



SPECIAL NOTICE

PUBLIC ATTENDANCE & PARTICIPATION AT PUBLIC MEETINGS

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: 205 547 905#

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 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!

April 26, 2023

NOTICE OF REGULAR MEETING

OPERATIONS COMMITTEE ORANGE COUNTY SANITATION DISTRICT

Wednesday, May 3, 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 Operations Committee of the Orange County Sanitation District will be held at the above location and in the manner indicated on Wednesday, May 3, 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

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

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

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

ROLL CALL

OPERATIONS COMMITTEE Engineering and Operations & Maintenance

Meeting Date: May 3, 2023

Time: 5:00 p.m.

Adjourn: _____

COMMITTEE MEMBERS (14)

Marshall Goodman (Chair)	
Bob Ooten (Vice-Chair)	
Brad Avery	
Doug Chaffee	
Jon Dumitru	
Stephen Faessel	
Phil Hawkins	
Johnathan Ryan Hernandez	
Steve Jones	
Scott Minikus	
Schelly Sustarsic	
Bruce Whitaker	
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, Acting Director of Engineering	
Laura Maravilla, Director of Human Resources	
Riaz Moinuddin, Director of Operations & Maintenance	
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

AGENCY/CITIES	ACTIVE DIRECTOR	ALTERNATE DIRECTOR
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

Sanitary/Water Districts

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

County Areas

Board of Supervisors	Doug Chaffee	Donald P. Wagner
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OPERATIONS COMMITTEE
Regular Meeting Agenda
Wednesday, May 3, 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 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 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 / (714) 593-7110
Asst. General Manager: Lorenzo Tyner, ltyner@ocsan.gov / (714) 593-7550
Director of Environmental Services: Lan Wiborg, lwiborg@ocsan.gov / (714) 593-7450
Director of Finance: Wally Ritchie, writchie@ocsan.gov / (714) 593-7570
Director of Human Resources: Laura Maravilla, lmavilla@ocsan.gov / (714) 593-7007
Director of Operations & Maintenance: Riaz Moinuddin, rmoinuddin@ocsan.gov / (714) 593-7269
Acting Director of Engineering: Mike Dorman, mdorman@ocsan.gov / (714) 593-7014

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

Clerk of the Board

PUBLIC COMMENTS:

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REPORTS:

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

CONSENT CALENDAR:

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

1. APPROVAL OF MINUTES**[2023-2930](#)****RECOMMENDATION:**

Approve Minutes of the Special meeting of the Operations Committee held April 5, 2023.

Originator: Kelly Lore

Attachments: [Agenda Report](#)
[04-05-2023 Operations Committee Minutes](#)

2. APPROVE EASEMENT MODIFICATION WITH THE NAVY, PROJECT NO. 3-67**[2022-2527](#)****RECOMMENDATION:** Recommend to the Board of Directors to:

- A. Approve the First Amendment to Grant of Easement NF(R) - 13956 between the Orange County Sanitation District and the United States of America, Department of the Navy for the construction of Seal Beach Pump Station Replacement, Project No. 3-67, offset by improvements to other Department of the Navy

facilities at the Naval Weapons Station, Seal Beach not to exceed \$290,000 in a form approved by Special Counsel; and

- B. Direct the Clerk of the Board to accept and record the First Amendment to Grant of Easement NF(R) - 13956 with the Orange County Recorder's Office.

Originator: Mike Dorman

Attachments: [Agenda Report](#)
[DRAFT First Amendment to Grant of Easement NF\(R\) - 13956](#)
[Original Grant of Easement - US Department of the Navy, 1971](#)

3. AUDIOVISUAL NETWORK EQUIPMENT PURCHASE FOR HEADQUARTERS COMPLEX AT PLANT NO. 1, PROJECT NO. P1-128A [2023-2903](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Purchase Order Contract to SHI International Corp (SHI) for the purchase of audiovisual network equipment for the Headquarters Complex at Plant No. 1, Project No. P1-128A, utilizing the National Association of State Procurement Officials (NASPO) ValuePoint Data Communications Cooperative Agreement Contract No. AR3227 for a total amount not to exceed \$205,447, plus freight and sales tax; and

- B. Approve a contingency of \$20,545 (10%).

Originator: Mike Dorman

Attachments: [Agenda Report](#)

4. PROCESS CONTROL SYSTEMS UPGRADE, PROJECT NO. J-120 [2023-2916](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Purchase Order to CDW-G Corporation for the purchase of computers and monitors, for the Process System Control Upgrade, Project No. J-120, using the Sourcwell cooperative contract number 081419-CDW for a total amount not to exceed \$334,058 plus applicable sales tax; and

- B. Approve a contingency of \$33,406 (10%).

