



**SPECIAL NOTICE**  
**PUBLIC ATTENDANCE & PARTICIPATION AT PUBLIC MEETINGS**  
***Administration Committee Meeting***  
***Wednesday, July 12, 2023***  
***5:00 p.m.***

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Your participation is always welcome. OC San offers several ways in which to interact during meetings. You will find information as to these opportunities below.

**IN-PERSON MEETING ATTENDANCE**

You may attend the meeting in-person at the following location:

Orange County Sanitation District  
Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708

**ONLINE MEETING PARTICIPATION**

You may join the meeting live via Teams on your computer or similar device or web browser by using the link below:

[Click here to join the meeting](#)

We suggest testing joining a Teams meeting on your device prior to the commencement of the meeting. For recommendations, general guidance on using Teams, and instructions on joining a Teams meeting, [please click here](#).

Please mute yourself upon entry to the meeting. Please raise your hand if you wish to speak during the public comment section of the meeting. The Clerk of the Board will call upon you by using the name you joined with.

Meeting attendees are not provided the ability to make a presentation during the meeting. Please contact the Clerk of the Board at least 48 hours prior to the meeting if you wish to present any items. Additionally, camera feeds may be controlled by the meeting moderator to avoid inappropriate content.

## **HOW TO PARTICIPATE IN THE MEETING BY TELEPHONE**

To join the meeting from your phone: Dial (213) 279-1455  
When prompted, enter the Phone Conference ID: 525 809 784#

All meeting participants may be muted during the meeting to alleviate background noise. If you are muted, please use \*6 to unmute. You may also mute yourself on your device.

Please raise your hand to speak by use \*5, during the public comment section of the meeting. The Clerk of the Board will call upon you by using the last 4 digits of your phone number as identification.

**NOTE: All attendees will be disconnected from the meeting at the beginning of Closed Session. If you would like to return to the Open Session portion of the meeting, please login or dial-in to the Teams meeting again and wait in the Lobby for admittance.**

## **WATCH THE MEETING ONLINE**

The meeting will be available for online viewing at:

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

## **SUBMIT A COMMENT**

You may submit your comments and questions in writing for consideration in advance of the meeting by using the eComment feature available online at: <https://ocsd.legistar.com/Calendar.aspx> or sending them to [OCSanClerk@ocsan.gov](mailto:OCSanClerk@ocsan.gov) with the subject line "PUBLIC COMMENT ITEM # (insert the item number relevant to your comment)" or "PUBLIC COMMENT NON-AGENDA ITEM".

You may also submit comments and questions for consideration during the meeting by using the eComment feature available online at: <https://ocsd.legistar.com/Calendar.aspx>. The eComment feature will be available for the duration of the meeting.

All written public comments will be provided to the legislative body and may be read into the record or compiled as part of the record.

*For any questions and/or concerns, please contact the Clerk of the Board's office at 714-593-7433. Thank you for your interest in OC San!*

July 5, 2023

**NOTICE OF REGULAR MEETING**

**ADMINISTRATION COMMITTEE  
ORANGE COUNTY SANITATION DISTRICT**

**Wednesday, July 12, 2023 – 5:00 P.M.**

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708

**ACCESSIBILITY FOR THE GENERAL PUBLIC**

Your participation is always welcome. Specific information as to how to participate in this meeting is detailed on the Special Notice attached to this agenda. In general, OC San offers several ways in which to interact during this meeting: you may participate in person, join the meeting live via Teams on your computer or similar device or web browser, join the meeting live via telephone, view the meeting online, and/or submit comments for consideration before or during the meeting.

The Regular Meeting of the Administration Committee of the Orange County Sanitation District will be held at the above location and in the manner indicated on Wednesday, July 12, 2023 at 5:00 p.m.

  
\_\_\_\_\_  
Clerk of the Board

- Serving:*
- 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

ADMINISTRATION COMMITTEE MEETING DATE	BOARD MEETING DATE
07/12/23	07/26/23
<b>AUGUST DARK</b>	08/23/23
09/13/23	09/27/23
10/11/23	10/25/23
11/08/23	<b>11/15/23 *</b>
12/13/23	<b>12/14/23 **</b>
<b>JANUARY DARK</b>	01/24/24
02/14/24	02/28/24
03/13/24	03/27/24
04/10/24	04/24/24
05/08/24	05/22/24
06/12/24	06/26/24

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

*\*\* Meeting will be held on the second Thursday of the month*

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

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Meeting Date: July 12, 2023

Time: 5:00 p.m.

Adjourn: \_\_\_\_\_

**COMMITTEE MEMBERS (13)**

Christine Marick, Chair	
Glenn Grandis, Vice-Chair	
Pat Burns	
Rose Espinoza	
Farrah Khan	
Jordan Nefulda	
Andrew Nguyen	
Robbie Pitts	
David Shawver	
Susan Sonne	
John Withers	
Chad Wanke (Board Chair)	
Ryan Gallagher (Board Vice-Chair)	

**OTHERS**

Brad Hogin, General Counsel	
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**STAFF**

Rob Thompson, General Manager	
Lorenzo Tyner, Assistant General Manager	
Mike Dorman, Director of Engineering	
Laura Maravilla, Director of Human Resources	
Riaz Moinuddin, Director of Operations & Maintenance	
Wally Ritchie, Director of Finance	
Lan Wiborg, Director of Environmental Services	
Kelly Lore, Clerk of the Board	

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

Effective 03/13/2023

<b>AGENCY/CITIES</b>	<b>ACTIVE DIRECTOR</b>	<b>ALTERNATE DIRECTOR</b>
Anaheim	Stephen Faessel	Natalie Meeks
Brea	Christine Marick	Cecilia Hupp
Buena Park	Susan Sonne	Art Brown
Cypress	Scott Minikus	Bonnie Peat
Fountain Valley	Glenn Grandis	Ted Bui
Fullerton	Bruce Whitaker	Nick Dunlap
Garden Grove	Steve Jones	John O'Neill
Huntington Beach	Pat Burns	Gracey Van Der Mark
Irvine	Farrah N. Khan	Tammy Kim
La Habra	Rose Espinoza	Jose Medrano
La Palma	Marshall Goodman	Debbie Baker
Los Alamitos	Jordan Nefulda	Emily Hibard
Newport Beach	Brad Avery	Erik Weigand
Orange	Jon Dumitru	John Gyllenhammer
Placentia	Chad Wanke	Ward Smith
Santa Ana	Johnathan Ryan Hernandez	Benjamin Vazquez
Seal Beach	Schelly Sustarsic	Nathan Steele
Stanton	David Shawver	Carol Warren
Tustin	Ryan Gallagher	Austin Lumbard
Villa Park	Robbie Pitts	Jordan Wu
<b>Sanitary/Water Districts</b>		
Costa Mesa Sanitary District	Bob Ooten	Art Perry
Midway City Sanitary District	Andrew Nguyen	Mark Nguyen
Irvine Ranch Water District	John Withers	Douglas Reinhart
Yorba Linda Water District	Phil Hawkins	Tom Lindsey
<b>County Areas</b>		
Board of Supervisors	Doug Chaffee	Donald P. Wagner



**ADMINISTRATION COMMITTEE**  
**Regular Meeting Agenda**  
**Wednesday, July 12, 2023 - 5:00 PM**  
**Board Room**  
**Administration Building**  
**10844 Ellis Avenue**  
**Fountain Valley, CA 92708**  
**(714) 593-7433**

**ACCOMMODATIONS FOR THE DISABLED:** If you require any special disability related accommodations, please contact the Orange County Sanitation District (OC San) Clerk of the Board's office at (714) 593-7433 at least 72 hours prior to the scheduled meeting. Requests must specify the nature of the disability and the type of accommodation requested.

**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 OC San's Administration Building located at 10844 Ellis Avenue, Fountain Valley, California, and on the OC San's website at [www.ocsan.gov](http://www.ocsan.gov) 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 RECORDING:** A recording of this meeting is available within 24 hours after adjournment of the meeting at <https://ocsd.legistar.com/Calendar.aspx> or by contacting the Clerk of the Board at (714) 593-7433.

**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@ocsan.gov](mailto:klore@ocsan.gov) at least 14 days before the meeting.

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

General Manager: Rob Thompson, [rthompson@ocsan.gov](mailto:rthompson@ocsan.gov) / (714) 593-7110  
Asst. General Manager: Lorenzo Tyner, [ltyner@ocsan.gov](mailto:ltyner@ocsan.gov) / (714) 593-7550  
Director of Engineering: Mike Dorman, [mdorman@ocsan.gov](mailto:mdorman@ocsan.gov) / (714) 593-7104  
Director of Environmental Services: Lan Wiborg, [lwiborg@ocsan.gov](mailto:lwiborg@ocsan.gov) / (714) 593-7450  
Director of Finance: Wally Ritchie, [writchie@ocsan.gov](mailto:writchie@ocsan.gov) / (714) 593-7570  
Director of Human Resources: Laura Maravilla, [lmavilla@ocsan.gov](mailto:lmavilla@ocsan.gov) / (714) 593-7007  
Director of Operations & Maintenance: Riaz Moinuddin, [rmoinuddin@ocsan.gov](mailto:rmoinuddin@ocsan.gov) / (714) 593-7269

**CALL TO ORDER****PLEDGE OF ALLEGIANCE****ROLL CALL AND DECLARATION OF QUORUM:**

Clerk of the Board

**PUBLIC COMMENTS:**

*Your participation is always welcome. Specific information as to how to participate in a meeting is detailed in the Special Notice attached to this agenda. In general, OC San offers several ways in which to interact during meetings: you may participate in person, join the meeting live via Teams on your computer or similar device or web browser, join the meeting live via telephone, view the meeting online, and/or submit comments for consideration before or during the meeting.*

**REPORTS:**

*The 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 [2023-3077](#)****RECOMMENDATION:**

Approve Minutes of the Regular meeting of the Administration Committee held June 14, 2023.

**Originator:** Kelly Lore

**Attachments:** [Agenda Report](#)  
[06-14-2023 Administration Committee Minutes](#)

**2. EMISSION REDUCTION CREDITS BROKER CONTRACT AWARD [2023-3035](#)****RECOMMENDATION****RECOMMENDATION:**

- A. Approve a Professional Consultant Services Agreement with Air Quality Consultants (AQC) Environmental Brokerage Services, Inc. for Emission Reduction Credits Brokerage Services, Specification No. CS-2023-1379BD-R, to identify and secure buyers for the sale of Orange County Sanitation District's surplus inventory of Reactive Organic Gases Emission Reduction Credits at the



- best available value, and handle all market evaluation of Emission Reduction Credits, negotiations, and financial transactions with all appropriate parties; and
- B. Approve an Agreement duration of one year from the Notice to Proceed effective date with four (4) one-year renewal options at a commission rate of 3.5%.

**Originator:** Lan Wiborg

**Attachments:** [Agenda Report](#)  
[PCSA CS-2023-1379-BD-R](#)

**3. RENEW VMWARE ENTERPRISE LICENSE AGREEMENT [2023-3068](#)**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Purchase Order to Nth Generation for the purchase of the VMWare Enterprise License Agreement (ELA) Subscription Upgrade and Renewal for a three (3) year term using the NASPO ValuePoint Master Agreement No. AR2472, California Contract # 7-17-70-40-05, for a total amount not to exceed \$574,585 plus applicable sales tax; and
- B. Approve a contingency in the amount of \$57,458 (10%).

**Originator:** Wally Ritchie

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

**NON-CONSENT:**

**4. WASTEWATER REFUNDING REVENUE OBLIGATIONS, SERIES [2023-3034](#)  
2023A AND SERIES 2024A**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Authorize the General Manager to issue new fixed rate Certificates of Participation, to be referred to as Wastewater Refunding Revenue Obligations, in an amount sufficient to refund up to \$39,180,000 of Wastewater Refunding Revenue Obligations, Series 2014A; and
- B. Authorize the General Manager to issue new fixed rate Certificates of Participation, to be referred to as Wastewater Refunding Revenue Obligations, in an amount sufficient to refund up to \$127,510,000 of Wastewater Refunding Revenue Obligations, Series 2015A.

**Originator:** Lorenzo Tyner

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

**5. 2024 BENEFITS INSURANCE RENEWAL [2023-3084](#)**

RECOMMENDATION: Recommend to the Board of Directors to:

Approve the Orange County Sanitation District 2024 Benefits Insurance Renewal for an overall not-to-exceed amount of \$15,189,392, as specified below:

- A. WORKTERRA (medical, dental, and vision plans; and Employee Assistance Program [EAP]) - Not to Exceed \$13,316,662;
- B. The Standard (basic life, short- and long-term disability) - Not to Exceed \$497,246;
- C. The Standard (EMT & Manager disability) - Not to Exceed \$30,000;
- D. BenefitWallet (Health Savings Accounts [HSA]) - Not to Exceed \$42,000;
- E. BPAS / Voya (Health Reimbursement Arrangement [HRA]) - Not to Exceed \$189,000;
- F. WORKTERRA (retiree-paid health premiums, recouped from retirees through monthly payments) - Not to Exceed \$1,114,484; and
- G. Approve a contingency in the amount of \$759,470 (5%).

**Originator:** Laura Maravilla

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

**INFORMATION ITEMS:****6. ORANGE COUNTY SANITATION DISTRICT ENVIRONMENTAL SERVICES: RESOURCE PROTECTION DIVISION [2023-3087](#)**

RECOMMENDATION:

Information Item.

**Originator:** Lan Wiborg

**Attachments:** [Agenda Report](#)  
[Presentation - Resource Protection](#)

**7. RISK REGISTER PRESENTATION [2023-3088](#)**

RECOMMENDATION:

Information Item.

**Originator:** Wally Ritchie

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Attachments: [Agenda Report](#)  
[Presentation - Risk Register](#)

**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:**

Adjourn the meeting until the Regular Meeting of the Administration Committee on September 13, 2023 at 5:00 p.m.



# ADMINISTRATION COMMITTEE

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

## Agenda Report

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**File #:** 2023-3077

**Agenda Date:** 7/12/2023

**Agenda Item No:** 1.

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**FROM:** Robert Thompson, 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 held June 14, 2023.

**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. OC SAN 22-37

**ATTACHMENT**

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

- June 14, 2023 Administration Committee meeting minutes



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**CALL TO ORDER**

A regular meeting of the Administration Committee of the Orange County Sanitation District was called to order by Committee Vice-Chairman Glenn Grandis on Wednesday, June 14, 2023 at 5:01 p.m. in the Administration Building of the Orange County Sanitation District. Director Shawver led the Flag Salute.

