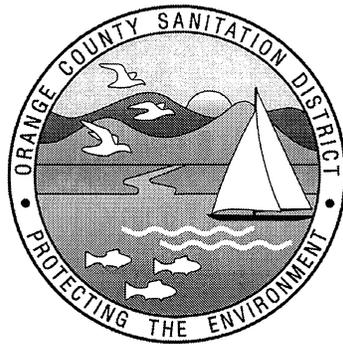


ORANGE COUNTY SANITATION DISTRICT

MINUTES

BOARD OF DIRECTORS

AUGUST 28, 2019



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

CALL TO ORDER

A regular meeting of the Board of Directors of the Orange County Sanitation District was called to order by Board Chairman David Shawver on August 28, 2019 at 6:02 p.m. in the Administration Building. Alternate Director Stacy Berry delivered the invocation and led the Pledge of Allegiance.

ROLL CALL AND DECLARATION OF QUORUM

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

Present: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Cecilia Iglesias, Lucille Kring, Sandra Massa-Lavitt, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate), Stacy Berry (Alternate) and Jan Flory (Alternate)

Absent: Peter Kim and Mark Murphy

STAFF MEMBERS PRESENT: Jim Herberg, General Manager; Rob Thompson, Assistant General Manager; Lorenzo Tyner, Assistant General Manager; Celia Chandler, Director of Human Resources; Kathy Millea, Director of Engineering; Lan Wiborg, Director of Environmental Services; Kelly Lore, Clerk of the Board; Jeff Armstrong; Marc Brown; Jennifer Cabral; Cliff Casanova; Rod Collins; Phil Cordova; Ron Coss; Raul Cuellar; Don Cutler; Thys DeVries; Mike Dorman; Dean Fisher; Al Garcia; Ted Gerber; Jed Gonzales; Mark Kawamoto; Laurie Klinger; Tina Knapp; Laura Maravilla; Tom Merigillano; Andrew Nau; Wally Ritchie; Roya Sohanaki; Don Stokes; Thomas Vu; and Eros Yong.

OTHERS PRESENT: Brad Hogin (General Counsel); Laura Kalty, Liebert Cassidy Whitmore (Special Counsel); Bob Ooten (Alternate Director) CMSD; Saliem Aregaye, OCEA; Joseph Choo, GST and Austin Mejia, Supervisor Chaffee's office.

PUBLIC COMMENTS:

None.

SPECIAL PRESENTATIONS:

Assistant General Manager Rob Thompson presented a 30 year Employee Service Award to Phil Cordova, Lead Mechanic Division 870.

REPORTS:

Chair Shawver thanked everyone who was able to attend OCSD's 65th Open House and Centrifuge Facility Ribbon Cutting ceremony last month, and stated that more than 45 elected officials, industry leaders attended the ribbon cutting ceremony with over 500 guests at the Community Open House.

Chair Shawver also reported on his attendance and participation at the CASA Conference in San Diego last week and the Urban Water Institute Conference in San Diego the week of the 19th. He stated that information regarding the Governor's Plan for California WaterReuse had been provided to the Directors and made available for the public.

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General Manager Herberg reported that the American Society of Civil Engineers conducted a peer review conducted by several outside agencies who identified strengths and specific opportunities for improvement. He stated that Director of Engineering Kathy Millea will work with staff to follow-up on these opportunities.

Mr. Herberg announced that OCSD's Purchasing, Contracts & Materials Management Division has been awarded the Achievement of Excellence in Procurement for the 18th consecutive year. He also announced and congratulated Jennifer Cabral on her promotion to Administration Manager who will help to support the Executive Management Team and the Board of Directors, while overseeing Public Affairs and Board Services.

Mr. Herberg stated that tonight will be the first of three presentations for the Development of the New Strategic Plan, including a Special meeting of the Board on September 18; and concluding at the Regular Board meeting on September 25.

Finally, Mr. Herberg announced that the new agenda management software, the Legistar product from Granicus has been launched.

CONSENT CALENDAR:

1. APPROVAL OF MINUTES

2019-447

Originator: Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular Meeting of the Board of Directors held July 24, 2019.

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Cecilia Iglesias, Lucille Kring, Sandra Massa-Lavitt, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate), Stacy Berry (Alternate) and Jan Flory (Alternate)

Noes: None

Absent: Peter Kim and Mark Murphy

Abstentions: None

2. ANNUAL MANHOLE FRAME AND COVER REPAIR CONTRACT 2019-481

Originator: Rob Thompson

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Receive and file Bid Tabulation and Recommendation for Ayala Engineering for Manhole Frame Cover Replacement Services, Specification No. S-2019-1055BD.
- B. Award a Service Contract to Ayala Engineering to provided Manhole Frame & Cover Replacement Services, Specification No. S-2019-1055BD, for a total amount not to exceed \$390,220 for the period beginning November 1, 2019 through October 31, 2020, with four optional one-year renewals; and
- C. Approve an annual contingency of \$58,533 (15%).