Originator: Mike Dorman

Attachments: [Agenda Report](#)

5. PROCUREMENT BLANKET PURCHASE ORDER WITH MCMASTER-CARR[2023-2905](#)RECOMMENDATION:

- A. Approve a Blanket Purchase Order with McMaster-Carr (McMaster) for the purchase of maintenance tools and supplies for the period beginning July 1, 2023, through June 30, 2024, for a total amount not to exceed \$175,000 per year; and
- B. Approve four (4) optional one-year renewal periods in the amount of \$175,000 per year.

Originator: Riaz Moinuddin**Attachments:** [Agenda Report](#)**6. COOPERATIVE PROCUREMENT WITH W.W. GRAINGER, INC.**[2023-2720](#)RECOMMENDATION: Recommend to the Board of Directors to:

Approve a Blanket Purchase Order with W.W. Grainger, Inc. (Grainger, Inc.) for the purchase of maintenance tools and supplies, utilizing the National Association of State Procurement Officials (NASPO) Master Agreement No. 8496, for the period beginning July 1, 2023, through June 30, 2024, for a total amount not to exceed \$300,000.

Originator: Riaz Moinuddin**Attachments:** [Agenda Report](#)**7. TRICKLING FILTER A AND B CENTER ROTATING ASSEMBLIES REPLACEMENT AT PLANT NO. 2, PROJECT NO. MP2-005**[2023-2907](#)RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a sole source General Services Contract to Jamison Engineering Contractors, Inc. for Trickling Filter A and B Center Rotating Assemblies Replacement at Plant No. 2, Project No. MP2-005, for a total amount not to exceed \$494,600; and
- B. Approve a contingency of \$49,460 (10%).

Originator: Riaz Moinuddin**Attachments:** [Agenda Report](#)
[General Services Contract MP2-005 Jamison Engineering](#)

8. QUARTERLY ODOR COMPLAINT REPORT**[2023-2921](#)****RECOMMENDATION:**

Receive and file the Fiscal Year 2022-23 Third Quarter Odor Complaint Report.

Originator: Riaz Moinuddin

Attachments: [Agenda Report](#)
[FY 2022-23 3rd Qtr Odor Complaint Report](#)

NON-CONSENT:**9. GISLER-RED HILL INTERCEPTOR AND BAKER FORCE MAIN REHABILITATION, PROJECT NO. 7-65****[2022-2457](#)****RECOMMENDATION:** Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65;
- B. Approve a project budget increase of \$11,100,000 for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65, for a new total project budget of \$55,500,000;
- C. Award a Construction Contract to Steve P. Rados, Inc. for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65, for a total amount not to exceed \$44,706,000; and
- D. Approve a contingency of \$4,470,600 (10%).

Originator: Mike Dorman

Attachments: [Agenda Report](#)
[7-65 Contract Agreement Package](#)
[Presentation - 7-65 Const Award](#)

10. GISLER-RED HILL INTERCEPTOR AND BAKER FORCE MAIN REHABILITATION, PROJECT NO. 7-65**[2022-2421](#)****RECOMMENDATION:** Recommend to the Board of Directors to:

- A. Approve a Professional Construction Services Agreement with CDM Smith, Inc. to provide construction support services for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65, for a total amount not to exceed \$988,460; and
- B. Approve a contingency of \$98,846 (10%).

Originator: Mike Dorman

Attachments: [Agenda Report](#)
[7-65 DRAFT PCSA Agreement Package](#)

INFORMATION ITEMS:

11. HEADQUARTERS COMPLEX AT PLANT NO. 1, PROJECT NO. [2023-2848](#)
P1-128A - QUARTERLY UPDATE

RECOMMENDATION:

Information Item.

Originator: Mike Dorman

Attachments: [Agenda Report](#)
[Presentation - Headquarters Qtr Update](#)

12. CAPITAL IMPROVEMENT PROGRAM PROPOSED BUDGET FOR FY [2023-2763](#)
2023-24

RECOMMENDATION:

Information Item.

Originator: Mike Dorman

Attachments: [Agenda Report](#)
[Presentation - CIP FY23-24 Budget Update](#)

13. PROPOSED CHANGES TO THE PURCHASING ORDINANCE NO. OC [2023-2890](#)
SAN-56

RECOMMENDATION:

Information Item.