**ROLL CALL AND DECLARATION OF QUORUM:**

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

- PRESENT:** Ryan Gallagher, Glenn Grandis, Farrah Khan, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)
- ABSENT:** Pat Burns, Rose Espinoza, Christine Marick and Susan Sonne

**STAFF PRESENT:** Rob Thompson, General Manager; Lorenzo Tyner, Assistant General Manager; Michael Dorman, Director of Engineering; Laura Maravilla, Director of Human Resources; Riaz Moinuddin, Director of Operations and Maintenance; Wally Ritchie, Director of Finance; Lan Wiborg, Director of Environmental Services; Kelly Lore, Clerk of the Board; Mo Abiodun; Jennifer Cabral; Sam Choi; Rhea DeGuzman; Thys DeVries; Brian Engeln; Al Garcia; Mark Kawamoto; Rob Michaels; Shallee Milligan; and Ruth Zintzun were present in the Board Room. Tina Knapp, John Preston, Thomas Vu, and Mike Zedek were present telephonically.

**OTHERS PRESENT:** Brad Hogin, General Counsel, was present in the Board Room; and Board member Christine Marick was present telephonically.

**PUBLIC COMMENTS:**

None.

**REPORTS:**

Vice-Chair Grandis did not provide a report.

General Manager Rob Thompson reminded the Committee of the upcoming Honor Walk to be held on June 28, 2023 at 3:30 p.m.

**CONSENT CALENDAR:**

**1. APPROVAL OF MINUTES**

[2023-3030](#)

**Originator:** Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular meeting of the Administration Committee held May 10, 2023.

**AYES:** Ryan Gallagher, Glenn Grandis, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)

**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Farrah Khan, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

**2. ENVIRONMENTAL REGULATORY REPORTS**

[2023-2892](#)

**Originator:** Lan Wiborg

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

Receive and file environmental regulatory reports: Annual Biosolids Management Compliance Report CY 2022, Annual Pretreatment Program Report FY 2022 (July 2021-June 2022), Semi-Annual Pretreatment Program Report (July-December 2022), Annual Mandatory Reporting of Greenhouse Gas Emissions Report CY 2022, Annual Emissions Report CY 2022, and the Marine Monitoring Annual Report FY 2022 (July 2021-June 2022).

**AYES:** Ryan Gallagher, Glenn Grandis, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)

**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Farrah Khan, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

**3. FY 2023-24 USE CHARGES FOR SANTA ANA WATERSHED PROJECT AUTHORITY**

[2023-2971](#)

**Originator:** Wally Ritchie

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

Adopt Resolution No. OC SAN 23-XX, entitled: "A Resolution of the Board of Directors of the Orange County Sanitation District Establishing Use Charges for the 2023-24 Fiscal Year Pursuant to the Wastewater Treatment and Disposal Agreement with the Santa Ana Watershed Project Authority ("SAWPA")".

**AYES:** Ryan Gallagher, Glenn Grandis, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)

**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Farrah Khan, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

**4. GANN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-24 [2023-2972](#)**

**Originator:** Wally Ritchie

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

Adopt Resolution No. OC SAN 23-XX, entitled: "A Resolution of the Board of Directors of the Orange County Sanitation District Establishing the Annual Appropriations Limit for Fiscal Year 2023-24 for the Orange County Sanitation District in Accordance with the Provisions of Division 9 of Title 1 of the California Government Code".

**AYES:** Ryan Gallagher, Glenn Grandis, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)

**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Farrah Khan, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

**5. PMWEB MAINTENANCE AND SUPPORT RENEWAL [2023-3019](#)**

**Originator:** Wally Ritchie

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

A. Approve a three (3) year Purchase Order contract with PMWeb Inc. for maintenance and support of PMWeb application, paying \$121,500 annually for a total amount not to exceed \$364,500; and

B. Approve a contingency of \$36,450 (10%).

**AYES:** Ryan Gallagher, Glenn Grandis, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)

**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Farrah Khan, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

**6. ESRI ENTERPRISE ADVANTAGE PROGRAM SUBSCRIPTION [2023-3026](#)  
RENEWAL**

**Originator:** Wally Ritchie

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

A. Approve a Purchase Order Contract for a three-year contract with Environmental Systems Research Institute, Inc. to renew Orange County Sanitations District's subscription for the Enterprise Advantage Program, payable annually, commencing July 1, 2023, through June 30, 2026, for a total amount not to exceed \$310,500 plus applicable tax; and

B. Approve a not to exceed contingency of \$31,050 (10%).

**AYES:** Ryan Gallagher, Glenn Grandis, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)

**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Farrah Khan, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

**NON-CONSENT:**

**7. FINANCE BUDGET SOFTWARE IMPLEMENTATION [2023-3028](#)**

**Originator:** Wally Ritchie

Director of Finance Wally Ritchie provided a brief overview of the item and introduced Information Technology Manager Rob Michaels who provided additional details on the requested purchase.

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

A. Approve a Professional Services Agreement to TruEd Consulting, Inc. to provide Finance Budget Software and Implementation, Specification No. CS-2022-1362BD, for a total amount not to exceed \$441,000 for the Implementation Services portion; and

B. Approve a contingency of \$44,100 (10%).

**AYES:** Ryan Gallagher, Glenn Grandis, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)



**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Farrah Khan, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

**8. CARAHSOFT SERVICE AGREEMENT**

[2023-3029](#)

**Originator:** Wally Ritchie

Mr. Michaels introduced the item and provided additional details on the requested purchase.

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

A. Approve a Purchase Order for a five-year contract with Carahsoft for a Subscription Service Agreement with Anaplan Budget Software, payable annually, utilizing the NASPO ValuePoint Cooperative Purchasing Contract 7-17-70-40-05 for a total amount not to exceed \$713,876.36 plus pax and delivery (if applicable); and

B. Approve a contingency of \$71,388 (10%).

**AYES:** Ryan Gallagher, Glenn Grandis, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)

**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Farrah Khan, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

*Director Farrah Khan arrived at the meeting at 5:08 p.m.*

**9. DISPOSITION OF UNCOLLECTIBLE DEBT - GOLDEN STATE PUMPING, LLC**

[2023-2990](#)

**Originator:** Wally Ritchie

Mr. Ritchie provided a brief introduction to and explanation of the item.

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

Approve the discharge of uncollectible debt owed by Golden State Pumping, LLC in the amount of \$126,722.18.

**AYES:** Ryan Gallagher, Glenn Grandis, Farrah Khan, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)

**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

**10. FY 2023-24 PROPERTY - LIABILITY INSURANCE RENEWALS [2023-3020](#)**

**Originator:** Wally Ritchie

Mr. Ritchie presented the item.

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

Approve the Orange County Sanitation District FY 2023-24 Property-Liability Insurance Renewals included in the FY 2023-24 Budget Update for the not-to-exceed amounts specified below:

Property and Boiler & Machinery - Not to Exceed	\$2,617,059
Excess General Liability Insurance - Not to Exceed	\$1,247,262
Excess Workers' Compensation Insurance - Not to Exceed	\$ 391,000
Earthquake Insurance - Not to Exceed	\$ 173,054
<b>TOTAL</b>	<b>\$4,428,375</b>

**AYES:** Ryan Gallagher, Glenn Grandis, Farrah Khan, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)

**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

**11. PROPOSED FISCAL YEAR 2023-24 BUDGET UPDATE [2023-2850](#)**

**Originator:** Wally Ritchie

Mr. Ritchie provided a PowerPoint presentation regarding the proposed FY 2023-24 budget update which included an overview of the FY 2023-24 budget, revenue, rates, expenses, the Capital Improvement Program, and debt service.

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

Approve the proposed Operating, Capital, Debt Service, and Self-Insurance Budgets for FY 2023-24 as follows:

	<b>FY 2023-24</b>
Net Operating	\$215,389,585
Self-Insurance - Workers' Comp.	850,500
Self-Insurance - Property & Gen. Liability	3,318,000
Net Capital Improvement Program	271,978,000
Debt/COP Service	68,611,384
Intra-District Joint Equity Purchase/Sale(1)	<u>3,500,000</u>
<b>Total</b>	<b>\$563,647,469</b>

(1) Cash to/from Revenue Area 14 (RA14) in exchange for capital assets to/from Consolidated Revenue Area 15 (RA15)

**AYES:** Ryan Gallagher, Glenn Grandis, Farrah Khan, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)

**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

**12. PROPOSED ADOPTION OF ORDINANCE NO. OC SAN-61 UPDATING [2023-3006](#) THE PURCHASING ORDINANCE**

**Originator:** Wally Ritchie

Mr. Ritchie provided a brief update to the item and explained that amendments to the Ordinance had been presented to each Committee last month; and were also included in the Agenda Report.

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

- A. Introduce Ordinance No. OC SAN-61, entitled: "An Ordinance of the Board of Directors of the Orange County Sanitation District Establishing Requirements and Procedures for the Purchase of Goods, Services, and Public Works Projects; and Repealing Ordinance No. OC SAN-56";
- B. Motion to read Ordinance No. OC SAN-61 by title only and waive reading of said entire Ordinance on June 28, 2023;
- C. Set July 26, 2023, as the date for the second reading and adoption of Ordinance No. OC SAN-61; and
- D. Direct the Clerk of the Board to publish summaries of the Ordinance as required by law.

**AYES:** Ryan Gallagher, Glenn Grandis, Farrah Khan, Andrew Nguyen, Robbie Pitts, David Shawver, Chad Wanke, John Withers and Emily Hibard (Alternate)

**NOES:** None

**ABSENT:** Pat Burns, Rose Espinoza, Christine Marick and Susan Sonne

**ABSTENTIONS:** None

**INFORMATION ITEMS:**

**13. ORANGE COUNTY SANITATION DISTRICT ENVIRONMENTAL SERVICES LABORATORY AND OCEAN MONITORING UPDATE [2023-3032](#)**

**Originator:** Lan Wiborg

Environmental Protection Manager Samuel Choi provided a PowerPoint presentation regarding the Environmental Services Laboratory and Ocean Monitoring update. The presentation included an overview of the Environmental Services Department, environmental monitoring, accreditations, the Laboratory and Ocean Monitoring Division, laboratory tests and instruments, the 2021-2022 OC Beach Report Card, research and innovation, OC San partners, and public outreach.

ITEM RECEIVED AS AN:

Information Item.

**14. STRATEGIC PLANNING - CORE VALUES [2023-3033](#)**

**Originator:** Rob Thompson

Administration Manager Jennifer Cabral provided a PowerPoint presentation regarding OC San's core values. The presentation also included an overview of upcoming topics including the risk register to be presented to the Operations and Administration Committees in July, the Strategic Plan draft for Board review in September, and adoption of the Strategic Plan in November.

ITEM RECEIVED AS AN:

Information Item.

**DEPARTMENT HEAD REPORTS:**

None.

**CLOSED SESSION:**

None.

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

Board Chair Wanke requested that the Clerk of the Board poll the Board members to ensure their attendance at the July Committee and Board meetings.

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

None.

**ADJOURNMENT:**

Vice-Chair Grandis declared the meeting adjourned at 5:51 p.m. to the next Regular Administration Committee meeting to be held on Wednesday, July 12, 2023 at 5:00 p.m.

Submitted by:

\_\_\_\_\_  
Kelly A. Lore, MMC  
Clerk of the Board



# ADMINISTRATION COMMITTEE

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

## Agenda Report

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**File #:** 2023-3035

**Agenda Date:** 7/12/2023

**Agenda Item No:** 2.

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**FROM:** Robert Thompson, General Manager  
Originator: Lan C. Wiborg, Director of Environmental Services

**SUBJECT:**

### **EMISSION REDUCTION CREDITS BROKER CONTRACT AWARD RECOMMENDATION**

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

##### RECOMMENDATION:

- A. Approve a Professional Consultant Services Agreement with Air Quality Consultants (AQC) Environmental Brokerage Services, Inc. for Emission Reduction Credits Brokerage Services, Specification No. CS-2023-1379BD-R, to identify and secure buyers for the sale of Orange County Sanitation District's surplus inventory of Reactive Organic Gases Emission Reduction Credits at the best available value, and handle all market evaluation of Emission Reduction Credits, negotiations, and financial transactions with all appropriate parties; and
- B. Approve an Agreement duration of one year from the Notice to Proceed effective date with four (4) one-year renewal options at a commission rate of 3.5%.

#### **BACKGROUND**

Orange County Sanitation District (OC San) holds a portfolio of Air Quality Emission Reduction Credits (ERCs) including, but not limited to, Reactive Organic Gases (ROGs). ERCs are treated as an interchangeable commodity. To acquire an air quality permit for new projects that result in an increase in emissions, the owner of the project is required to offset the difference in emissions with ERCs. Following a comprehensive review of future Capital Improvement Project needs, it has been determined that OC San has a surplus of ROG credits. As a conservative approach, OC San is retaining twice the number of ROG credits that could be allocated to offset future projects. As such, the remaining number of credits available for possible sale is 360 lbs./day.

OC San does not currently have a brokerage firm to handle market evaluations and represent our interest in the sale of the surplus credits. For this reason, OC San issued a Request for Proposal (RFP) in March 2023. The RFP was for a brokerage firm to assess future project plans and credit demands, manage OC San's portfolio, and facilitate ERC sales at fair market value on OC San's behalf.

In addition to being recognized on SCAQMD's ERC Broker Listing, AQC Environmental Brokerage Services, Inc. meets the RFP criteria to provide the services to broker the sale of OC San's surplus credits.

## **RELEVANT STANDARDS**

- Ensure that investment proposals and decisions are based on clearly defined standards
- Comply with environmental permit requirements
- 24/7/365 treatment plant reliability

## **PROBLEM**

OC San has a surplus of ROG credits which is unlikely to increase or decrease in value for the foreseeable future. It is of no immediate or future benefit to OC San to continue holding these surplus credits.

## **PROPOSED SOLUTION**

Approve the agreement to ensure OC San maintains adequate representation in the sale of the surplus credits on such terms and conditions as OC San may determine in its sole discretion.

## **TIMING CONCERNS**

The value of ROG credits has remained stable since 2020 at an average market value of \$4,750 lb./day. Additionally, the value does not appear to fluctuate with short- or long-term inflationary indices. Given the current economic climate, the proceeds from the sale of the surplus credits may enable OC San to reinvest the revenue and achieve greater gains from this asset.

