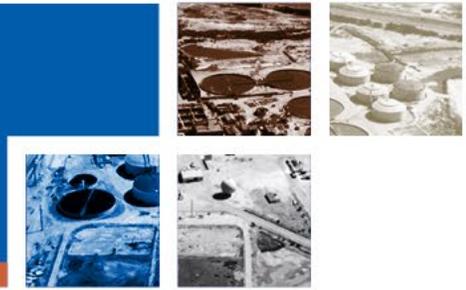
Cost Recovery - Overview



Cost Recovery

- Capital
- O&M
 - New Facility
 - Impact to Existing Facilities
- Benefits to OCSD
 - More Gas = Less SCE

Cost Recovery – Capital, O&M



Costs (\$/ton)

	5-Year Capital Recovery	10-Year Capital Recovery
Capital Costs	\$23	\$12
O&M Costs	\$18	\$18
Subtotal	\$41	\$30

Cost Recovery – Benefits of Extra Gas



Quality Food Waste = Less SCE Electricity Purchased

	5-Year Capital Recovery	10-Year Capital Recovery
Savings Range	(\$2-9)	(\$2-9)
Electricity Savings	(\$4)	(\$4)

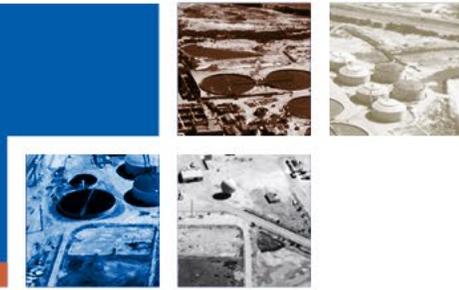
Tipping Fee - Total



Costs (\$/ton)

	5-Year Capital Recovery*	10-Year Capital Recovery
Capital Costs	\$23	\$12
O&M Costs	\$18	\$18
Electricity Savings	(\$4)	(\$4)
Tipping Fee	\$37	\$26

Comparable Agencies



Agency	Tipping Fee and Tonnes	Vendors and Feedstock	Onsite Food Process	Contract Term	Cost of Project	Cost Recovery
OCSD - Planned	\$41/ton (1-5 Years) \$18/ton (6-10 Years): 150 tpd	TBD	NO	TBD	\$6.3M	YES (Construction and O&M)
LACSD Current	\$25/ton: 250-300 tpd – Direct discharged into headworks (no-co-digestion)	8 Vendors Preprocessed Food Waste and FOG	NO	Year to Year	N/A	N/A
LACSD Planned Project (2021)	\$25-\$40/ton: 100-150 tpd Co-Digestion	3 Vendors Preprocessed Food Waste	NO	TBD	\$877,500 Repurposing Existing Food Waste Receiving Station.	YES (Construction and O&M) –Time Length TBD

Other Similar Agencies



Agency	Tipping Fee and Tonnages	Vendors and Feedstock	Onsite Food Process	Contract Term	Cost of Project	Cost Recovery
East Bay Municipal Utility District	\$50/ton: 15-70 tpd	Central Contra Costa County Solid Waste Authority - Food Waste	YES (Additional Processing)	10 Years (2014-2024) with two one-year extensions	\$5M	YES only O&M
Central Marin Sanitation Agency	\$23.90/ton: 15-70 tpd	Marin Sanitary Service - Food Waste	YES (Additional Processing)	10 Years (2016-2026) with three one-year extensions	\$7.8M	YES (Const. and O&M) 10 year pay back