Originator: Wally Ritchie

Attachments: [Agenda Report](#)

14. STRATEGIC PLANNING LEVELS OF SERVICE [2023-2937](#)

RECOMMENDATION:

Information Item.

Originator: Rob Thompson

Attachments: [Agenda Report](#)
[OC San Strategic Plan 2021](#)
[GM FY 2022-23 Work Plan](#)
[Presentation - Levels of Service](#)

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 Operations Committee on June 7, 2023 at 5:00 p.m.



OPERATIONS COMMITTEE

Agenda Report

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

File #: 2023-2930

Agenda Date: 5/3/2023

Agenda Item No: 1.

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 Special meeting of the Operations Committee held April 5, 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) with the complete agenda package:

- Minutes of the Operations Committee meeting held April 5, 2023



SPECIAL MEETING - EARLY START TIME (Alternate Location - Plant No. 2)

CALL TO ORDER

A special meeting of the Operations Committee of the Orange County Sanitation District was called to order by Committee Chairman Marshall Goodman on Wednesday, April 5, 2023 at 3:00 p.m. in the Operations Center at Plant No. 2 of the Orange County Sanitation District.

RECESS - TOUR OF PLANT NO. 2

Chair Goodman recessed the meeting at 3:01 p.m. to proceed to the tour of Plant No. 2.

Director Stephen Faessel attended the tour portion of the meeting and departed at approximately 4:15 p.m., prior to the meeting reconvening.

RECONVENE

Chair Goodman reconvened the meeting of the Operations Committee at 5:00 p.m.

ROLL CALL AND DECLARATION OF QUORUM:

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

PRESENT: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

STAFF PRESENT: Rob Thompson, General Manager; Lorenzo Tyner, Assistant General Manager; Laura Maravilla, Director of Human Resources; Riaz Moinuddin, Director of Operations and Maintenance; Lan Wiborg, Director of Environmental Services; Michael Dorman, Acting Director of Engineering; Kelly Lore, Clerk of the Board; Mo Abiodun; Jennifer Cabral; Raul Cuellar; Thys DeVries; Justin Fenton; Wally Ritchie; Kevin Schuler; Don Stokes; Thomas Vu; Eros Yong; and Ruth Zintzun were present in the Operations Center. Andrew Brown, Tanya Chong, Brian Engeln, Tina Knapp, Rob Michaels, Giti Radvar, and Valerie Ratto were present telephonically.

OTHERS PRESENT: Brad Hogin, General Counsel; Claire Johnson, Senior Regulatory Specialist, OCWD; Jesus Gaona-Perez; and Alternate Director Nathan Steele were present in the Operations Center.

PUBLIC COMMENTS:

None.

Clerk of the Board Kelly Lore stated that a typographical error had been found in Item No. 10.A.2. and would be corrected prior to submittal for approval to the Board of Directors.

REPORTS:

Chair Goodman reminded the Directors of the upcoming Honor Walk event that will be held on June 28, 2023 at 4:00 p.m. and stated if anyone had a nomination for a former Board Member recipient to complete the nomination form and provide it to the Clerk.

General Manager Rob Thompson introduced Assistant General Manager Lorenzo Tyner who announced that Wally Ritchie had been promoted to Director of Finance.

CONSENT CALENDAR:**1. APPROVAL OF MINUTES**[2023-2894](#)

Originator: Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular meeting of the Operations Committee held March 1, 2023.

AYES: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

NOES: None

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

ABSTENTIONS: None

2. PROCESS CONTROL SYSTEMS UPGRADE, PROJECT NO. J-120[2023-2802](#)

Originator: Mike Dorman

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

A. Approve a Purchase Order to ePlus Technology, Inc. for the purchase of software, hardware, and services for Specification No. E-2022-1375BD, Process Control Systems Upgrades (Project No. J-120), for a total amount not to exceed \$1,008,454 plus applicable sales tax and shipping; and

B. Approve a contingency in the amount of \$100,845 (10%).

AYES: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

NOES: None

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

ABSTENTIONS: None

3. FURNITURE, FIXTURES, AND EQUIPMENT PURCHASE FOR HEADQUARTERS COMPLEX AT PLANT NO. 1, PROJECT NO. P1-128A [2023-2836](#)

Originator: Mike Dorman

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

A. Approve a Purchase Order Contract to GM Business Interiors (GMBI) for the purchase of furniture, fixtures, and equipment for the Headquarters Complex at Plant No. 1, Project No. P1-128A, utilizing the County of Orange Regional Cooperative Agreement No. RCA-017-22010154 for a total amount not to exceed \$3,907,183 including freight and sales tax; and