## **RAMIFICATIONS OF NOT TAKING ACTION**

The surplus credits will remain unused by OC San for the foreseeable future and the monetary value of the credits will remain inaccessible for reinvestment.

## **PRIOR COMMITTEE/BOARD ACTIONS**

November 2022 - Approved the solicitation for an ERCs brokerage firm to identify and secure a buyer (s) for the sale of surplus ROG ERCs at the best available value and to handle all market evaluations of ERCs, negotiations, and financial transactions with all appropriate parties.

## **ADDITIONAL INFORMATION**

An RFP was first issued on December 20, 2022. OC San received no proposals. A total of 19 companies or interested parties downloaded the solicitation documents for this RFP. A post-RFP survey of potential firms indicated a lack of proposers due to either a firm's inability to operate as an authorized broker or the firm expressed no interest in pursuing additional clients at this time.

A second RFP was later issued on March 9, 2023, and proposals were due on April 10, 2023. OC San received one responsive proposal. A total of 16 companies or interested parties downloaded the solicitation documents for this RFP. A post-RFP survey of potential firms indicated multiple firms were not able to submit a proposal due to personnel shortages.

Prior to receipt of proposals, an evaluation team was formed consisting of the following OC San staff: Senior Regulatory Specialist, Environmental Supervisor, Regulatory Specialist, and Senior Accountant. The team was chaired by a Purchasing representative as a non-voting member. On April 20, 2023, the evaluation team met to discuss the policies and procedures for the evaluation process. Individual scoring was the chosen method of evaluation for this procurement. Members of the team performed an independent review of the proposals and later met as a group with the Purchasing representative to discuss their preliminary scores and any questions/concerns.

Proposals were evaluated based on the following criteria:

CRITERIA	WEIGHT
Qualifications & Experience of Firm	25%
Proposed Staffing & Project Organization	20%
Work Plan	35%
Cost	20%

The evaluation team reviewed and scored the proposal based on all criteria listed above except cost. Since there were no other proposers, AQC Environmental Brokerage Services, Inc. was awarded full points for cost.

Ran k	Proposer	Criterion 1 (Max 25%)	Criterion 2 (Max 20%)	Criterion 3 (Max 35%)	Criterion 4 (Max 20%)	Total Score (Max 100%)
1	AQC Environmental Brokerage Services, Inc.	21%	17%	27%	20%	85%

Based on the resulting score, staff recommends approving an Agreement with AQC Environmental Brokerage Services, Inc. which is a full-service emissions brokerage firm covering all regional ERC markets in the State of California and the SCAQMD ERC market particularly. The brokers at AQC Environmental Brokerage Services, Inc. have completed over 100 SCAQMD ERC transactions totaling over \$1 billion.

The agreement total includes OC San's obligation to pay the sales commission of 3.5% from the sale price of up to 360 lbs./day of ROG credits.

## CEQA

N/A

## FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted. (Line item: Section 6, Page 40).



**ATTACHMENT**

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

- Professional Consultant Services Agreement

**PROFESSIONAL CONSULTANT SERVICES AGREEMENT**  
**Emission Reduction Credits Brokerage Services**  
**Specification No. CS-2023-1379BD-R**

This PROFESSIONAL CONSULTANT SERVICES AGREEMENT (hereinafter referred to as “Agreement”) is made and entered into as of the date fully executed below, by and between Orange County Sanitation District (hereinafter referred to as “OC San”) and AQC Environmental Brokerage Services, Inc. (hereinafter referred to as “Consultant”), and collectively referred to herein as the “Parties.”

**RECITALS**

WHEREAS, OC San desires to obtain emission reduction credits brokerage services as described in Exhibit “A” attached hereto and incorporated herein by this reference (“Services”); and

WHEREAS, Consultant is qualified to provide the Services by virtue of experience, training, and expertise; and

WHEREAS, OC San desires to engage Consultant to render the Services as provided herein; and

WHEREAS, OC San selected Consultant to provide the Services in accordance with Ordinance No. OC SAN-56; and

WHEREAS, on July 12, 2023, OC San’s Administration Committee, by minute order, authorized execution of this Agreement.

NOW, THEREFORE, in consideration of the above recitals and the mutual promises and benefits specified below, the Parties agree as follows:

**1. General.**

- 1.1 This Agreement and all exhibits hereto are made by OC San and the Consultant.
- 1.2 The following exhibits, in order of precedence, are incorporated by reference and made part of this Agreement.
  - Exhibit “A” – Scope of Work
  - Exhibit “B” – Proposal and Fee Proposal
  - Exhibit “C” – Determined Insurance Requirement Form
  - Exhibit “D” – Contractor Safety Standards
  - Exhibit “E” – Human Resources Policies
- 1.3 In the event of any conflict or inconsistency between the provisions of this Agreement and any of the provisions of the exhibits hereto, the provisions in the Agreement shall control and thereafter the provisions in the document highest in precedence shall be controlling.
- 1.4 Except as expressly provided otherwise, OC San accepts no liability for any expenses, losses, or actions incurred or undertaken by Consultant as a result of work performed in anticipation of purchases of the Services by OC San.

- 1.5 Work Hours: The work required under the Agreement may include normal business hours, evenings, and weekends. OC San will not pay for travel time.
- 1.6 Scheduled Work Hours: All work or meetings with OC San staff shall be scheduled Monday through Thursday, between the hours of 7:30 a.m. and 3:30 p.m.
- 1.7 Days: Shall mean calendar days, unless otherwise noted.
- 1.8 OC San holidays (non-working days) are as follows: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, and Christmas Day.
- 1.9 The provisions of this Agreement may be amended or waived only by an amendment executed by authorized representatives of both Parties.
- 1.10 The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any paragraph or provision hereof.

## **2. Scope of Work.**

- 2.1 Consultant shall provide the Services identified in Exhibit "A" in a competent, professional, and satisfactory manner in accordance with generally accepted industry and professional standards, including fiduciary standards, ethical practices, and standards of care and competence for its trade/profession.
- 2.2 Modifications to Scope of Work. OC San shall have the right to modify the Scope of Work at any time. All modifications must be made by an amendment signed by both Parties.
- 2.3 Familiarity with Work. By executing this Agreement, Consultant warrants that: (a) it has investigated the work to be performed; and (b) it understands the facilities, difficulties, and restrictions of the work under this Agreement. Should Consultant discover any latent or unknown condition materially differing from those inherent in the work or as represented by OC San, it shall immediately inform OC San of this and shall not proceed, except at Consultant's risk, until written instructions are received from OC San.
- 2.4 Performance. Time is of the essence in the performance of the provisions hereof.

## **3. Agreement Term.**

- 3.1 The Services shall be completed within one (1) year from the effective date of the Notice to Proceed.
- 3.2 Renewals. At its sole discretion, OC San may exercise the option to renew this Agreement for up to four (4) one-year periods. This Agreement may be renewed by an OC San Purchase Order. OC San shall have no obligation to renew the Agreement nor to give a reason if it elects not to renew it.
- 3.3 Extensions. The term of this Agreement may be extended only by an amendment signed by both Parties.

**4. Emission Reduction Credits (ERC) Transfer and Transaction.**

- 4.1 Consultant shall administer the execution of a purchase and sale agreement between OC San and its counterparty/buyer. Upon the execution of a purchase and sale agreement, counterparty/buyer shall deposit the total purchase price into Consultant's escrow account. Consultant's escrow account operates as a non-interest bearing holding account to safeguard OC San as the seller by ensuring the availability of funds during the transfer process and to protect the counterparty/buyer from releasing funds prior to the ERC transfer being completed. In the event that any issues arise during the ERC transfer, Consultant as the escrow agent will facilitate the return of funds to counterparty/buyer.
- 4.2 Consultant shall submit the ERC transfer to South Coast Air Quality Management District (SCAQMD) and the transfer process may take approximately four (4) weeks. Upon completion of ERC transfer, SCAQMD will issue a written confirmation via email to OC San, its counterparty/Buyer, and Consultant. Within five (5) business days of OC San's receipt of written confirmation from SCAQMD of the ERC transfer, the escrowed funds excluding the Consultant's Commission (Payment) shall be released to OC San via wire transfer.

**5. Compensation.**

- 5.1 As compensation for the Services provided under this Agreement, Consultant will receive through an Escrow Account, a seller's fee equal to 3.5% of the "gross sales price" of ERC sale that is administered and completed by Consultant (Commission). Such Commission shall be payable to the Consultant at the time OC San execute a purchase and sale agreement with its counterparty/buyer, and upon OC San's receipt of Payment. The term "gross sales price", as used herein, shall mean the total purchase price, excluding the commission or any other fees that the Consultant may receive from counterparty/buyer, to be paid to OC San for the sales of applicable quantity of ERC during the term of the Agreement.
- 5.2 In no event shall Consultant receive Commission prior to: (1) the execution of a purchase and sale agreement between OC San and its counterparty/buyer; and (2) OC San's receipt of Payment.
- 5.3 Consultant shall provide OC San with: (1) all required work under this Agreement, in accordance with Exhibit "A" and consistent with Exhibit "B"; and (2) all required premiums and/or overtime work, at no charge beyond the fee specified above.

**6. California Department of Industrial Relations Registration and Record of Wages.**

- 6.1 To the extent Consultant's employees and/or its subconsultants perform work related to this Agreement for which Prevailing Wage Determinations have been issued by the California Department of Industrial Relations (DIR) as more specifically defined under Labor Code section 1720 et seq., prevailing wages are required to be paid for applicable work under this Agreement. It is Consultant's responsibility to interpret and implement any prevailing wage requirements and Consultant agrees to pay any penalty or civil damages resulting from a violation of the prevailing wage laws.
- 6.2 Consultant and its subconsultants shall comply with the registration requirements of Labor Code section 1725.5. Pursuant to Labor Code section 1771.4(a)(1), the work is subject to compliance monitoring and enforcement by the California Department of Industrial Relations (DIR).

- 6.3 Pursuant to Labor Code section 1773.2, a copy of the prevailing rate of per diem wages is available upon request at OC San's principal office. The prevailing rate of per diem wages may also be found at the DIR website for prevailing wage determinations at <http://www.dir.ca.gov/DLSR/PWD>.
- 6.4 Consultant and its subconsultants shall comply with the job site notices posting requirements established by the Labor Commissioner per Title 8, California Code of Regulations section 16461(e). Pursuant to Labor Code sections 1773.2 and 1771.4(a)(2), Consultant shall post a copy of the prevailing rate of per diem wages at the job site.
- 6.5 Consultant and its subconsultants shall maintain accurate payroll records and shall comply with all the provisions of Labor Code section 1776. Consultant and its subconsultants shall submit payroll records to the Labor Commissioner pursuant to Labor Code section 1771.4(a)(3). Pursuant to Labor Code section 1776, the Consultant and its subconsultants shall furnish a copy of all certified payroll records to OC San and/or the general public upon request, provided the public request is made through OC San, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement of the Department of Industrial Relations. Pursuant to Labor Code section 1776(h), penalties for non-compliance with a request for payroll records may be deducted from progress payments.
- 6.5.1 As a condition to receiving payments, Consultant agrees to present to OC San, along with any request for payment, all applicable and necessary certified payrolls and other required documents for the period covering such payment request. Pursuant to Title 8, California Code of Regulations section 16463, OC San shall withhold any portion of a payment, up to and including the entire payment amount, until certified payroll forms and any other required documents are properly submitted. In the event certified payroll forms do not comply with the requirements of Labor Code section 1776, OC San may continue to withhold sufficient funds to cover estimated wages and penalties under the Agreement.
- 6.6 The Consultant and its subconsultants shall comply with Labor Code section 1774 and section 1775. Pursuant to Labor Code section 1775, the Consultant and any of its subconsultants shall forfeit to OC San a penalty of not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any work.
- 6.6.1 In addition to the penalty and pursuant to Labor Code section 1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Consultant or its subconsultant.
- 6.7 Consultant and its subconsultants shall comply with Labor Code sections 1810 through 1815. Consultant and its subconsultants shall restrict working hours to eight (8) hours per day and forty (40) hours per week, except that work performed in excess of those limits shall be permitted upon compensation for all excess hours worked at not less than one and one-half (1.5) times the basic rate of pay, as provided in Labor Code section 1815. The Consultant shall forfeit, as a penalty to OC San, twenty-five dollars (\$25) per worker per calendar day during which such worker is required or

permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of Labor Code sections 1810 through 1815.

- 6.8 Consultant and its subconsultants shall comply with Labor Code sections 1777.5, 1777.6, and 1777.7 concerning the employment of apprentices by Consultant or any subconsultant.
- 6.9 Consultant shall include, at a minimum, a copy of the following provisions in any contract it enters into with any subconsultant: Labor Code sections 1771, 1771.1, 1775, 1776, 1777.5, 1810, 1813, 1815, 1860, and 1861.
- 6.10 Pursuant to Labor Code sections 1860 and 3700, the Consultant and its subconsultants will be required to secure the payment of compensation to employees. Pursuant to Labor Code section 1861, Consultant, by accepting this Agreement, certifies that:

“I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.”

Consultant shall ensure that all its contracts with its subconsultants provide the provision above.

7. **Key Personnel.** Personnel, as provided in Exhibit “B,” are considered “key” to the work under this Agreement and will be available for the term of the Agreement. No person designated as key under this Agreement shall be removed or replaced without prior written consent of OC San. If OC San asks Consultant to remove a person designated as key under this Agreement, Consultant agrees to do so immediately regardless of the reason, or the lack of reason, for OC San’s request. Consultant shall assign only competent personnel to perform Services under this Agreement.
8. **Ownership of Documents.** All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subconsultants, and agents in the performance of this Agreement shall be the property of OC San and shall be promptly delivered to OC San upon request of OC San’s Project Manager or designee or upon the termination of this Agreement and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by OC San of its full rights of ownership of the documents and materials hereunder. Any use of such completed documents for other projects and/or use of incomplete documents without specific written authorization by the Consultant will be at OC San’s sole risk and without liability to Consultant. Consultant shall ensure that all its contracts with its subconsultants provide for assignment to OC San of any documents or materials prepared by them.
9. **Ownership of Intellectual Property.**
  - 9.1 Consultant agrees that all designs, plans, reports, specifications, drawings, schematics, prototypes, models, inventions, and all other information and items made during the course of this Agreement and arising from the Services (hereinafter referred to as “New Developments”) shall be and are assigned to OC San as its sole and exclusive property.