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Cecilia Iglesias, Lucille Kring, Sandra Massa-Lavitt, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate), Stacy Berry (Alternate) and Jan Flory (Alternate)

Noes: None

Absent: Peter Kim and Mark Murphy

Abstentions: None

3. GENERAL MANAGER APPROVED PURCHASES AND ADDITIONS TO THE PRE-APPROVED OEM SOLE SOURCE LIST 2019-483

Originator: Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Receive and file District purchases made under the General Manager's authority for the period of April 1, 2019 to June 30, 2019; and
- B. Approve the following additions to the pre-approved OEM Sole Source List for the period of April 1, 2019 to June 30, 2019:
1. DME - Exhaust Bellows
 2. FAIRBANKS NIJHUIS (FAIRBANKS MORSE) - Pump Repairs
 3. JOHNSON MATTHEY SEC - Oxidation Catalyst (OXI) Units
 4. SOUTHERN CALIFORNIA COASTAL WATER RESEARCH PROJECT (SCCWRP)-Bight'18 Biological Impacts Assessment
 5. WONDERWARE CALIFORNIA - Industrial Operator Interface Products (IntelaTrac)

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Cecilia Iglesias, Lucille Kring, Sandra Massa-Lavitt, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate), Stacy Berry (Alternate) and Jan Flory (Alternate)

Noes: None

Absent: Peter Kim and Mark Murphy

Abstentions: None

RECEIVE AND FILE:

4. COMMITTEE MEETING MINUTES 2019-449

Originator: Kelly Lore

ACTION TAKEN TO:

Receive and file the approved minutes of the following committees:

Steering Committee Meeting held June 26, 2019

5. REPORT OF THE INVESTMENT TRANSACTIONS FOR THE MONTH OF JULY 2019 2019-448

Originator: Lorenzo Tyner

ACTION TAKEN TO:

Receive and file the report of the Investment Transactions for the month of July 2019.

PUBLIC HEARING:**6. COLLECTION OF SEWER SERVICE CHARGES VIA THE TAX ROLL 2019-486****Originator:** Lorenzo Tyner

Board Chairman David Shawver read the title into the record and proceeded with the Public Hearing.

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Conduct a public hearing to receive input on a report filed with the Clerk of the Board entitled: "Sewer Service Charges for Collection on Tax Rolls for Fiscal Year 2019-20"
 - 1. Open the Public Hearing
 - 2. Receive staff report and recommendations
 - 3. Report of written communications by Clerk of the Board
 - 4. Public Comment
 - 5. Close Public Hearing
 - 6. Discussion by Board of Directors;
- B. Unless there is a majority protest, adopt the report, which has the assessor's parcel numbers and amount of charges for collection on the tax rolls;
- C. Adopt Resolution No. OCSD 19-11 entitled "A Resolution of the Board of Directors of the Orange County Sanitation District adopting the Report proposing to collect Sewer Service Fees on the Tax Roll for Fiscal Year 2019/2012";
- D. Authorize execution of the "Certification of Assessment";
- E. Direct staff to file a certified copy of the adopted Resolution, Report and the Certification of assessment with the County Auditor-Controller; and
- F. Direct staff to coordinate collection of sanitary sewer service charges on the general Orange County tax rolls with the County Auditor-Controller, Assessor, and Tax Collector.

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Cecilia Iglesias, Lucille Kring, Sandra Massa-Lavitt, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate), Stacy Berry (Alternate) and Jan Flory (Alternate)

Noes: None

Absent: Peter Kim and Mark Murphy

Abstentions: None

STEERING COMMITTEE:**7. AMENDMENT TO BIG CANYON COUNTRY CLUB EASEMENT 2019-496****Originator:** Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO:

Approve the Amendment to Easement between Orange County Sanitation District and Big Canyon Country Club to adjust the Sanitation District's easement to correspond with the new sewer location within the Big Canyon Country Club in the City of Newport Beach.