B. Approve a contingency of \$39,072 (1%).

AYES: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

NOES: None

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

ABSTENTIONS: None

4. OLIVE SUB-TRUNK SIPHON REHABILITATION AT SANTA ANA RIVER, PROJECT NO. FE20-08 [2023-2771](#)

Originator: Mike Dorman

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

- A. Receive and file Bid Tabulation and Recommendation for Olive Sub-Trunk Siphon Rehabilitation at Santa Ana River, Project No. FE20-08;
- B. Award a Construction Contract to Mehta Mechanical Co. Inc. dba MMC Inc. for Olive Sub-Trunk Siphon Rehabilitation at Santa Ana River, Project No. FE20-08, for an amount not to exceed \$1,944,000; and
- C. Approve a contingency of \$194,400 (10%).

AYES: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

NOES: None

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

ABSTENTIONS: None

5. PRIMARY SEDIMENTATION BASIN G DOME POST REPAIR AT PLANT NO. 2

[2023-2698](#)

Originator: Riaz Moinuddin

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

- A. Approve a Services Contract to J.R. Filanc Construction Company, Inc. to provide Primary Sedimentation Basin G Dome Post Repair at Plant No. 2, Specification No. S-2023-1385BD, for a total amount not to exceed \$248,600; and

- B. Approve a contingency of \$24,860 (10%).

AYES: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

NOES: None

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

ABSTENTIONS: None

6. INSPECTION OF 78-INCH AND 120-INCH OCEAN OUTFALL PIPELINES SOURCE

[2023-2817](#)

Originator: Riaz Moinuddin

MOVED, SECONDED, AND DULY CARRIED TO:

A. Approve a sole source Professional Consultant Services Agreement to SGS US West Coast, LLC. to provide an underwater video inspection of the 78-inch and 120-inch outfall pipelines by utilizing an external Remotely Operated Vehicle (ROV) for a total amount not to exceed \$120,800; and

B. Approve a contingency of \$12,080 (10%).

AYES: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

NOES: None

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

ABSTENTIONS: None

7. PURCHASE MANHOLE FRAME AND COVERS FOR WAREHOUSE STOCK NO. E-2022-1367BD [2023-2885](#)

Originator: Riaz Moinuddin

MOVED, SECONDED, AND DULY CARRIED TO:

A. Approve Purchase Orders to EJ USA to provide Manhole Frame and Covers for warehouse stock, per Specification No. E-2022-1367BD, at the following unit prices, with an annual not to exceed amount of \$187,700; and

Item & Unit Price

36" X 4" TALL, BOLT DOWN, \$929.81

36" X 6" TALL, BOLT DOWN, \$1,005.81

24" X 4" TALL, BOLT DOWN, \$632.94

24" X 6" TALL, BOLT DOWN, \$667.38

24" X 4" TALL, VENTED, \$480.94

24" X 6" TALL, VENTED, \$548.63

36" X 4" TALL, VENTED, \$801.56

36" X 6" TALL, VENTED, \$865.69

B. Authorize staff to specify EJ USA as the sole source provider for Gray Iron (cast iron) Frames and Covers.

AYES: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

NOES: None

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

ABSTENTIONS: None

8. **MSP VFD #7 ISOLATION TRANSFORMER REPLACEMENT AT PLANT NO. 2** [2023-2876](#)

Originator: Riaz Moinuddin

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

A. Approve a Sole Source Purchase Order Contract to OneSource Distributors, Inc. to replace the No. 7 Main Sewage Pump Variable Frequency Drive isolation transformer for a total amount not to exceed \$255,925 plus applicable sales tax and freight; and

B. Approve a contingency of \$25,593 (10%).

AYES: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

NOES: None

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

ABSTENTIONS: None

9. **CONTINGENCY INCREASE FOR JANITORIAL & FLOOR MAINTENANCE SERVICE CONTRACT S-2021-1270BD** [2023-2881](#)

Originator: Riaz Moinuddin

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

A. Approve a one-time contingency increase of \$182,724 (19%) to the Service Contract with Gamboa Services Inc. dba Corporate Image Maintenance for Janitorial & Floor Maintenance Services at Plant Nos. 1 and 2, Specification No. S- 2021-1270BD, for the period May 1, 2023 through January 31, 2024, for a total contingency amount not to exceed \$278,894 (29%) for this term, resulting in a new annual contract amount of \$1,240,599; and

B. Approve an annual contingency increase of 10% for all remaining renewal periods.

AYES: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

NOES: None

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

ABSTENTIONS: None

NON-CONSENT:**10. REGIONAL ODOR AND CORROSION CONTROL SERVICES
(ROCCS) PROGRAM AGREEMENT, SPECIFICATION NO.
C-2023-1378BD**[2023-2884](#)**Originator:** Riaz Moinuddin

A correction to Item 10 was noted at the meeting.