- 9.2 Consultant agrees to promptly disclose to OC San all such New Developments. Upon OC San's request, Consultant agrees to assist OC San, at OC San's expense, to obtain patents or copyrights for such New Developments, including the disclosure of all pertinent information and data with respect thereto, the execution of all applications, specifications, assignments, and all other instruments and papers which OC San shall deem necessary to apply for and to assign or convey to OC San, its successors and assigns, the sole and exclusive right, title, and interest in such New Developments. Consultant agrees to obtain or has obtained written assurances from its employees and contract personnel of their agreement to the terms hereof regarding New Developments and confidential information.
- 9.3 Consultant warrants that Consultant will have good title to any New Developments and the right to assign New Developments to OC San free of any proprietary rights of any other party or any other encumbrance whatever.
- 9.4 The originals of all computations, drawings, designs, graphics, studies, reports, manuals, photographs, videotapes, data, computer files, and other documents prepared or caused to be prepared by Consultant or its subconsultants in connection with the Services hereunder shall be delivered to and shall become the exclusive property of OC San. OC San may utilize such documents, at its own risk, for OC San's applications on other projects or extensions of this project.

**10. Right to Review Services, Facilities, and Records.**

- 10.1 OC San reserves the right to review any portion of the Services performed by Consultant under this Agreement and Consultant agrees to cooperate to the fullest extent possible in such endeavor.
- 10.2 Consultant shall furnish to OC San such reports, statistical data, and other information pertaining to Consultant's Services as shall be reasonably required by OC San to carry out its rights and responsibilities under its agreements with its bondholders or noteholders and any other agreement relating to the development of the project(s) and in connection with the issuance of its official statements and other prospectuses with respect to the offering, sale, and issuance of its bonds and other obligations.
- 10.3 The right of OC San to review or approve drawings, specifications, procedures, instructions, reports, test results, calculations, schedules, or other data that are developed by Consultant shall not relieve Consultant of any obligation set forth herein.

**11. Conflict of Interest and Reporting.**

- 11.1 Consultant shall, at all times, avoid conflicts of interest or appearance of conflicts of interest in performance of this Agreement.
- 11.2 Consultant affirms that, to the best of its knowledge, there exists no actual or potential conflict between Consultant's families, business, or financial interest and the Services under this Agreement and in the event of change in either its private interests or Services under this Agreement, it shall raise with OC San any question regarding possible conflict of interest which may arise as a result of such change.

- 12. Damage to OC San's Property.** Any of OC San's property damaged by Consultant, any subconsultant, subcontractor, or by the personnel of either will be subject to repair or replacement by Consultant at no cost to OC San.

13. **Freight (F.O.B. Destination)**. Consultant assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Agreement.
14. **Audit Rights**. Consultant agrees that, during the term of this Agreement and for a period of three (3) years after its expiration or termination, OC San shall have access to and the right to examine any directly pertinent books, documents, and records of Consultant relating to the invoices submitted by Consultant pursuant to this Agreement.
15. **Contractor Safety Standards and Human Resources Policies**. OC San requires Consultant, its subconsultants, and its subcontractors to follow and ensure their employees follow all Federal, State, and local regulations as well as Contractor Safety Standards while working at OC San locations. If, during the course of the Agreement, it is discovered that Contractor Safety Standards do not comply with Federal, State, or local regulations, the Consultant is required to follow the most stringent regulatory requirement at no additional cost to OC San. Consultant, its subconsultants, and all of their employees shall adhere to all applicable Contractor Safety Standards in Exhibit "D" and the Human Resources Policies in Exhibit "E."
16. **Insurance**. Consultant and all its subconsultants shall purchase and maintain, throughout the term of this Agreement and any periods of warranty or extensions, insurance in amounts equal to the requirements set forth in the signed Exhibit "C" – Determined Insurance Requirement Form. Consultant shall not commence work under this Agreement until all required insurance is obtained in a form acceptable to OC San, nor shall Consultant allow any subconsultant to commence service pursuant to a subcontract until all insurance required of the subconsultant has been obtained. Failure to obtain and maintain the required insurance coverage shall result in termination of this Agreement.
17. **Indemnification and Hold Harmless Provision**. Consultant shall assume all responsibility for damages to property and/or injuries to persons, including accidental death, which may arise out of or may be caused by Consultant's Services under this Agreement, or by its subconsultant(s), or by anyone directly or indirectly employed by Consultant, and whether such damage or injury shall accrue or be discovered before or after the termination of the Agreement. Except as to the sole active negligence of or willful misconduct of OC San, Consultant shall indemnify, protect, defend, and hold harmless OC San, its elected and appointed officials, officers, agents, and employees from and against any and all claims, liabilities, damages, or expenses of any nature, including attorneys' fees: (a) for injury to or death of any person, or damage to property, or interference with the use of property arising out of or in connection with Consultant's performance under the Agreement, and/or (b) on account of use of any copyrighted or uncopyrighted material, composition, or process; or any patented or unpatented invention, article, or appliance furnished or used under the Agreement, and/or (c) on account of any goods and services provided under this Agreement. This indemnification provision shall apply to any acts or omissions, willful misconduct, or negligent misconduct, whether active or passive, on the part of Consultant or anyone employed by or working under Consultant. To the maximum extent permitted by law, Consultant's duty to defend shall apply whether or not such claims, allegations, lawsuits, or proceedings have merit or are meritless, or which involve claims or allegations that any of the parties to be defended were actively, passively, or concurrently negligent, or which otherwise assert that the parties to be defended are responsible, in whole or in part, for any loss, damage, or injury. Consultant agrees to provide this defense immediately upon written notice from OC San, and with well qualified, adequately insured, and experienced legal counsel acceptable to OC San. This section shall survive the expiration or early termination of the Agreement.



**18. Independent Contractor.**

- 18.1 The relationship between the Parties hereto is that of an independent contractor and nothing herein shall be construed as creating an employment or agency relationship.
- 18.2 During the performance of this Agreement, Consultant and its officers, employees, and agents shall act in an independent capacity and shall not act as OC San's officers, employees, or agents. OC San assumes no liability for Consultant's action and performance nor assumes responsibility for taxes, funds, payments, or other commitments, expressed or implied, by or for Consultant.
- 18.3 Consultant shall not be considered an agent of OC San for any purpose whatsoever nor shall Consultant have the right to, and shall not, commit OC San to any agreement, contract, or undertaking. Consultant shall not use OC San's name in its promotional material or for any advertising or publicity purposes without prior expressed written consent.
- 18.4 Consultant shall not be entitled to any benefits accorded to those individuals listed on OC San's payroll as regular employees including, without limitation, worker's compensation, disability insurance, vacation, or holiday or sick pay. Consultant shall be responsible for providing, at Consultant's expense, disability, worker's compensation, and other insurance as well as licenses and permits usual or necessary for conducting the Services hereunder.
- 18.5 Consultant shall be obligated to pay any and all applicable Federal, State, and local payroll and other taxes incurred as a result of fees hereunder. Consultant hereby indemnifies OC San for any claims, losses, costs, fees, liabilities, damages, or penalties suffered by OC San arising out of Consultant's breach of this provision.
- 18.6 Consultant shall not be eligible to join or participate in any benefit plans offered to those individuals listed on OC San's payroll as regular employees. Consultant shall remain ineligible for such benefits or participation in such benefit plans even if a court later decides that OC San misclassified Consultant for tax purposes.

**19. Subcontracting and Assignment.** Consultant shall not delegate any duties nor assign any rights under this Agreement without the prior written consent of OC San. Any such attempted delegation or assignment shall be void.

**20. No Solicitation of Employees.**

- 20.1 Consultant agrees that it shall not, during the term of this Agreement and for a period of one (1) year immediately following expiration or termination of this Agreement or any extension hereof, call on, solicit, or take away any of the employees whom Consultant became aware of as a result of Consultant's Services to OC San.
- 20.2 Consultant acknowledges that OC San's employees are critical to its business and OC San expends significant resources to hire, employ, and train employees. Should Consultant employ or otherwise engage OC San's employees during the term of this Agreement and for a period of one (1) year following expiration or termination of this Agreement, Consultant shall pay OC San fifty percent (50%) of the former employee's most recent annual salary earned at OC San to accurately reflect the reasonable value of OC San's time and costs. This payment is in addition to any other rights and remedies OC San may have at law.

**21. Confidentiality and Non-Disclosure.**

21.1 Consultant acknowledges that, in performing the Services hereunder, OC San may have to disclose to Consultant, orally and in writing, certain confidential information that OC San considers proprietary and has developed at great expense and effort.

21.2 Consultant agrees to maintain in confidence and not disclose to any person, firm, or corporation, without OC San's prior written consent, any trade secret, confidential information, knowledge, or data relating to the products, process, or operation of OC San.

21.3 Consultant further agrees to maintain in confidence and not to disclose to any person, firm, or corporation any data, information, technology, or material developed or obtained by Consultant during the term of this Agreement.

21.4 Consultant agrees as follows:

21.4.1 To use the confidential information only for the purposes described herein; to not reproduce the confidential information; to hold in confidence and protect the confidential information from dissemination to and use by anyone not a party to this Agreement; and to not use the confidential information to benefit itself or others.

21.4.2 To restrict access to the confidential information to its subconsultant or personnel of Consultant who (1) have a need to have such access and (2) have been advised of and have agreed in writing to treat such information in accordance with the terms of this Agreement.

21.4.3 To return all confidential information in Consultant's possession upon termination of this Agreement or upon OC San's request, whichever occurs first.

21.4.4 To hold in confidence information and materials, if any, developed pursuant to the Services hereunder.

21.4.5 The provisions of this section shall survive termination or expiration of this Agreement and shall continue for so long as the material remains confidential.

**22. Non-Liability of OC San Officers and Employees.** No officer or employee of OC San shall be personally liable to Consultant, or any successor-in-interest, in the event of any default or breach by OC San or for any amount which may become due to Consultant or to its successor, or for breach of any obligation under the terms of this Agreement.

**23. Third-Party Rights.** Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than OC San and Consultant.

**24. Applicable Laws and Regulations.** Consultant shall comply with all applicable Federal, State, and local laws, rules, and regulations. Consultant also agrees to indemnify and hold OC San harmless from any and all damages and liabilities assessed against OC San as a result of Consultant's noncompliance therewith. Any provision required by law to be included herein shall be deemed included as a part of this Agreement whether or not specifically included or referenced.

25. **Licenses, Permits, Ordinances, and Regulations.** Consultant represents and warrants to OC San that it has obtained all licenses, permits, qualifications, and approvals of whatever nature that are legally required to provide the Services. Any and all fees required by Federal, State, County, City, and/or municipal laws, codes, and/or tariffs that pertain to the work performed under this Agreement will be paid by Consultant.
26. **Regulatory Requirements.** Consultant shall perform all work under this Agreement in strict conformance with applicable Federal, State, and local regulatory requirements including, but not limited to, 40 CFR 122, 123, 124, 257, 258, 260, 261, and 503, Title 22, 23, and Water Codes Division 2.
27. **Environmental Compliance.** Consultant shall, at its own cost and expense, comply with all Federal, State, and local environmental laws, regulations, and policies which apply to the Consultant, its subconsultants, subcontractors, and the Services, including, but not limited to, all applicable Federal, State, and local air pollution control laws and regulations.
28. **Dispute Resolution.**
- 28.1 In the event of a dispute as to the construction or interpretation of this Agreement, or any rights or obligations hereunder, the Parties shall first attempt, in good faith, to resolve the dispute by mediation. The Parties shall mutually select a mediator to facilitate the resolution of the dispute. If the Parties are unable to agree on a mediator, the mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Agreement, through the alternate dispute resolution procedures of Judicial Arbitration through Mediation Services of Orange County (“JAMS”), or any similar organization or entity conducting an alternate dispute resolution process.
- 28.2 In the event the Parties are unable to timely resolve the dispute through mediation, the issues in dispute shall be submitted to arbitration pursuant to Code of Civil Procedure, Part 3, Title 9, sections 1280 et seq. For such purpose, an agreed arbitrator shall be selected, or in the absence of agreement, each party shall select an arbitrator, and those two (2) arbitrators shall select a third. Discovery may be conducted in connection with the arbitration proceeding pursuant to Code of Civil Procedure section 1283.05. The arbitrator, or three (3) arbitrators acting as a board, shall take such evidence and make such investigation as deemed appropriate and shall render a written decision on the matter in question. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California. The arbitrator’s decision and award shall be subject to review for errors of fact or law in the Superior Court for the County of Orange, with a right of appeal from any judgment issued therein.
29. **Remedies.** In addition to other remedies available in law or equity, if the Consultant fails to make delivery of the goods or Services or repudiates its obligations under this Agreement, or if OC San rejects the goods or Services or revokes acceptance of the goods or Services, OC San may (a) cancel the Agreement; (b) recover whatever amount of the purchase price OC San has paid, and/or (c) “cover” by purchasing, or contracting to purchase, substitute goods or services for those due from Consultant. In the event OC San elects to “cover” as described in (c), OC San shall be entitled to recover from Consultant as damages the difference between the cost of the substitute goods or services and the Agreement price, together with any incidental or consequential damages.
30. **Force Majeure.** Neither party shall be liable for delays caused by accident, flood, acts of God, fire, labor trouble, war, acts of government, or any other cause beyond its control, but the affected party shall use reasonable efforts to minimize the extent of the delay. Work affected by a force majeure condition may be rescheduled by mutual consent of the Parties.

**31. Termination.**

31.1 OC San reserves the right to terminate this Agreement for its convenience, with or without cause, in whole or in part, at any time, by written notice from OC San. Upon receipt of a termination notice, Consultant shall immediately discontinue all work under this Agreement (unless the notice directs otherwise). OC San shall thereafter, within thirty (30) days, pay Consultant for work performed (cost and fee) through the date of termination. Consultant expressly waives any claim to receive anticipated profits to be earned during the uncompleted portion of this Agreement. Such notice of termination shall terminate this Agreement and release OC San from any further fee, cost, or claim hereunder by Consultant other than for work performed through the date of termination.

31.2 OC San reserves the right to terminate this Agreement immediately upon OC San's determination that Consultant is not complying with the Scope of Work requirements, if the level of service is inadequate, or for any other default of this Agreement.

31.3 OC San may also immediately terminate this Agreement for default, in whole or in part, by written notice to Consultant:

- if Consultant becomes insolvent or files a petition under the Bankruptcy Act; or
- if Consultant sells its business; or
- if Consultant breaches any of the terms of this Agreement; or
- if the total amount of compensation exceeds the amount authorized under this Agreement.