Other Similar Agencies

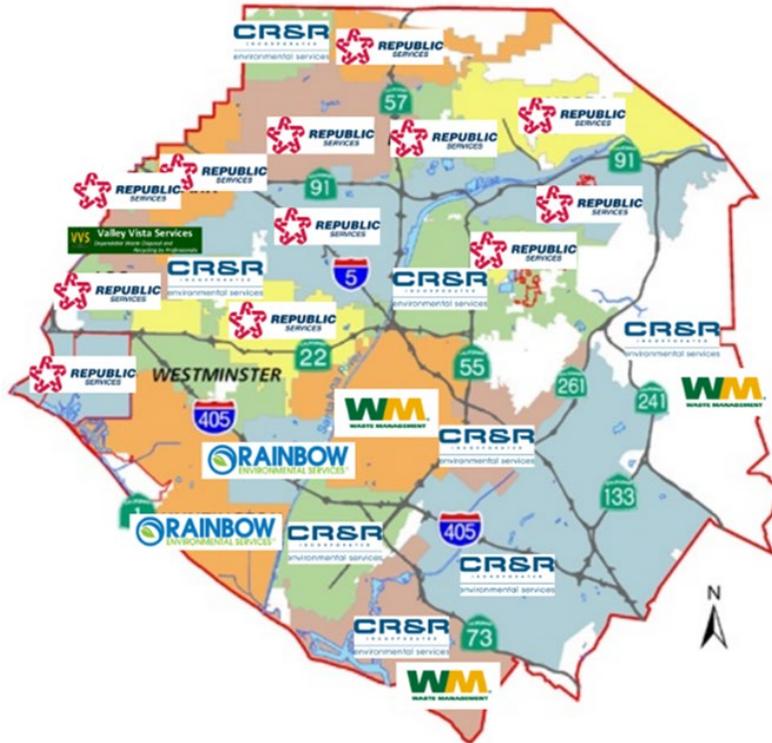


Agency	Tipping Fee and Tonnages	Vendors and Feedstock	Onsite Food Process	Contract Term	Cost of Project	Cost Recovery
Encina Wastewater Authority	\$0.035/gallon + \$45,000/year (CPI) 50K-80K gallons/week	<i>Stone Brewery Waste and Other Vendors FOG</i>	NO	8 Years (2015-2023)	\$2.3M	YES (Construction and O&M) 4 year back
City of Petaluma (Under Construction)	\$0.04/gallon	<i>Clover Stornetta Dairy and Petaluma Poultry Processors</i>	NO	TBD	\$6M	YES (Construction and O&M) 4 year back – Includes \$3M Grant and Energy Credits

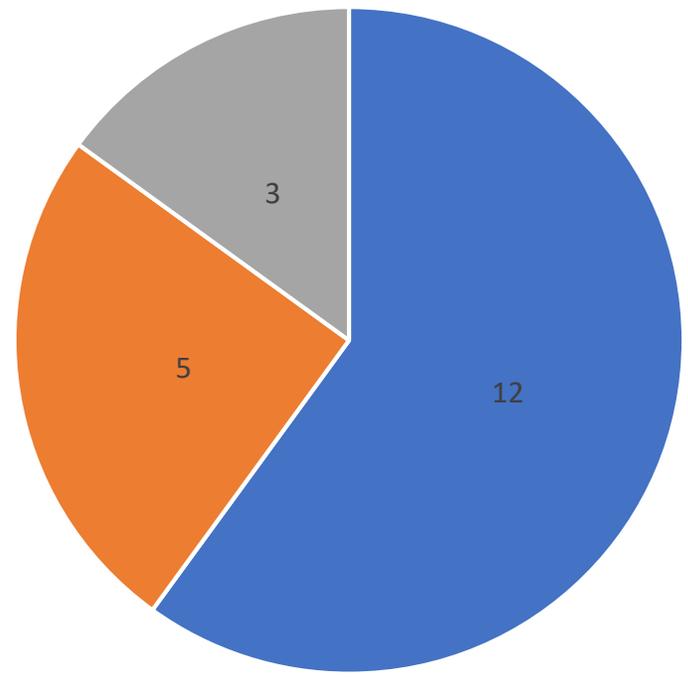
Summary Tipping Fee for Preprocess Food Waste for Co-Digestion



Service Area and Solid Waste Providers



City Member Agencies



■ Republic/Rainbow ■ CR&R ■ Waste Management ■

Organic Processing Fees:

- Rate increases have been applied
- Organic Processing Fee: \$100.10/ton (Republic)