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

A. Approve a Chemical Supplier Agreement to Hill Brothers Chemical Company for Regional Odor and Corrosion Control Services, Specification No. C-2023-1378BD, for the period beginning May 1, 2023 through April 30, 2024, for the:

1. Supply and delivery of ferrous chloride at the unit price of \$1,357 per dry ton delivered plus applicable tax; Application Services at a unit price of \$32.50 per site per day; Field Services at a unit price of \$32.50 per site per day; and a delivery surcharge of \$700 per delivery for low dosage sites of ferrous chloride only, including but not limited to Crystal Cove Pump Station and Tiffany Lift Station for an estimated total annual amount of \$5,387,770;
2. Supply and delivery of magnesium hydroxide at a unit price of \$685 per dry ton delivered plus applicable tax; Application Services at a unit price of \$80 per site per day; Field Services at a unit price of \$80 per site per day; demurrage fee for mobile dosing of \$175 per hour; and demurrage of \$720 per dry ton delivered for an estimated total annual amount of \$2,694,630;
3. Supply and delivery of calcium ammonium nitrate (CAN-17) at a unit price of \$5 per gallon delivered plus applicable tax; Application Services at a unit price of \$32.50 per site per day; Field Services at a unit price of \$32.50 per site per day; and a Crystal Cove delivery fee of \$700 per delivery for an estimated total annual amount of \$1,186,844; and
4. An annual not to exceed agreement allowance of \$100,000 for mobilization and demobilization services; and

B. Approve the option to renew the Chemical Supplier Agreement over a five-year period, expiring April 30, 2028, with renewal terms not to exceed a 12-month term; and

C. Approve renewal adjustments of unit pricing with a not to exceed 25% contingency.

AYES: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

NOES: None

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

ABSTENTIONS: None

**11. ENGINE AND GENERATOR OVERHAULS AT PLANT NO. 1 AND 2, [2023-2879](#)
CONTRACT NO. J-135B**

Originator: Mike Dorman

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

Approve the addition of funds to include generator overhauls as part of the construction contract with Cooper Machinery Services LLC for the Engine and Generator Overhauls at Plant Nos. 1 and 2, Contract No. J-135B, in the amount of \$1,637,117 (5.6%), for a total construction contingency of \$4,573,220 (15.6%).

AYES: Brad Avery, Doug Chaffee, Jon Dumitru, Ryan Gallagher, Marshall Goodman, Phil Hawkins, Scott Minikus, Robert Ooten, Schelly Sustarsic and Bruce Whitaker

NOES: None

ABSENT: Stephen Faessel, Johnathan Ryan Hernandez, Steve Jones and Chad Wanke

ABSTENTIONS: None

INFORMATION ITEMS:

12. SALINITY IN COAST TRUNKLINES [2023-2878](#)

Originator: Lan Wiborg

Director of Environmental Services Lan Wiborg provided a brief presentation on elevated salinity in the coastal trunklines.

ITEM RECEIVED AS AN:

Information Item.

DEPARTMENT HEAD REPORTS:

Director of Human Resources Laura Maravilla introduced Thys DeVries who was recently promoted to Human Resources Manager.

Acting Director of Engineering Mike Dorman announced that an urgent item regarding the Westminster Boulevard Force Main Replacement, Project No. 3-62, would be brought to the Steering Committee and Board of Directors in April rather than wait until next month's Operations Committee.

CLOSED SESSION:

None.

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

None.

BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:

None.

ADJOURNMENT:

Chair Goodman declared the meeting adjourned at 5:26 p.m. to the Regular Operations Committee meeting to be held on Wednesday, May 3, 2023 at 5:00 p.m.

Submitted by:

Kelly A. Lore, MMC
Clerk of the Board

File #: 2022-2527

Agenda Date: 5/3/2023

Agenda Item No: 2.

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

SUBJECT:

APPROVE EASEMENT MODIFICATION WITH THE NAVY, PROJECT NO. 3-67

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve the First Amendment to Grant of Easement NF(R) - 13956 between the Orange County Sanitation District and the United States of America, Department of the Navy for the construction of Seal Beach Pump Station Replacement, Project No. 3-67, offset by improvements to other Department of the Navy facilities at the Naval Weapons Station, Seal Beach not to exceed \$290,000 in a form approved by Special Counsel; and
- B. Direct the Clerk of the Board to accept and record the First Amendment to Grant of Easement NF(R) - 13956 with the Orange County Recorder's Office.