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Cecilia Iglesias, Lucille Kring, Sandra Massa-Lavitt, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate), Stacy Berry (Alternate) and Jan Flory (Alternate)**Noes:** None**Absent:** Peter Kim and Mark Murphy**Abstentions:** None**8. SETTLEMENT AGREEMENT WITH ASEPTIC TECHNOLOGY, LLC 2019-497****Originator:** Lan Wiborg

MOVED, SECONDED, AND DULY CARRIED TO:

Authorize the General Manager to execute a Settlement Agreement to settle industrial wastewater discharge enforcement matters with Aseptic Technology, LLC, a facility that discharged without a valid Orange County Sanitation District permit, for \$185,000 plus applicable fees and interest, in a form approved by General Counsel.

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Cecilia Iglesias, Lucille Kring, Sandra Massa-Lavitt, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate), Stacy Berry (Alternate) and Jan Flory (Alternate)**Noes:** None**Absent:** Peter Kim and Mark Murphy**Abstentions:** None**9. GENERAL MANAGER'S FISCAL YEAR 2019-20 DRAFT WORK PLAN 2019-498****Originator:** Jim Herberg

MOVED, SECONDED, AND DULY CARRIED TO:

Receive and file the General Manager's Fiscal Year 2019-2020 Draft Work Plan.

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Cecilia Iglesias, Lucille Kring, Sandra Massa-Lavitt, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate), Stacy Berry (Alternate) and Jan Flory (Alternate)

Noes: None

Absent: Peter Kim and Mark Murphy

Abstentions: None

10. ELIMINATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) AND NET PENSION LIABILITY (NPL) WITHIN THE ORANGE COUNTY EMPLOYEES' RETIREMENT SYSTEM 2019-526

Originator: Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO:

Direct staff to pay off the following amounts in the Orange County Sanitation District's defined pension plan administered by the Orange County Employees' Retirement System (OCERS) in an amount not to exceed \$38 million:

- Unfunded Actuarial Accrued Liability (UAAL) in the amount of \$9 million for pension benefits
- Net Pension Liability (NPL) in the amount of \$29 million for deferred investment loss

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Cecilia Iglesias, Lucille Kring, Sandra Massa-Lavitt, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate), Stacy Berry (Alternate) and Jan Flory (Alternate)

Noes: None

Absent: Peter Kim and Mark Murphy

Abstentions: None

NON-CONSENT:

11. TREASURER'S REPORT FOR THE FOURTH QUARTER ENDED JUNE 30, 2019 2019-488

Originator: Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO:

Receive and file the Orange County Sanitation District Fourth Quarter Treasurer's Report for the period ended June 30, 2019.

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Cecilia Iglesias, Lucille Kring, Sandra Massa-Lavitt, Richard Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate), Stacy Berry (Alternate) and Jan Flory (Alternate)

Noes: None

Absent: Peter Kim and Mark Murphy

Abstentions: None

12. SUCCESSOR MEMORANDUMS OF UNDERSTANDING FOR THE SUPERVISOR & PROFESSIONAL GROUPS 2019-499

Originator: Celia Chandler

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Adopt Resolution No. OCSO 19-08, entitled, "A Resolution of the Board of Directors of the Orange County Sanitation District approving the Memoranda of Understanding between the Orange County Sanitation District and the Supervisory and Professional Management Group, for Fiscal Years 2019/2020, 2020/2021 & 2021/2022; and
- B. Direct staff to finalize and sign the Memoranda of Understanding (MOUs) between Orange County Sanitation District and the two (2) Supervisory and Professional Management Group bargaining units.

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Lucille Kring, Sandra Massa-Lavitt, Andrew Nguyen, Glenn Parker, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate) and Jan Flory (Alternate)

Noes: Cecilia Iglesias, Richard Murphy, Steve Nagel, Erik Peterson and Stacy Berry (Alternate)

Absent: Peter Kim and Mark Murphy

Abstentions: None

13. SUCCESSOR MEMORANDUMS OF UNDERSTANDING FOR THE ORANGE COUNTY EMPLOYEES ASSOCIATION 2019-500

Originator: Celia Chandler

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Adopt Resolution No. OCSD 19-09, entitled, "A Resolution of the Board of Directors of the Orange County Sanitation District approving the Memoranda of Understanding between the Orange County Sanitation District and the Orange County Employees Association (OCEA), for Fiscal Years 2019/2020, 2020/2021 & 2021/2022; and
- B. Direct staff to finalize and sign the Memoranda of Understanding (MOUs) between Orange County Sanitation District and the three (3) OCEA bargaining units.