31.4 All OC San's property in the possession or control of Consultant shall be returned by Consultant to OC San on demand or at the expiration or termination of this Agreement, whichever occurs first.

**32. Attorney's Fees.** If any action at law or in equity or if any proceeding in the form of an Alternative Dispute Resolution (ADR) is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which the prevailing party may be entitled.

**33. Waiver.** The waiver by either party of any breach or violation of, or default under, any provision of this Agreement, shall not be deemed a continuing waiver by such party of any other provision or of any subsequent breach or violation of this Agreement or default thereunder. Any breach by Consultant to which OC San does not object shall not operate as a waiver of OC San's rights to seek remedies available to it for any subsequent breach.

**34. Severability.** If any section, subsection, or provision of this Agreement, or any agreement or instrument contemplated hereby, or the application of such section, subsection, or provision is held invalid, the remainder of this Agreement or instrument in the application of such section, subsection, or provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby, unless the effect of such invalidity shall be to substantially frustrate the expectations of the Parties.

**35. Survival.** The provisions of this Agreement dealing with payment, warranty, indemnity, and forum for enforcement shall survive expiration or early termination of this Agreement.

36. **Governing Law.** This Agreement shall be governed by and interpreted under the laws of the State of California and the Parties submit to jurisdiction in the County of Orange in the event any action is brought in connection with this Agreement or the performance thereof.

37. **Notices.**

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

OC San: Donald Herrera  
Senior Buyer  
Orange County Sanitation District  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
DHerrera@OCSan.gov

Consultant: Jaclyn Ferlita  
President  
AQC Environmental Brokerage Services, Inc.  
5881 Engineer Dr.  
Huntington Beach, CA 92649  
[jferlita@aqc-inc.com](mailto:jferlita@aqc-inc.com)

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

38. **Read and Understood.** By signing this Agreement, Consultant represents that it has read and understood the terms and conditions of the Agreement.

39. **Authority to Execute.** The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the Parties are formally bound.

40. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties and supersedes all prior written or oral communications and all contemporaneous oral agreements, understandings, and negotiations between the Parties with respect to the subject matter hereof.

[Intentionally left blank. Signatures follow on the next page.]

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

**ORANGE COUNTY SANITATION DISTRICT**

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

By: \_\_\_\_\_  
Christine Marick  
Chair, Administration Committee

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

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

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

By: \_\_\_\_\_  
Ruth Zintzun  
Finance & Procurement Manager

**AQC Environmental Brokerage Services, Inc**

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

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

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

CMM:LL

## **Exhibit “A”**

### **SCOPE OF WORK**

**EXHIBIT A**  
**SCOPE OF WORK**  
**Emission Reduction Credits Brokerage Services**  
**SPECIFICATION NO. CS-2023-1379BD-R**

**EXECUTIVE SUMMARY/OVERVIEW**

The Orange County Sanitation District (OC San) is responsible for safely collecting and treating the wastewater generated by 2.6 million people in North and Central Orange County. OC San serves the residential, commercial, and industrial wastewater needs of 20 cities, four special districts, and portions of unincorporated Orange County in its 479 square mile service area. Continuous and effective operation of the OC San facilities is critical to the health and safety of these Orange County citizens and protection of the local environment.

OC San operates and maintains two Title V permitted wastewater treatment plants: Reclamation Plant No. 1, and Treatment Plant No. 2. Over 180 million gallons per day of wastewater from residential, commercial, and industrial sources are treated at those two facilities. At those sites and others, OC San has equipment permitted by the South Coast Air Quality Management District (SCAQMD).

In addition to its existing infrastructure, OC San is committed to an extensive capital improvement program (CIP) to support the growing needs of the community while achieving clean water goals and continued compliance with increasingly stringent air quality regulations. Many of these CIP projects will ultimately require their own SCAQMD permits.

Emission reduction credits (ERCs) are required to offset new emissions from projects requiring a permit from the SCAQMD. OC San's ERCs can be used either for its permitting or can be sold in the ERC open market.

**1 Purpose**

Consultant shall provide ERC brokerage services to identify and secure buyer(s) for the sale of OC San's surplus Reactive Organic Gases (ROG) ERCs in the amount up to 360 lbs./day (pounds per day) and handle all market evaluation of ERCs, negotiations and financial transactions with all appropriate parties.

**2 Description**

OC San holds a limited portfolio of Air Quality ERC certificates issued by the SCAQMD for ROG's.

**3 Project/Work Elements**

OC San will work closely with the Consultant to assess future project plans and credit demands, manage OC San's portfolio, and coordinate at various times throughout the contract term to structure a financial transaction to sell ERC credits on OC San's behalf and in accordance with OC San's directions.

**3.1 General Responsibilities**

The Consultant responsibilities include, but are not limited to:

- 3.1.1 Assess the market trend, fair market value, and make timely notifications and practical recommendations to OC San on ERC sale opportunities;
- 3.1.2 Facilitate ERC sales with third parties, on such terms and conditions as OC San may determine in its sole discretion;
- 3.1.3 Inventory, optimize, maintain, and manage OC San ERC bank;



- 3.1.4 Adherence to market rules; and
- 3.1.5 Keep and maintain records of all sales terms and documentation related to the emission credit transactions.

**3.2 Professional Services**

Services include:

- 3.2.1 Brokerage Services: Facilitate and execute sale of ERC and all relevant transactions.
- 3.2.2 Consulting: Provide recommendations on market trends and suggest market risk reduction strategies in relation to OC San's held ERCs.
- 3.2.3 Asset Management: Provide market analysis, position modeling, strategy development, and execution of transactions.
- 3.2.4 Portfolio Optimization: Propose recommendation on optimizing the full value of the ERC portfolio.
- 3.2.5 Valuation Services: Provide quarterly valuation services of OC San's ERC portfolio.

**4 Resources Available from OC San**

The Consultant will be assigned a single point of contact on this contract. In close coordination with assigned OC San staff, the Consultant is responsible for requesting from OC San the needed information necessary for performing their contractual obligation. OC San will provide all available information to assist the Consultant in performing the work elements as described above.

**5 Project Schedule**

Consultant shall adhere to the following deadlines in creating its schedule and work breakdown structure for accomplishing the SOW. Consultant shall coordinate all meetings and presentations with the assigned OC San representative. All in-person meetings and presentations will be held at OC San Plant 1 Administrative Offices located in the City of Fountain Valley or other means not limited to virtual meetings.

MILESTONES	DEADLINE
Notice to Proceed (NTP)	NTP = Effective Date
Kick-Off Meeting	NTP plus 15 Calendar Days
Quarterly Reports	Submit within 15 Days following end of each calendar quarter (Jan. 15, Apr. 15, Jul. 15, Oct. 15)
Summary Report of all Financial Sales	Submit updated report within 30 Days of any sale closure.

**6 Project Management**

Consultant shall be responsible for coordinating and facilitating all necessary meetings, submittals, and portfolio management activities. The Consultant shall manage all support services as dictated by OC San staff and shall keep OC San apprised of progress.

Consultant shall provide the key management and supervisory personnel and shall not reassign the Key Personnel without prior approval of OC San. OC San may request re-assignment of any of the Consultant's (or sub-consultant's) personnel. Consultant shall be responsible for the supervision and management of all sub-consultants.

### **6.1 Contract Kick-Off Meeting**

Within fifteen (15) calendar days of receiving the Notice to Proceed, the Consultant shall schedule and execute a virtual project kick-off meeting to discuss project strategy.

## **7 Deliverables**

Consultant shall supply the following to OC San for review, comments, and approval. Following receipt and inclusion of OC San comments on all draft submittals, the Consultant shall submit originals in hardcopy and electronically (i.e., on USB storage drive) to OC San *no later than* ten (10) calendar days from receipt of OC San's comments.

### **7.1 Submittals**

- Work Element 1: Provide quarterly reports dictating:
  - Market trend assessments including 6-, 12-, 18-, and 24-month outlook/forecasts,
  - Financial valuation of OC San's ERC credit portfolio commensurate with known and anticipated risks,
  - Proposed market risk reduction strategies in relation to OC San's held assets, and
  - Recommendation on optimizing the full value of the ERC credit portfolio.
- Work Element 2: Regulatory Management
  - Manage all regulatory requirements including regulatory filings, and
  - Comply with reporting requirements, where applicable.
- Work Element 3: Remit purchase proposals received for OC San review, evaluation, and consideration within 15 calendar days of their receipt.
- Work Element 4: Provide summary report of all financial sale transactions within thirty (30) calendar days of sale closure and completion of all/any regulatory notifications (*as deemed applicable*). This report shall include, at a minimum, the following information:
  - Amount (lbs./day) of each ROG ERC sold,
  - Final sales price of each transaction,
  - Date of the transaction,
  - Amount of remaining ERCs held by OC San,
  - Fees related to the transaction(s), and
  - Final gross and net proceeds of all transactions.

### **7.2 QA/ QC**

General quality measures as set forth below shall be applied to each work product received from the Consultant.

- Accuracy – Technical content for all work products shall be accurate and presented in a logical format. The work shall contain all the information needed to either understand the flow of logic or confirm calculations and results.
- Clarity – Work products shall be clear and concise. All diagrams shall be easy to understand and be relevant to the supporting narrative. Presentation of all technical content shall adhere to accepted elements of style.

- Consistency to Requirements – All work products must satisfy the requirements of this Scope of Work and focus on the project assignments.
- File Editing – All text and diagrammatic files shall be editable by OC San.
- Format – Final submittals shall be submitted in hard copy(ies) and electronically in media mutually agreed upon prior to submission.
- Timeliness – Submittals, including drafts, shall be submitted on or before the due date specified in Section 5 or submitted in accordance with a later scheduled date determined by or approved by the OC San Project Manager.

The assigned OC San staff shall review, for completeness, preliminary or draft documentation that the Consultant submits and may return it to the Consultant for correction. As deemed applicable, OC San shall participate in the review and evaluation of any bid proposals received by the Consultant for purchase of ERC's. Absence of any comments by the assigned OC San staff shall not relieve the Consultant of the responsibility for complying with the requirements of the task associated with the work assignment.

Final approval and acceptance of documentation required herein shall be by letter of approval and acceptance by the OC San. The Consultant is responsible for any follow-up inquiries and/or changes requested by SCAQMD, CARB, or other regulatory agencies following their review as expeditiously as possible. Such responses must be prepared in sufficient time for prior review and approval by the OC San Project Manager. The Consultant shall not construe any letter of acknowledgement of receipt material as a waiver of review, nor as an acknowledgment that the material is in conformance with the work assignment. Any approval given during preparation of the documentation, or approval for shipment shall not guarantee the final acceptance of the completed documentation.

**8 Safety & Hazardous Materials**

If a facilities tour is deemed necessary, the Consultant shall receive the appropriate safety instructions from OC San designated Risk Management staff. Participation in this instruction is mandatory. This instruction doesn't replace any safety measures described in the OC San Safety Standards.

**9 Staff Assistance**

The Consultant will be assigned a single point of contact on this project ("Project Manager"). Any meetings and/or correspondence related to this project shall be scheduled and approved by the Project Manager.

**10 Safety and Health Requirements**

The Consultant and any Subconsultants shall comply with all applicable provisions of the OC San Consultant Safety Standards, Federal OSHA, California OSHA, and Local regulations, whichever is most stringent.



# ADMINISTRATION COMMITTEE

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

## Agenda Report

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**File #:** 2023-3068

**Agenda Date:** 7/12/2023

**Agenda Item No:** 3.

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**FROM:** Robert Thompson, General Manager  
Originator: Wally Ritchie, Director of Finance

**SUBJECT:**

**RENEW VMWARE ENTERPRISE LICENSE AGREEMENT**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Purchase Order to Nth Generation for the purchase of the VMWare Enterprise License Agreement (ELA) Subscription Upgrade and Renewal for a three (3) year term using the NASPO ValuePoint Master Agreement No. AR2472, California Contract # 7-17-70-40-05, for a total amount not to exceed \$574,585 plus applicable sales tax; and
- B. Approve a contingency in the amount of \$57,458 (10%).

**BACKGROUND**

Orange County Sanitation District's (OC San) current VMWare ELA is ending in August 2023. VMWare is used at OC San for server and desktop virtualization in the Office and Industrial Control Systems computing environments. Virtualization is technology used to create a virtual presentation of servers, storage, networks, and other physical machines. OC San relies on server virtualization technologies to maximize server resources, and application and data availability. It provides high availability and resiliency, increases efficiency, and reduces expenses.

**RELEVANT STANDARDS**

- Protect OC San assets
- Ensure the public's money is wisely spent
- 24/7/365 treatment plant reliability
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

**PROBLEM**

The current VMWare ELA expires in August 2023. A lapse in coverage could potentially impact OC San's computing environments.

**PROPOSED SOLUTION**

Renew the VMWare Enterprise License Agreement.

**TIMING CONCERNS**

VMWare ELA renewal is imperative for the continued support and safety of plant operations.

**RAMIFICATIONS OF NOT TAKING ACTION**

A decision not to renew OC San’s VMWare ELA means the solution would no longer be supported and OC San would be unable to apply security patches or use VMWare products legally.

**PRIOR COMMITTEE/BOARD ACTIONS**

July 2018 - Authorized a Purchase Order Contract with Nth Generation Computing for VMware Licenses and Support, Specification Number S-2018-954BD-R, for a five-year contract with a total amount not to exceed \$595,272; and approved a contingency of \$59,527 (10%).

**ADDITIONAL INFORMATION**

OC San solicited pricing from four (4) cooperative contracts and received three (3) responses. The first response was from Nth Generation via NASPO ValuePoint Master Agreement No. AR2472, California Contract # 7-17-70-40-05 for \$574,584.96. The second response was from Insight Public Sector via the Omnia Partners cooperative contract for \$601,744.57, and the third response was from Carahsoft via NASPO Cloud Solutions - CA: 7-17-70 cooperative contract for \$640,709.48. The list price for the VMware subscription is \$1,120,822.

The following is a list of the firms that submitted a bid:

<b>Company Name</b>	<b>Pricing</b>
Nth Generation	\$574,584.96
Insight	\$601,744.57
Carahsoft	\$640,709.48

Staff evaluated the prices and recommends approving the Purchase Order to Nth Generation. The term of this Purchase Order will be upon the effective date of the Notice to Proceed. OC San is utilizing NASPO ValuePoint Master Agreement No. AR2471, California Contract # 7-17-70-40-05 with Nth Generation under Ordinance No. OC SAN-56, Section 2.03(B), Cooperative Purchases.