BACKGROUND

Orange County Sanitation District's (OC San) Seal Beach Pump Station was originally built in 1970, expanded in 1973, and expanded again in 1980. The Seal Beach Pump Station Replacement, Project No. 3-67, will replace the existing pump station on the same site at the corner of Seal Beach Blvd. and Westminster Ave. in the City of Seal Beach.

The new pump station will include upstream and downstream odor treatment systems, a standby generator, and a deeper wet well. The project is in the final stages of design.

A Grant of Easement was given to OC San by the Department of the Navy in 1971 to construct, install, maintain, operate, repair, and replace the current pump station and pipelines coming into and out of the pump station while being subject to rules and regulations of the Department of the Navy.

To properly phase construction, the new pump station will need to utilize the entire pump station easement. In coordinating with the Department of the Navy, OC San learned there are updates to federal design criteria dealing with security at the adjacent Naval Weapons Station that require a 20-foot setback from all structures.

RELEVANT STANDARDS

- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities
- Ensure the public's money is wisely spent

PROBLEM

The pump station is near the end of its useful life and needs to be replaced. In order to build the new pump station at the same location, a 20-foot setback with a 7,963.62 sq. ft. security zone between a security fence and the nearest structure must be constructed to meet the current Anti-Terrorism Force Protection and Unified Facilities Criteria requirements of the Department of the Navy.

PROPOSED SOLUTION

Approve the First Amendment to Grant of Easement NF(R) -13956 with the Department of the Navy for an amended, permanent easement that will allow for the pump station to be built that also meets the Anti-Terrorism Force Protection and Unified Facilities Criteria requirements. The terms within the amendment allow OC San to construct, operate, and maintain the pump station at this new location while meeting the Department of the Navy security requirements. The cost of this agreement has been substantiated by appraisals by both OC San and the Department of the Navy and will be offset by improvements to Department of the Navy facilities at the adjacent Naval Weapons Station.

TIMING CONCERNS

Not amending the current easement would delay the construction of the new pump station. Delaying the project could further increase construction costs due to escalation. The pump station is at the end of its useful life and may require emergency or urgent repairs if construction is delayed.

RAMIFICATIONS OF NOT TAKING ACTION

Without this amended easement, the new pump station cannot be constructed at the same location.

PRIOR COMMITTEE/BOARD ACTIONS

December 1971 - Accepted a Grant of Easement from the Department of the Navy for a permanent easement in connection with the construction and operation of the Seal Beach Boulevard Pump Station.

ADDITIONAL INFORMATION

The most cost-effective, lowest spill-risk way to replace the existing pump station is to build the new pump station while keeping the existing pump station in service. In order to keep the existing pump station in service and keep appropriate access for operations and maintenance, the new pump station must be located at the very edge of the existing easement. This location puts the new pump station within the 20-foot setback required by new federal design criteria enforced by the Department of the Navy. During the design process, the Department of the Navy agreed in principle to locate the

new pump station at the edge of the current easement boundary and amend the grant of easement to include an additional 7,963.62 sq ft between the new pump station building and a relocated security fence to meet the 20-foot setback requirement.

OC San staff performed an internal, independent appraisal of the additional easement and determined the value to be between \$277,000-\$312,000. The Department of the Navy performed an internal, independent appraisal and determined the value to be \$290,000, which is within the range of OC San staff's appraisal.

In further discussion with the Department of the Navy, they are requiring, in lieu of direct compensation, that OC San perform an in-kind consideration (maintenance type) project on the Naval Weapons Station with a construction contract value not to exceed the Department of the Navy's easement value. Each agency will pay its own administrative costs.

CEQA

The project is included in the Facilities Master Plan 2020 Program Environmental Impact Report, State Clearinghouse No. 2019070998.

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This project was budgeted (Adopted Budget, Fiscal Years 2022-2023 and 2023-24, Section 8, Page 24, Seal Beach Pump Station Replacement, Project No. 3-67).