Tipping Fee Deal Points



- Term duration of agreement
- Quality (specs) of the food waste slurry
- Price Change - Regulatory Milestones

Next Steps



- Set OCSD food waste tipping fee
- Secure agreement(s) with potential vendor(s)
- Construct food waste receiving station
- Start receiving food waste

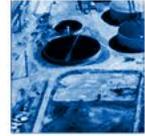
Outcome of Tipping Fee Analysis



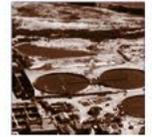
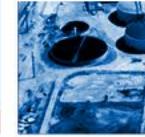
How should OCSD structure the tipping fee for digestion of food waste?

- 5-Year Capital Recovery - \$37/ton (Interest 3%)
- Once capital costs have been recovered, reduce tipping fee to O&M only cost (\$18/ton est.)
- OCSD will approach solids waste providers based on an open and a fair competitive process to secure food waste slurry

Questions



Thank You



ORANGE COUNTY SANITATION DISTRICT COMMON ACRONYMS

ACWA	Association of California Water Agencies	LOS	Level Of Service	RFP	Request For Proposal
APWA	American Public Works Association	MGD	Million Gallons Per Day	RWQCB	Regional Water Quality Control Board
AQMD	Air Quality Management District	MOU	Memorandum of Understanding	SARFPA	Santa Ana River Flood Protection Agency
ASCE	American Society of Civil Engineers	NACWA	National Association of Clean Water Agencies	SARI	Santa Ana River Interceptor
BOD	Biochemical Oxygen Demand	NEPA	National Environmental Policy Act	SARWQCB	Santa Ana Regional Water Quality Control Board
CARB	California Air Resources Board	NGOs	Non-Governmental Organizations	SAWPA	Santa Ana Watershed Project Authority
CASA	California Association of Sanitation Agencies	NPDES	National Pollutant Discharge Elimination System	SCADA	Supervisory Control And Data Acquisition
CCTV	Closed Circuit Television	NWRI	National Water Research Institute	SCAP	Southern California Alliance of Publicly Owned Treatment Works
CEQA	California Environmental Quality Act	O & M	Operations & Maintenance	SCAQMD	South Coast Air Quality Management District
CIP	Capital Improvement Program	OCCOG	Orange County Council of Governments	SOCWA	South Orange County Wastewater Authority
CRWQCB	California Regional Water Quality Control Board	OCHCA	Orange County Health Care Agency	SRF	Clean Water State Revolving Fund
CWA	Clean Water Act	OCSD	Orange County Sanitation District	SSMP	Sewer System Management Plan
CWEA	California Water Environment Association	OCWD	Orange County Water District	SSO	Sanitary Sewer Overflow
EIR	Environmental Impact Report	OOBS	Ocean Outfall Booster Station	SWRCB	State Water Resources Control Board
EMT	Executive Management Team	OSHA	Occupational Safety and Health Administration	TDS	Total Dissolved Solids
EPA	US Environmental Protection Agency	PCSA	Professional Consultant/Construction Services Agreement	TMDL	Total Maximum Daily Load
FOG	Fats, Oils, and Grease	PDSA	Professional Design Services Agreement	TSS	Total Suspended Solids
gpd	gallons per day	PFAS	Per- and Polyfluoroalkyl Substances	WDR	Waste Discharge Requirements
GWRS	Groundwater Replenishment System	PFOA	Perfluorooctanoic Acid	WEF	Water Environment Federation
ICS	Incident Command System	PFOS	Perfluorooctanesulfonic Acid	WERF	Water Environment & Reuse Foundation
IERP	Integrated Emergency Response Plan	POTW	Publicly Owned Treatment Works	WIFIA	Water Infrastructure Finance and Innovation Act
JPA	Joint Powers Authority	ppm	parts per million	WIIN	Water Infrastructure Improvements for the Nation Act
LAFCO	Local Agency Formation Commission	PSA	Professional Services Agreement	WRDA	Water Resources Development Act

ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS

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

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.