
File #: 2025-4644

Agenda Date: 12/17/2025

Agenda Item No: 10.

FROM: Robert Thompson, General Manager
Originator: Mike Dorman, Director of Engineering

SUBJECT:

SANTA ANA TRUNK SEWER REHABILITATION, PROJECT NO. 1-23

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Approve an Agreement for Purchase and Sale and Joint Escrow Instructions with C.J. Segerstrom & Sons ("Segerstrom") that defines the terms and conditions for temporary construction easements in the amount of \$509,300 for Santa Ana Trunk Sewer Rehabilitation, Project No. 1-23, and disbursement of severance damages from an escrow holding account with an upper limit amount of \$1,009,270 for potential adverse impacts during construction.

BACKGROUND

The Santa Ana Trunk Sewer carries sewage from the southern portion of the cities of Santa Ana and Costa Mesa to the Orange County Sanitation District (OC San) Plant No. 1. This sewer was originally constructed in the early 1950s and consists of unlined 42-inch, and 48-inch diameter reinforced concrete pipe. Over the past 70 years, several projects have replaced or rehabilitated small portions of the sewer and rehabilitated most of the manholes.

The existing Santa Ana Trunk Sewer is located in permanent easements and public right-of-way. The Segerstrom properties comprise a business park with multiple office, commercial, and industrial buildings. OC San has negotiated temporary construction easements for a duration of 36 months and parking spaces for a duration of 9 months with Segerstrom to perform the construction activities.

Construction activities within the subject properties include the construction of a new 84-inch diameter manhole, rehabilitation of two existing manholes, installation of approximately 1,840 linear feet of 48-inch diameter cured-in-place pipe (CIPP), routing of approximately 3,500 linear feet of temporary bypass piping, and operation of temporary bypass pumping equipment.

RELEVANT STANDARDS

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

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

PROBLEM

Temporary construction easements are needed from Segerstrom to execute the project. Due to concerns that the construction work and bypass operation may negatively impact Segerstrom tenants and business operations, Segerstrom seeks an agreement providing compensation in the event construction activities result in non-renewal of six tenants, inability to lease two vacant spaces, and an increased duration in the use of parking spaces in the event the construction takes longer than 9 months.

PROPOSED SOLUTION

Approve an agreement with Segerstrom defining the terms and conditions for temporary construction easements and the disbursement of severance damages. The terms and conditions of the escrow for the severance damages include a checklist defining the requirements that need to be achieved before disbursement is performed. All unused or excess funds remaining in escrow will be returned to OC San.

TIMING CONCERNS

Construction is scheduled to begin in January 2026. Access to the Segerstrom properties will be needed shortly after notice to proceed.

RAMIFICATIONS OF NOT TAKING ACTION

Without this severance agreement, Segerstrom will not provide the temporary construction easements and rehabilitation of the Santa Ana Trunk Sewer will not be able to be performed.

PRIOR COMMITTEE/BOARD ACTIONS

November 2025 - Awarded a Construction Contract Agreement to Steve P. Rados, Inc., for Santa Ana Trunk Sewer Rehabilitation, Project No. 1-23, for a total amount not to exceed \$44,787,000 and approved a contingency of \$4,478,700 (10%).

ADDITIONAL INFORMATION

N/A

CEQA

The project is exempt from CEQA under Class 1 and 3 categorical exemptions set forth in California Code of Regulations Sections 15301 and 15303. A Notice of Exemption was filed with the OC Clerk-Recorder on April 29, 2022.

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget FY 2025-26, Page A-5, Santa Ana Trunk Sewer Rehabilitation, Project No.1-23) and the budget is sufficient for the recommended action.

ATTACHMENT

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

- Agreement for Purchase and Sale and Escrow Instructions
- Presentation

VP:lb