ATTACHMENT

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

- DRAFT First Amendment to Grant of Easement NF(R) - 13956
- Original Grant of Easement - US Department of the Navy, 1971

All correspondence pertaining to this
Amendment must include reference to:
FILE NO: EO -10529
Doc # 9607
CONTRACT NO: NF(R) - 13956 AMD ONE (1)

Prepared by Department of the Navy
Naval Facilities Engineering Systems
Command, Southwest
750 Pacific Highway
San Diego, CA 92132-5190

Copy to: Orange County Sanitation District
ATTN: Clerk of the Board
10844 Ellis Avenue
Fountain Valley, CA 92708

THIS SPACE FOR RECORDER'S USE ONLY

Exempt per Revenue and Taxation Code Section 11922
Exempt from Recording fees per Govt. Code Section 27383

FIRST AMENDMENT TO GRANT OF EASEMENT NF(R)-13956

THIS FIRST AMENDMENT TO GRANT OF EASEMENT ("Amendment") is made this _____ day of _____ 2023, by the **UNITED STATES OF AMERICA**, represented by the Commanding Officer, Naval Facilities Engineering Systems Command, Southwest, acting by and through the Secretary of the Navy, hereinafter referred to as the **GOVERNMENT**, and **ORANGE COUNTY SANITATION DISTRICT** hereinafter referred to as the **GRANTEE**.

WITNESSETH:

WHEREAS, the **GOVERNMENT** owns that certain real property identified as Naval Weapons Station, Seal Beach in the City of Seal Beach, County of Orange, State of California, hereinafter called the Installation; and

WHEREAS, by GRANT OF EASEMENT NF(R)-13956 ("GRANT OF EASEMENT"), dated November 16, 1971, and recorded in the Official Records of Orange County, California on December 10, 1971 as Document No. 9607, **GOVERNMENT** granted to **COUNTY SANITATION DISTRICT NO. 3** of Orange County, California, predecessor of the **GRANTEE**, and its successors and assigns, an easement in perpetuity, for the construction, installation, maintenance, operation, repair and replacement of a sewer pumping station, sewer pipeline, and appurtenances thereto, hereinafter called the **PREMISES**, as more fully described in the GRANT OF EASEMENT; and

WHEREAS, **GRANTEE** is proposing to replace the existing pump station within the **PREMISES**; and

WHEREAS, **GOVERNMENT'S** security protocols require that **GRANTEE** acquire an additional twenty (20) foot easement to provide a twenty (20) foot clear zone between the perimeter barrier of **GRANTEE's** facilities and the Installation; and

WHEREAS, the GOVERNMENT has agreed to expand the PREMISES to provide the required twenty (20) foot clear zone.

NOW THEREFORE, GOVERNMENT and GRANTEE hereby effect the amendment of the GRANT OF EASEMENT as follows:

1. EXPANSION OF PREMISES AND CONSIDERATION. The Easement PREMISES are hereby expanded and restated to extend through, across, over and under and be confined to that portion of the Installation as described in Exhibit A-1, attached hereto and made a part hereof. In consideration for this Amendment, the GRANTEE shall pay the GOVERNMENT the "not to exceed (NTE)" sum of Two Hundred Ninety Thousand Dollars (\$290,000) (excluding any administrative fees charged to and paid by GRANTEE) the receipt of which is hereby acknowledged;

a. GRANTEE shall satisfy payment of the consideration by providing "In-Kind Consideration" in the form of work or services to be provided by the GRANTEE to the GOVERNMENT as further described below. The work or services will be identified and agreed upon by the GOVERNMENT. The work or services will be valued at a NTE amount of Two Hundred Ninety Thousand Dollars (\$290,000). The cost of the work shall not include administrative expenses incurred by the GRANTEE, which will be borne by the GRANTEE. The GRANTEE may obtain the work or services through contracts with third parties.

b. At the discretion of the GOVERNMENT, the GRANTEE may be required to pay consideration in cash in advance in lieu of performance of In-Kind Consideration. If In-Kind Consideration is to be provided in lieu of cash, the form of In-Kind Consideration and terms of performance/delivery shall be identified within two (2) years of the execution of this EASEMENT. The GOVERNMENT shall compile a list of In-Kind Consideration projects or services and shall meet with the GRANTEE on an as needed basis, but not less than quarterly from the date of execution of this EASEMENT, to review and amend, if necessary, the established list of specific In-Kind Consideration projects or services to be provided. For each project or service proposed, an estimated cost to perform the work must be provided by the GOVERNMENT and reviewed by the GRANTEE and be included with the project or service statement of work. The estimated cost shall be broken down by material, subcontract cost, labor, overhead and general and administrative expense. Projects or services shall be selected by the GOVERNMENT and scheduled so that the work to be performed does not exceed the total value of the amount of consideration indicated in Paragraph 1.a. Authorization to proceed will be provided by written approval from the GOVERNMENT. Approval shall be in the form of an official letter signed by the Real Estate Contracting Officer and countersigned by the GRANTEE. A Statement of Work (SOW) and "not to exceed (NTE) cost ceiling" will be attached to the letter. The Real Estate Contracting Officer may, upon request, with supporting rationale from the GRANTEE, increase the "NTE cost ceiling," provided that such increase does not exceed or result in exceedance of the total amount of In-Kind Consideration reflected in paragraph 1.a. Such request for an increase in said amount must be submitted before incurring any cost in excess of the said amount and sufficiently in advance to provide for review of the requirement and, in any event, not less than ten (10) business days before the date authorization is required. In the limited circumstances wherein, due to unavoidable time constraints, it is not practicable to comply with the ten-day requirement, GRANTEE may seek verbal