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

This request complies with authority levels of the OC San's Purchasing Ordinance. This item has been budgeted (FY2022-23 & 2023-24 Budget).

**ATTACHMENT**

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

N/A



# ADMINISTRATION COMMITTEE

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

## Agenda Report

**File #:** 2023-3034

**Agenda Date:** 7/12/2023

**Agenda Item No:** 4.

**FROM:** Robert Thompson, General Manager  
Originator: Wally Ritchie, Director of Finance

**SUBJECT:**

**WASTEWATER REFUNDING REVENUE OBLIGATIONS, SERIES 2023A AND SERIES 2024A**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Authorize the General Manager to issue new fixed rate Certificates of Participation, to be referred to as Wastewater Refunding Revenue Obligations, in an amount sufficient to refund up to \$39,180,000 of Wastewater Refunding Revenue Obligations, Series 2014A; and
- B. Authorize the General Manager to issue new fixed rate Certificates of Participation, to be referred to as Wastewater Refunding Revenue Obligations, in an amount sufficient to refund up to \$127,510,000 of Wastewater Refunding Revenue Obligations, Series 2015A.

**BACKGROUND**

A portion of Orange County Sanitation District’s (OC San) debt portfolio will soon be subject to optional redemption. As interest rates are lower than the coupons on the outstanding debt, there is the potential opportunity to refinance the outstanding debt to reduce interest costs for OC San. The Wastewater Refunding Revenue Obligations Series 2014A (2014 Revenue Obligations) are subject to optional redemption on February 1, 2024 and the Wastewater Refunding Revenue Obligations Series 2015A (2015 Revenue Obligations) are subject to optional redemption on August 1, 2024. Under current market conditions, a refunding of the outstanding \$39,180,000 of 2014 Revenue Obligations would generate more than 3% net present value savings (the minimum percentage required by OC San’s debt policy) and a refunding of the outstanding \$127,510,000 of 2015 Revenue Obligations would also generate more than 3% net present value savings.

**RELEVANT STANDARDS**

- OC San Debt Policy - Financial Management and Procedure 201-3-1; net present value savings are at least three (3) percent of the par amount of the refunded bonds from refunding outstanding bonds

**PROBLEM**

The 2014 Revenue Obligations and 2015 Revenue Obligations are currently accruing interest at 5.00% rates, which are higher than current market yields. The 2014 Revenue Obligations will soon be available for optional redemption on February 1, 2024 and not refunding the 2014 Revenue Obligations on, or before, such date would result in OC San paying above market rates on the 2014 Revenue Obligations. The 2015 Revenue Obligations will be available for optional redemption six months later than the 2014 Revenue Obligations, on August 1, 2024, and not refunding the 2015 Revenue Obligations on, or before, such date would result in OC San paying above market rates on the 2015 Revenue Obligations.

**PROPOSED SOLUTION**

Assuming current market conditions as of June 28, 2023, OC San could refund the 2014 Revenue Obligations for present value debt service savings, net of all costs, of approximately \$1.25 million (equal to 4.1% of refunded principal) with a refunding amortization structured with the objective of providing level annual debt service savings.

Assuming current market conditions as of June 28, 2023, OC San could refund the 2015 Revenue Obligations for present value debt service savings, net of all costs, of approximately \$20.92 million (equal to 16.4% of refunded principal) with a refunding amortization structured with the objective of providing level annual debt service savings.

**TIMING CONCERNS**

The Tax Cuts and Jobs Act of 2017 eliminated the ability of issuers to conduct advance refundings (more than 90 days prior to the optional redemption date) on a tax-exempt basis. Therefore, Tuesday, November 7, 2023 is the earliest practical closing date for a tax-exempt refinancing of the 2014 Revenue Obligations which is 86 days (90 days would be Friday, November 3, 2023; however, municipal bond transactions rarely close on Fridays or Mondays) before the February 1, 2024 optional redemption date. A refunding after February 1, 2024 would result in OC San continuing to pay interest costs above current market yields.

The earliest practical closing date for a tax-exempt refinancing of the 2015 Revenue Obligations is Tuesday, May 7, 2024 which is 86 days before the August 1, 2024 optional redemption date. A refinancing closing earlier than May 7, 2024 could be accomplished by means of a forward refunding or taxable refunding; however, those financing structures would subject OC San to higher borrowing cost which would reduce net present value savings by an estimated \$4.7-16.5 million from the \$20.92 million cited in the Proposed Solution section.

**RAMIFICATIONS OF NOT TAKING ACTION**

Not refunding the 2014 Revenue Obligations or the 2015 Revenue Obligations would result in OC San continuing to pay above market interest costs.



## PRIOR COMMITTEE/BOARD ACTIONS

December 2021 - Approved Resolution No. OC SAN 21-23, authorizing the execution and delivery by the District of an Installment Purchase Agreement, a Trust Agreement, and a Continuing Disclosure Agreement in connection with the Orange County Sanitation District Wastewater Refunding Revenue Obligations, Series 2022A, authorizing the execution and delivery of such Revenue Obligations evidencing principal in an aggregate amount of not to exceed \$107,315,000, approving a Notice of Intention to Sell, authorizing the distribution of an Official Notice Inviting Bids and an Official Statement in connection with the offering and sale of such Revenue Obligations and authorizing the execution of necessary documents and related actions.

May 2021 - Approved Resolution No. OC SAN 21-09, authorizing the execution and delivery by the District of an Installment Purchase Agreement, a Trust Agreement, a Continuing Disclosure Agreement and Escrow Agreements in connection with the Orange County Sanitation District Wastewater Refunding Revenue Obligations, Series 2021A, authorizing the execution and delivery of such Revenue Obligations evidencing principal in an aggregate amount of not to exceed \$163,775,000, approving a Notice of Intention to Sell, authorizing the distribution of an Official Notice Inviting Bids and an Official Statement in connection with the offering and sale of such Revenue Obligations and authorizing the execution of necessary documents and related actions.

## ADDITIONAL INFORMATION

### Outstanding Revenue Obligations

OC San currently has eight series of debt issuances outstanding (including the 2014 Revenue Obligations and 2015 Revenue Obligations) in the par amount of \$789,750,000 as shown in the table below:

	<b>Outstanding Par Amount <sup>(1)</sup></b>
Series 2022A Refunding	\$81,620,000
Series 2021A Refunding	111,770,000
Series 2017A Refunding	65,815,000
Series 2016A Refunding	126,855,000
<b>Series 2015A Refunding<sup>(2)</sup></b>	<b>127,510,000</b>
<b>Series 2014A Refunding<sup>(3)</sup></b>	<b>39,180,000</b>
Series 2010C	157,000,000
Series 2010A	80,000,000
<b>Total:</b>	<b>\$789,750,000</b>

(1) As of June 30, 2023

(2) 2015 Revenue Obligations

(3) 2014 Revenue Obligations

Depending on market conditions, staff is proposing to refund in November 2023 up to \$39,180,000 of the 2014 Revenue Obligations maturing in years 2024 through 2027 with annual coupon rates of 5.00%, as shown in the table below:

Series	Maturity	Principal Amount	Coupon
2014A	02/01/2024	\$ 9,085,000	5.00%
2014A	02/01/2025	\$ 9,545,000	5.00%
2014A	02/01/2026	\$ 10,025,000	5.00%
2014A	02/01/2027	\$ 10,525,000	5.00%
	<b>Total:</b>	<b>\$ 39,180,000</b>	

Depending on market conditions, staff is proposing to refund in May 2024 up to \$127,510,000 of the 2015 Revenue Obligations maturing in years 2028 through 2031 and 2034 through 2037 with annual coupon rates of 5.00%, as shown in the table below:

Series	Maturity	Principal Amount	Coupon
2015A	02/01/2028	\$15,240,000	5.00%
2015A	02/01/2029	16,045,000	5.00%
2015A	02/01/2030	15,965,000	5.00%
2015A	02/01/2031	6,215,000	5.00%
2015A	02/01/2034	17,180,000	5.00%
2015A	02/01/2035	18,040,000	5.00%
2015A	02/01/2036	18,940,000	5.00%
2015A	02/01/2037	19,885,000	5.00%
	<b>Total:</b>	<b>\$127,510,000</b>	

### Timeline

Assuming that the Board of Directors approves pursuing the refinancing of the 2014 Revenue Obligations and the 2015 Revenue Obligations, staff will return to the Administration Committee in September 2023 and March 2024 with financing documents for final approval to complete the refinancing for the 2014 Revenue Obligations and 2015 Revenue Obligations, respectively. The refinancing of the 2014 Revenue Obligations and 2015 Revenue Obligations are expected to close in November 2023 and May 2024, respectively. For each refinancing, there is the possibility that interest rates may change at the time of approval of the financing documents and based on then market conditions, staff may recommend a modified refinancing plan. The refundings of the 2014 Revenue Obligations and 2015 Revenue Obligations will be sold on a competitive basis in order to obtain the lowest financing costs possible.

Staff and consultants will be available to answer any questions at the Administration Committee meeting.

The following summarizes the remaining major steps to be completed for the debt refundings:

**September 2023 (2014 Revenue Obligations):**

- Board approval of legal and disclosure documents
- Financing Corporation approval of legal and disclosure documents
- Request ratings from bond rating agencies

**October 2023 (2014 Revenue Obligations):**

- Receive ratings from rating agencies
- Marketing and sale through a competitive sale process

**November 2023 (2014 Revenue Obligations):**

- Closing
- Begin debt administration

**March 2024 (2015 Revenue Obligations):**

- Board approval of legal and disclosure documents
- Financing Corporation approval of legal and disclosure documents
- Request ratings from bond rating agencies

**April 2024 (2015 Revenue Obligations):**

- Receive ratings from rating agencies
- Marketing and sale through a competitive sale process

**May 2024 (2015 Revenue Obligations):**

- Closing
- Begin debt administration

All costs involved with the refinancing, including costs for Norton Rose Fulbright, Special Counsel and Disclosure Counsel and Public Resources Advisory Group, Municipal Advisor, will be paid from the proceeds of the new refunding issues.

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

N/A

**ATTACHMENT**

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

N/A



# ADMINISTRATION COMMITTEE

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

## Agenda Report

**File #:** 2023-3084

**Agenda Date:** 7/12/2023

**Agenda Item No:** 5.

**FROM:** Robert Thompson, General Manager  
Originator: Laura Maravilla, Director of Human Resources

**SUBJECT:**

**2024 BENEFITS INSURANCE RENEWAL**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

Approve the Orange County Sanitation District 2024 Benefits Insurance Renewal for an overall not-to-exceed amount of \$15,189,392, as specified below:

- A. WORKTERRA (medical, dental, and vision plans; and Employee Assistance Program [EAP]) - Not to Exceed \$13,316,662;
- B. The Standard (basic life, short- and long-term disability) - Not to Exceed \$497,246;
- C. The Standard (EMT & Manager disability) - Not to Exceed \$30,000;
- D. BenefitWallet (Health Savings Accounts [HSA]) - Not to Exceed \$42,000;
- E. BPAS / Voya (Health Reimbursement Arrangement [HRA]) - Not to Exceed \$189,000;
- F. WORKTERRA (retiree-paid health premiums, recouped from retirees through monthly payments) - Not to Exceed \$1,114,484; and
- G. Approve a contingency in the amount of \$759,470 (5%).

**BACKGROUND**

The Orange County Sanitation District (OC San) offers healthcare and welfare insurance benefits (plans) to employees and eligible dependents in accordance with collective bargaining agreements, personnel policies, and adopted resolutions.

The renewal date for OC San’s plans is January 1 of each year, with preparations starting as early as April of the prior year and insurance contracts being finalized in August. Human Resources (HR) staff works closely with OC San’s broker of record, Alliant, to market the plans as needed, negotiate with insurance carriers, and obtain the most cost-effective coverage for participants.

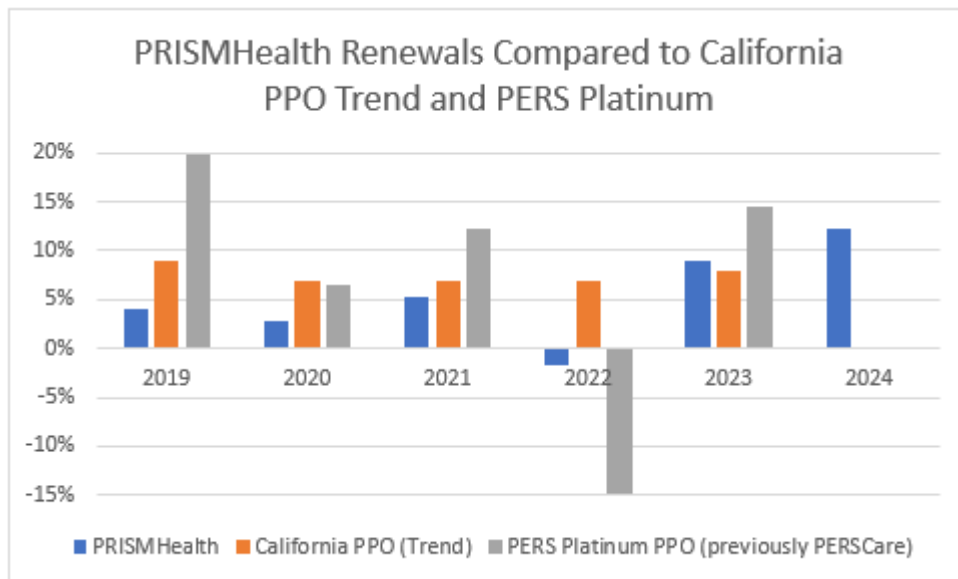
The total cost of insurance coverage for the 2024 Plan Year is \$15,189,392, which reflects an overall increase of 10.5%, or \$1,333,872, across all plans.

In prior years, the overall increase to insurance was 4.1% for Plan Year 2019, 0.1% for Plan Year 2020, -1.4% for Plan Year 2021, -8.8% for Plan Year 2022, and 8.4% for Plan Year 2023.

Over the years, HR has implemented ongoing cost-containment measures to include joining a risk-sharing pool under Public Risk Innovation, Solutions, and Management (PRISM) - formerly known as CSAC-EIA; evaluating utilization trends and making plan design changes; bundling insurance coverages; and competitively shopping options and negotiating rate guarantees.