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Lucille Kring, Sandra Massa-Lavitt, Andrew Nguyen, Glenn Parker, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate) and Jan Flory (Alternate)

Noes: Cecilia Iglesias, Richard Murphy, Steve Nagel, Erik Peterson and Stacy Berry (Alternate)

Absent: Peter Kim and Mark Murphy

Abstentions: None

14. SUCCESSOR MEMORANDUMS OF UNDERSTANDING FOR THE INTERNATIONAL UNION OF OPERATING ENGINEERS - LOCAL 501 2019-501

Originator: Celia Chandler

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Adopt Resolution No. OCSD 19-10, entitled, "A Resolution of the Board of Directors of the Orange County Sanitation District approving the Memoranda of Understanding between the Orange County Sanitation District and the International Union of Operating Engineers, Local 501, for Fiscal Years 2019/2020, 2020/2021 & 2021/2022; and
- B. Direct staff to finalize and sign the Memoranda of Understanding (MOUs) between Orange County Sanitation District and the Local 501 bargaining unit.

Ayes: Brad Avery, Allan Bernstein, Doug Chaffee, Robert Collacott, James Ferryman, Phil Hawkins, Lucille Kring, Sandra Massa-Lavitt, Andrew Nguyen, Glenn Parker, Tim Shaw, David Shawver, Christina Shea, Fred Smith, Chad Wanke, John Withers, John O'Neill (Alternate) and Jan Flory (Alternate)

Noes: Cecilia Iglesias, Richard Murphy, Steve Nagel, Erik Peterson and Stacy Berry (Alternate)

Absent: Peter Kim and Mark Murphy

Abstentions: None

Board Chairman Shawver announced that Closed Session would be heard prior to Item No. 15 Strategic Plan Development.

CLOSED SESSION:

CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9(d) AND 54957.6

The Board convened in closed session at 6:49 p.m. to hear four items. Confidential minutes of the Closed Session have been prepared in accordance with the above Government Code Sections and are maintained by the Clerk of the Board in the Official Book of Confidential Minutes of Board and Committee Closed Session Meetings.

CS-1 CONFERENCE WITH LABOR NEGOTIATORS - GOVERNMENT 2019-450
CODE SECTION 54957.6

CONVENED IN CLOSED SESSION:

Agency Designated Representatives: General Manager James Herberg, Assistant General Manager Lorenzo Tyner, and Director of Human Resources Celia Chandler.

Unrepresented Employees: Confidential Group: Assistant Clerk of the Board; Clerk of the Board; Human Resources Analyst; Human Resources Assistant; Human Resources Supervisor; Principal HR Analyst; Secretary to the General Manager; and Senior Human Resources Analyst.

CS-2 CONFERENCE WITH LABOR NEGOTIATORS - GOVERNMENT 2019-451
CODE SECTION 54957.6

CONVENED IN CLOSED SESSION:

Agency Designated Representatives: General Manager James Herberg, Assistant General Manager Lorenzo Tyner and Director of Human Resources Celia Chander.

Unrepresented Employees: Managers Group: Administration Manager; Controller; Engineering Manager; Environmental Laboratory & Ocean Monitoring Manager; Human Resources & Risk Manager; IT Systems & Operations Manager; Maintenance Manager; Operations Manager; and Purchasing and Contracts Manager.

CS-3 CONFERENCE WITH LABOR NEGOTIATORS - GOVERNMENT 2019-452
CODE SECTION 54957.6

CONVENED IN CLOSED SESSION:

Agency Designated Representatives: General Manager James Herberg, Assistant General Manager Lorenzo Tyner, and Director of Human Resources Celia Chandler.

Unrepresented Employees: Executive Managers Group: Assistant General Manager; Director of Engineering; Director of Environmental Services; and Director of Human Resources.

CS-4 CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED LITIGATION - GOVERNMENT CODE SECTION 54956.9(D)(2) 2019-453

CONVENED IN CLOSED SESSION:

Number of Potential Cases: 1

Significant exposure to litigation: Claim of Jose Cruz

RECONVENED IN REGULAR SESSION.

The Board reconvened in regular session at 7:20 p.m.

CONSIDERATION OF ACTION, IF ANY, ON MATTERS CONSIDERED IN CLOSED SESSION:

General Counsel Brad Hogin reported that the Board unanimously denied the Claim of Jose Cruz.

AB 1234 DISCLOSURE REPORTS:

Director Ferryman reported on his attendance at recent meetings of the NWRI and OCCOG.

15. STRATEGIC PLAN DEVELOPMENT 2019-492

Originator: Rob Thompson

Staff provided input on five initiatives for the development of the new Strategic Plan and the Board was asked to:

Provide input to staff on the development of the Strategic Plan.

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

None.

BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:

None.

ADJOURNMENT:

At 8:21 p.m. Board Chairman Shawver adjourned the Board meeting until the SPECIAL Meeting of the Board of Directors on September 18, 2019 at 5:00 p.m.

Submitted by:



Kelly A. Lore, MMC
Clerk of the Board