The membership with PRISM, which was approved by the Board of Directors in 2015, has resulted in favorable insurance renewals since joining, in conjunction with OC San’s low health insurance utilization rates and claims history in the pool. This year, PRISM experienced a substantial rebound in utilization after the COVID-19 pandemic as members resumed seeking services, which has driven rates back up from early-pandemic lows. Actual experience and trends show conditions are being diagnosed at later stages due to the delay in care, resulting in more complex treatment and higher costs. In the medical industry as a whole, key factors driving medical inflation currently include rising supply chain costs, labor shortages, deferred care and the associated rebound in services, and the discontinuation of CARES Act payments to providers.

The following chart shows the annual PRISM medical insurance renewals compared to the overall California PPO trend as well as PERS Platinum PPO (previous PERSCare) for comparison purposes.



Employees share in the cost of medical and dental insurance in accordance with the current labor agreements. For medical insurance coverage, employees contribute 20% of the premium costs, with the exception of those enrolled in employee only HMO coverage who contribute 10% of the premium

cost. For dental coverage, all employees contribute 20% of the premium costs. OC San covers the cost of all other lines of coverage including vision, life, disability, EAP, HSA, and HRA.

OC San retirees have the option to remain on OC San's medical and/or dental insurance and pay 100% of their premiums. OC San incorporates the cost of this item in the insurance renewal as OC San pays in advance and is reimbursed by the retiree through monthly payments.

There is also a small segment of employees hired prior to July 1, 1988 who are eligible for OC San-paid medical insurance, for a limited duration, upon retirement as a result of a labor agreement during their time of employment. Retirees falling within this group receive 2.5 months of OC San-paid medical insurance for each year of continuous service. The number of employees eligible for this benefit continues to diminish through attrition, with 15 retirees currently receiving it, and 1 active employee who will be eligible for this benefit upon retirement.

### **RELEVANT STANDARDS**

- Offer competitive compensation and benefits
- Comply with OC San Policy 4.1 - Insurance

### **PROBLEM**

OC San has a contractual obligation to provide healthcare and welfare insurance benefits to employees and eligible dependents. The timeline to meet OC San's insurance renewal date of January 1 includes obtaining Board approval in July, finalizing insurance contracts in August, and holding the required benefits open enrollment period in October to provide employees and eligible dependents the opportunity to make changes to their benefit elections.

### **PROPOSED SOLUTION**

Approve the benefits insurance renewal with the respective carriers and the contingency, as described above, to ensure continued coverage for employees and eligible dependents.

### **TIMING CONCERNS**

Approval will ensure OC San meets the associated deadlines to finalize insurance contracts in August and continued coverage for OC San employees and eligible dependents.

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

Insurance would lapse resulting in the interruption of medical, dental, vision, EAP, life, and disability, HAS, and HRA coverage and services to employees and eligible dependents; and OC San would not be meeting its obligation to provide these benefits as provided for in collective bargaining agreements, personnel policies, and adopted resolutions.

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

N/A

## **ADDITIONAL INFORMATION**

### **PRISM Risk Sharing Pool**

In May 2015, the Board of Directors approved moving OC San's medical insurance from direct contracts with the carriers to joining the insurance risk sharing pool under PRISM. The association with PRISM resulted in immediate and future cost savings to OC San in medical insurance premiums and dictated a change from fiscal to calendar-based plan year, from January through December. Staff typically presents the benefits renewal information to the Board of Directors annually every July, for an effective date of January 1 of the year thereafter.

### **Medical Insurance**

OC San's medical benefits are designed to help maintain wellness and protect employees and their families from major financial hardship in the event of non-work related illness or injury. OC San offers a choice of medical plans through Anthem Blue Cross and Kaiser Permanente.

HMO (Health Maintenance Organization) plans offer comprehensive coverage. Employees have a choice between the Anthem Blue Cross HMO or the Kaiser HMO plan. The PPO (Preferred Provider Organization) plan through Anthem Blue Cross offers a network of doctors and healthcare facilities that provide services to plan members at special discounted rates. OC San also offers two high deductible plans to eligible employees: a high deductible HMO plan through Kaiser and a high deductible PPO plan through Anthem Blue Cross.

### **Dental Insurance**

OC San provides the Delta Dental plan to all benefit eligible employees.

### **Vision Insurance**

OC San currently provides vision insurance to all benefit eligible employees through Vision Service Plan (VSP).

### **Basic Life Insurance**

Life insurance provides protection for an employee's beneficiary in the event of death. All benefit eligible full-time and part-time employees automatically receive Basic Life and Accidental Death & Dismemberment insurance coverage. The benefit amount is \$50,000 for employees, and three times salary for managers and executives. Coverage is offered through The Standard.

### **Short-Term Disability Insurance**

The short-term disability insurance plan protects employees when non-work related illness or injury makes it impossible for them to work for a short period of time. Under the plan, income may be continued for up to 26 weeks. OC San pays the entire cost of coverage for regular full-time and part-time employees. Coverage is offered through The Standard.

### **Long-Term Disability Insurance**

The long-term disability insurance plan protects employees when a non-work related illness or injury makes it impossible for them to work for an extended period of time. Under the plan, employees who are disabled for more than 90 days are eligible to receive a benefit of 67% of their basic monthly pay up to \$5,000/month. OC San pays the entire cost of coverage for regular full-time and part-time employees with five or more years of service. Coverage is offered through The Standard.

### **Executive Disability**

This additional long-term disability insurance plan provides increased income protection for executives and managers. Under the plan, eligible employees who are disabled for more than 90 days due to a non-work related illness or injury are eligible to receive an additional benefit of \$3,100/month. The first \$5,000/month is covered by the OC San group long-term disability plan benefit. Coverage is offered through The Standard.

### **Health Savings Account**

Eligible employees who elect the Anthem High Deductible Health Plan (HDHP) are simultaneously enrolled in a Health Savings Account (HSA) which provides a method for the employee to save for health-related expenses. OC San currently makes an annual contribution to the HSA based on the increased deductible and the savings generated by employees electing the HDHP plan compared to the PPO plan.

### **Health Reimbursement Arrangement**

Health Reimbursement Arrangement (HRA) enrollment is based on employee group, and only a subset of OC San's employee groups participate. This plan provides individual accounts for reimbursing participants and their eligible dependents for qualified medical expenses during retirement or following separation from OC San. OC San covers administrative costs up to \$30 per participant per year and makes a monthly contribution to employee accounts based on MOU and/or Resolution. Coverage is offered through BPAS/Voya.

### **Employee Assistance Program**

The EAP plan protects employees and family members when they need help with personal problems such as marital and relationship problems, stress, anxiety, depression; grief and loss, or substance abuse. Coverage is offered through ComPsych.

### **CEQA**

N/A

### **FINANCIAL CONSIDERATIONS**

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted.

### **ATTACHMENT**

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

N/A





# ADMINISTRATION COMMITTEE

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

## Agenda Report

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**File #:** 2023-3087

**Agenda Date:** 7/12/2023

**Agenda Item No:** 6.

---

**FROM:** Robert Thompson, General Manager  
Originator: Lan C. Wiborg, Director of Environmental Services

**SUBJECT:**

**ORANGE COUNTY SANITATION DISTRICT ENVIRONMENTAL SERVICES: RESOURCE PROTECTION DIVISION**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Information Item.

**BACKGROUND**

Each month, staff provides an informational presentation on topics of interest to the Board of Directors. This month's topic: Orange County Sanitation District's Environmental Services Department's Resource Protection Division (RPD): Protecting Reuse Initiatives. The work of RPD is regulatory in nature. This presentation will focus primarily on who we are, what we do, and our major projects.

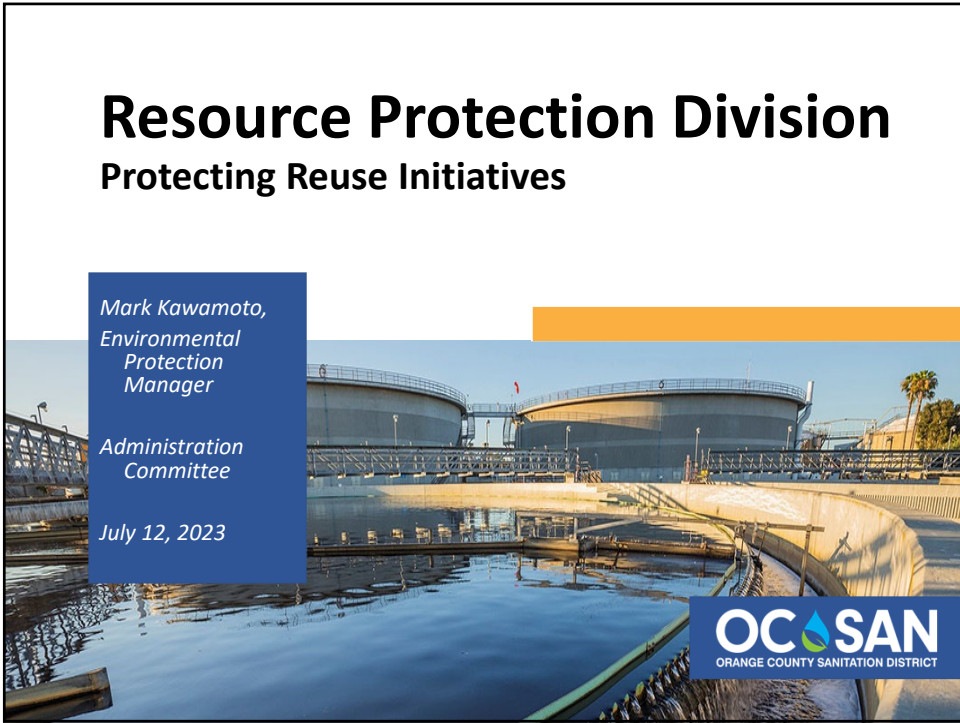
**RELEVANT STANDARDS**

- Protect OC San assets
- Comply with environmental permit requirements
- Listen to and seriously consider community input on environmental concerns
- Safe, beneficial reuse of Biosolids
- Make it easy for people to understand OC San's roles and value to community
- Meet volume and water quality needs for the GWRS

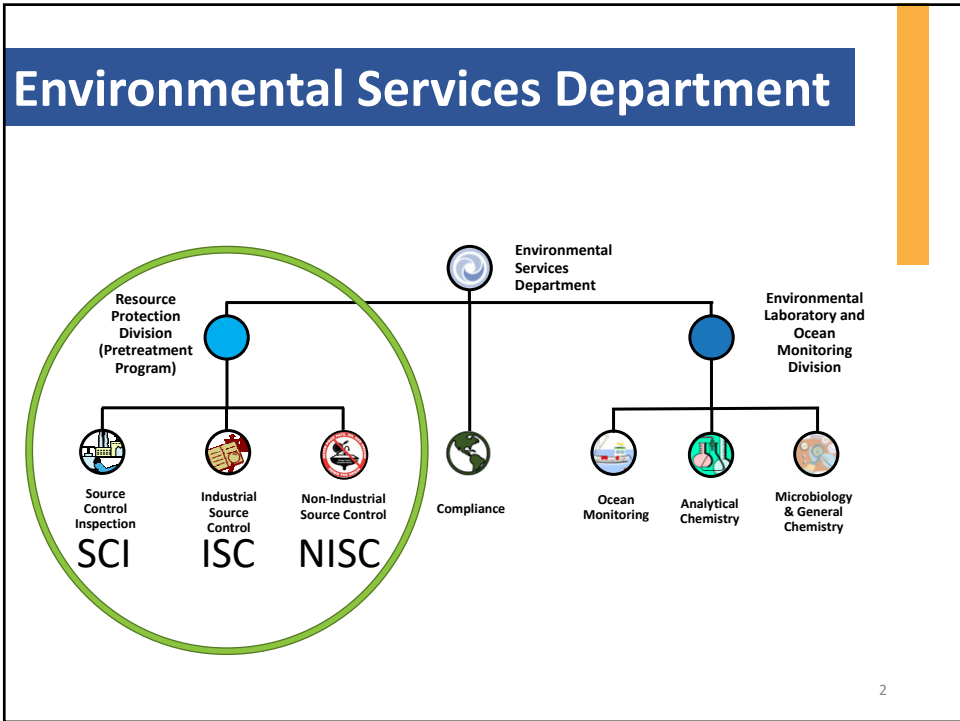
**ATTACHMENT**

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

- Presentation



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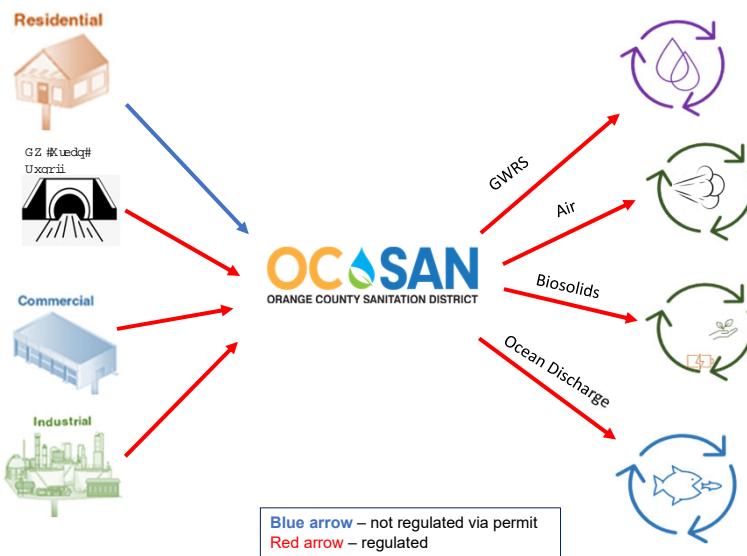
## Resource Protection Division Mission

To implement a comprehensive, federally-mandated Pretreatment Program and protect staff and community health, the environment, and OC San's infrastructure and reuse initiatives.

3

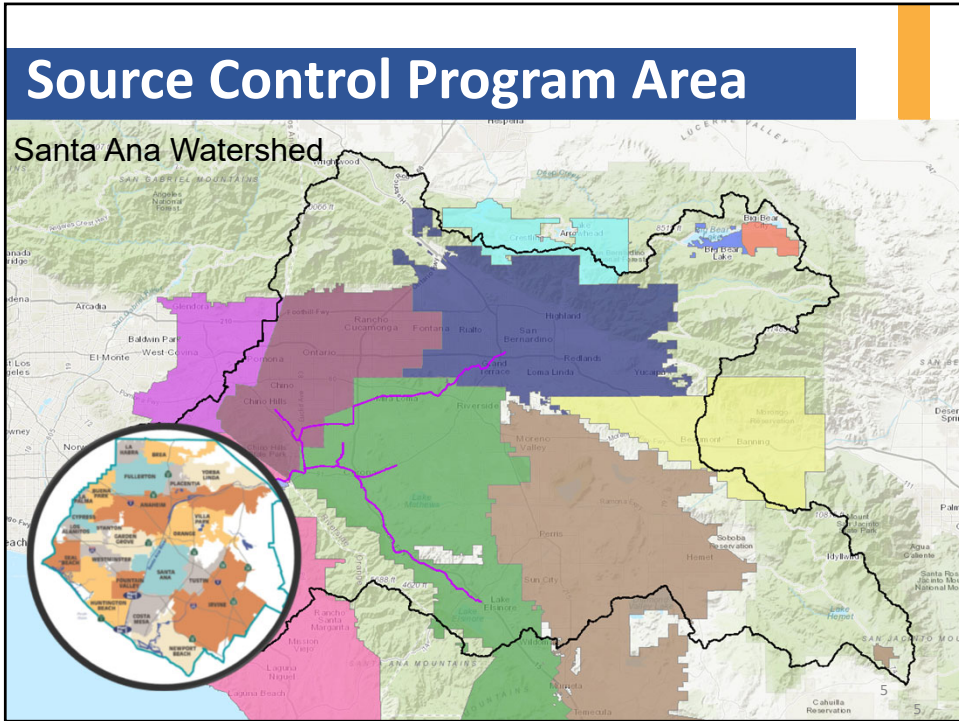
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## Protecting Reuse Initiatives



4

4



5

## Pretreatment Authority

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United States  
Environmental Protection  
Agency

Code of  
Federal  
Regulations

---





STATE WATER RESOURCES CONTROL BOARD  
REGIONAL WATER QUALITY CONTROL BOARDS

California Ocean Plan  
Santa Ana RWQCB Basin Plan

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**OC San's Regulatory Authority**

- Consistent with 40 CFR 403
- OC San's Wastewater Discharge Regulations Ordinance

**"No toxics in toxic amounts entering the sewers"**

6

## Pretreatment Compliance

*“OC San runs a pretreatment program that was approved under federal law and that implements and enforces the national pretreatment standards established under the Clean Water Act (CWA). Pursuant to the CWA, any violation of any requirement imposed in OC San’s local pretreatment program is a violation of federal law.”*



--US Department of Justice, Central District of California  
News Release on Jan 13, 2023

7

7

## Permitting and Enforcement

- Permit-based program
- Progressive enforcement
  - Approved Enforcement Response Plan
  - Sustain permittee compliance



8

8

# Pretreatment Honor Roll 2022

**OC SAN PRETREATMENT HONOR ROLL PROGRAM**  
**- CLASS OF 2022 -**



**BRONZE AWARD**

This facility is recognized as an environmental steward for meeting industrial pretreatment program compliance requirements.



SCAN HERE TO LEARN MORE!




10844 Ellis Avenue, Fountain Valley, California 92708-7018 • 714.962.2411 • www.ocsan.gov

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# Pretreatment Honor Roll 2022

	Winners	Eligible	No. of Permits
Anaheim	9	21	50
Brea	1	7	14
Buena Park	1	3	10
CMSD	3	6	8
Cypress	2	5	5
Garden Grove	2	3	14
Huntington Beach	4	17	27
Irvine/IRWD	4	19	34
Newport Beach	4	4	5
Orange	1	6	23
Placentia	3	5	13
Santa Ana	3	25	64



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## Self-Monitoring Reporting

JR BF **OC SAN** ORANGE COUNTY SANITATION DISTRICT **SMR No.** [REDACTED]  
ORANGE COUNTY SANITATION DISTRICT **SELF-MONITORING FORM** SMR Type: Standard  
General Pretreatment Regulations For Existing And New Sources Of Pollution Simply Fresh, LLC

Permit No. [REDACTED]

Sampling Dates: 04/01/2022 to 04/30/2022 Submit By Date: 05/20/2022  
 Sample Start Date: 4/4/2022 Sample End Date: 4/5/2022  
 Sample Start Time: 10:00AM Sample End Time: 10:00AM  
 Sampling Point Location: Three-stage Clarifier Sample Box located along the northwest side of the building

Contact Person: [REDACTED] Contact Phone: [REDACTED]  
 Contact Email: mbrisenolakeviewfarms.com

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OCSD MAIL ROOM  
 2022 MAY 18 AM 10:03 ORANGE COUNTY SANITATION DISTRICT  
 PROCESS METER READINGS - MONTHLY REPORT

Monitoring ID: [REDACTED]

COMPANY: [REDACTED] PERMIT NO: [REDACTED]

Meter Reading Date Range: 04/01/2022 to 04/30/2022 Due Date: 05/20/2022

No.	Meter Location	For OC San Use only
1	On the wall in the tumbling and deburring room (left meter)	PM_26287_LEFT
2	On the wall in the tumbling and deburring room (right meter)	PM_45502903_RIGHT

11

## OC San Inspectors

- Permitted facilities, trunklines, wastehauler station, covert
- >1,600 inspections, >3,500 samples last year






12

## Can You Spot the Problems?



13

13

## Resource Protection Division Priorities

- Recruitment and retention
- Reassess pretreatment pollutant limits
- Revamp data management system



14

14



## Take Aways

- Remember the 3 P's
- No Toxics in Toxic Amounts
- Promote OC San's Honor Roll



15

15

## Questions



16



# ADMINISTRATION COMMITTEE

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

## Agenda Report

---

**File #:** 2023-3088

**Agenda Date:** 7/12/2023

**Agenda Item No:** 7.

---

**FROM:** Robert Thompson, General Manager  
Originator: Wally Ritchie, Director of Finance

**SUBJECT:**

**RISK REGISTER PRESENTATION**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Information Item.

**BACKGROUND**

Every two years, staff updates the Risk Register as part of the strategic planning process. The Risk Register is the result of staff input and represents areas of risk and opportunity for Orange County Sanitation District from a staff perspective. This is used by management to help update the Strategic Plan and subsequent budgets.

**RELEVANT STANDARDS**

- Sustain 1, 5, 20-year planning horizons
- Maintain and adhere to the Strategic Plan

**ATTACHMENT**

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

- Presentation

# OC San's Risk Register

Presented by:

Wally Ritchie,  
Director of  
Finance

Administration  
Committee

July 12, 2023



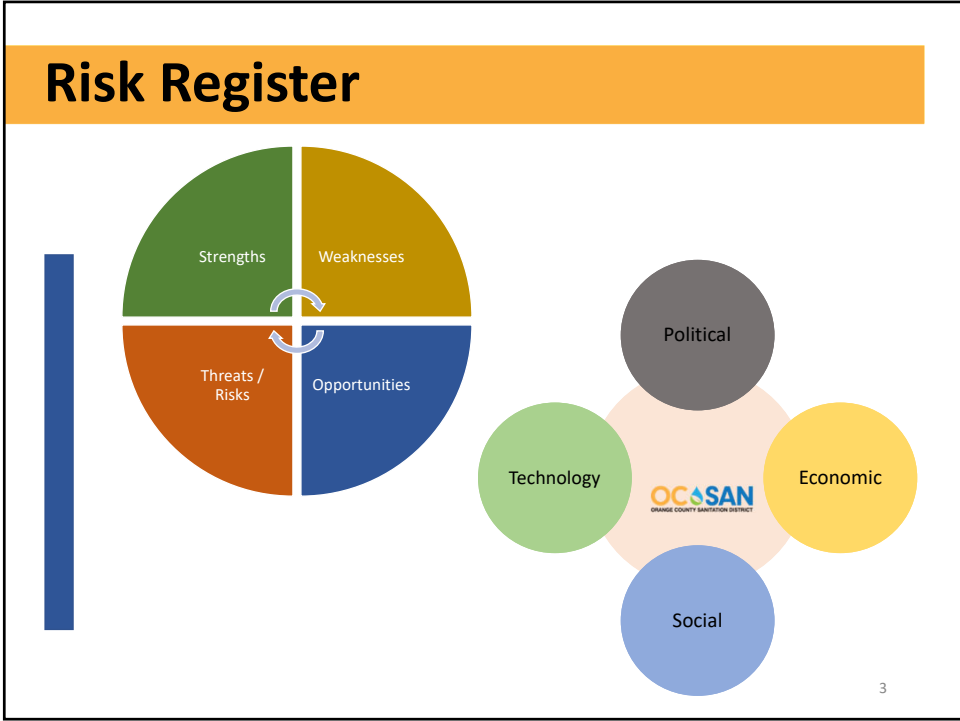
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## Risk Register

- Part of Strategic Planning Process
- Last Report 2021
- Focus on Operational Impacts
- Input from Staff
- Overview of OC San's Current Opportunities and Risks

2

2



3



4

## Next Steps – Strategic Planning

- Budget Update Adopted ✓
- Strategic Planning Review
  - Strategic Plan ✓
  - Levels of Service ✓
  - Core Values ✓
  - Risk Register ✓
- Internal Policy Papers Update – August
- Draft Strategic Plan – September
- Final Strategic Plan for Adoption – November

5

5

## ORANGE COUNTY SANITATION DISTRICT COMMON ACRONYMS

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

## ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS

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**ACTIVATED SLUDGE PROCESS** – A secondary biological wastewater treatment process where bacteria reproduce at a high rate with the introduction of excess air or oxygen and consume dissolved nutrients in the wastewater.

**BENTHOS** – The community of organisms, such as sea stars, worms, and shrimp, which live on, in, or near the seabed, also known as the benthic zone.

**BIOCHEMICAL OXYGEN DEMAND (BOD)** – The amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

**BIOGAS** – A gas that is produced by the action of anaerobic bacteria on organic waste matter in a digester tank that can be used as a fuel.

**BIOSOLIDS** – Biosolids are nutrient rich organic and highly treated solid materials produced by the wastewater treatment process. This high-quality product can be recycled as a soil amendment on farmland or further processed as an earth-like product for commercial and home gardens to improve and maintain fertile soil and stimulate plant growth.

**CAPITAL IMPROVEMENT PROGRAM (CIP)** – Projects for repair, rehabilitation, and replacement of assets. Also includes treatment improvements, additional capacity, and projects for the support facilities.

**COLIFORM BACTERIA** – A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere, used as indicators of sewage pollution. E. coli are the most common bacteria in wastewater.

**COLLECTIONS SYSTEM** – In wastewater, it is the system of typically underground pipes that receive and convey sanitary wastewater or storm water.

**CERTIFICATE OF PARTICIPATION (COP)** – A type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues.

**CONTAMINANTS OF POTENTIAL CONCERN (CPC)** – Pharmaceuticals, hormones, and other organic wastewater contaminants.

**DILUTION TO THRESHOLD (D/T)** – The dilution at which the majority of people detect the odor becomes the D/T for that air sample.

**GREENHOUSE GASES (GHG)** – In the order of relative abundance water vapor, carbon dioxide, methane, nitrous oxide, and ozone gases that are considered the cause of global warming (“greenhouse effect”).

**GROUNDWATER REPLENISHMENT SYSTEM (GWRS)** – A joint water reclamation project that proactively responds to Southern California’s current and future water needs. This joint project between the Orange County Water District and OCSD provides 70 million gallons per day of drinking quality water to replenish the local groundwater supply.

**LEVEL OF SERVICE (LOS)** – Goals to support environmental and public expectations for performance.

**N-NITROSODIMETHYLAMINE (NDMA)** – A N-nitrosamine suspected cancer-causing agent. It has been found in the GWRS process and is eliminated using hydrogen peroxide with extra ultra-violet treatment.

**NATIONAL BIOSOLIDS PARTNERSHIP (NBP)** – An alliance of the NACWA and WEF, with advisory support from the EPA. NBP is committed to developing and advancing environmentally sound and sustainable biosolids management practices that go beyond regulatory compliance and promote public participation to enhance the credibility of local agency biosolids programs and improved communications that lead to public acceptance.

**PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS)** – A large group (over 6,000) of human-made compounds that are resistant to heat, water, and oil and used for a variety of applications including firefighting foam, stain and water-resistant clothing, cosmetics, and food packaging. Two PFAS compounds, perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA) have been the focus of increasing regulatory scrutiny in drinking water and may result in adverse health effects including developmental effects to fetuses during pregnancy, cancer, liver damage, immunosuppression, thyroid effects, and other effects.

**PERFLUOROCTANOIC ACID (PFOA)** – An ingredient for several industrial applications including carpeting, upholstery, apparel, floor wax, textiles, sealants, food packaging, and cookware (Teflon).

**PERFLUOROCTANESULFONIC ACID (PFOS)** – A key ingredient in Scotchgard, a fabric protector made by 3M, and used in numerous stain repellents.

**PLUME** – A visible or measurable concentration of discharge from a stationary source or fixed facility.

**PUBLICLY OWNED TREATMENT WORKS (POTW)** – A municipal wastewater treatment plant.

**SANTA ANA RIVER INTERCEPTOR (SARI) LINE** – A regional brine line designed to convey 30 million gallons per day of non-reclaimable wastewater from the upper Santa Ana River basin to the ocean for disposal, after treatment.

**SANITARY SEWER** – Separate sewer systems specifically for the carrying of domestic and industrial wastewater.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD)** – Regional regulatory agency that develops plans and regulations designed to achieve public health standards by reducing emissions from business and industry.

**SECONDARY TREATMENT** – Biological wastewater treatment, particularly the activated sludge process, where bacteria and other microorganisms consume dissolved nutrients in wastewater.

**SLUDGE** – Untreated solid material created by the treatment of wastewater.

**TOTAL SUSPENDED SOLIDS (TSS)** – The amount of solids floating and in suspension in wastewater.

## **ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS**

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**TRICKLING FILTER** – A biological secondary treatment process in which bacteria and other microorganisms, growing as slime on the surface of rocks or plastic media, consume nutrients in wastewater as it trickles over them.

**URBAN RUNOFF** – Water from city streets and domestic properties that carry pollutants into the storm drains, rivers, lakes, and oceans.

**WASTEWATER** – Any water that enters the sanitary sewer.

**WATERSHED** – A land area from which water drains to a particular water body. OCSD's service area is in the Santa Ana River Watershed.