approval from the Real Estate Contracting Officer, pending written confirmation. The GRANTEE shall not be obligated to incur costs in excess of the "NTE cost ceiling."

c. Any project shall be publicly bid and any services shall be performed at a not-to-exceed contract price approved by the GOVERNMENT's Real Estate Contracting Officer. If the total cost of the In-Kind Consideration project is less than the NTE cost of the easement consideration amount of Two Hundred Ninety Thousand Dollars (\$290,000), then the remaining balance shall be paid by the GRANTEE in the form of a check made payable to the GRANTOR within a period of up to four (4) years from the date of the execution of this modification, however; failure of the GRANTEE to pay any remaining balance to GRANTOR in the form of a check within the four (4) year timeframe, does not relive GRANTEE from fulfilling their consideration obligations as specified in section 1.a..

d. Nothing in this Easement shall preclude the GRANTEE from contracting with a third party contractor for the work. GRANTEE shall require any contractor to have a performance and payment bond with the penal amount of no less than the cost of the work contracted for with respect to any work performed by or on behalf of GRANTEE and for which bonds are required by the Miller Act (40 U.S.C. Section 3131 et. seq.). GRANTEE shall be solely responsible for obtaining any environmental permits required for the proposed work independent of any existing permits held by the GOVERNMENT. Copies of all required construction permits shall be provided to the GOVERNMENT and the costs thereof shall be credited towards the In-Kind Consideration.

e. The GOVERNMENT will retain the right to technical review of any proposed work to be performed pursuant to Paragraph 1.b. Title for any improvements constructed or personal property provided pursuant to Paragraph 1.b shall vest in the GOVERNMENT upon acceptance of such improvements or personal property by the GOVERNMENT. Any bills of sale, purchase receipts, written warranty agreements and other indicia or documents of ownership shall be provided to the GOVERNMENT upon its acceptance of such improvements or personal property. Written warranties shall include but not be limited to a warranty that work performed conforms to the contract requirements and is free of any material defect in equipment, material, or design furnished, or workmanship performed, and that the GRANTEE or GRANTEE's contractor will remedy any failure to conform or any defect that is covered by any applicable warranty. Additionally, the warranty shall provide that GRANTEE or GRANTEE's contractor shall remedy any damage to GOVERNMENT owned or controlled real or personal property caused by the contractor during construction. Notwithstanding the foregoing, GRANTEE shall be required to provide or obtain warranties only for (a) new equipment installed by the GRANTEE or the GRANTEE'S contractor during the term of this Easement, or (b) equipment, materials and workmanship performed or installed in connection with the construction of new buildings, structures or improvements on the PREMISIS. For purposes of clarity, the GOVERNMENT agrees that no warranties shall be required in connection with maintenance and repairs performed by GRANTEE during the term of the Easement except to the extent such warranties are customarily provided by the contractors that perform such services. To the extent any warranties are not directly transferrable to the GOVERNMENT, all warranties shall name the GOVERNMENT as an additional beneficiary and GRANTEE shall enforce such warranties for the benefit of the GOVERNMENT if so directed by the GOVERNMENT. Minimum warranty periods are one (1) year for new construction, and industry standard warranties for equipment.

f. The amount of In-Kind Consideration provided under this EASEMENT shall not exceed the value indicated in Paragraph 1.a. Once the value of In-Kind Consideration reflected in Paragraph 1.a has been provided, GRANTEE is under no further obligation to provide LTM projects (as hereinafter defined) or other services for GOVERNMENT. However, GRANTEE shall still be required to perform work and other obligations at its own expense required to maintain its EASEMENT and comply with any applicable rules or regulations related thereto.

g. On or before four (4) years from the execution of this EASEMENT, a final accounting will be performed and the balance of any Easement consideration still payable to the GOVERNMENT will be due on demand. Notwithstanding the previous sentence, the GOVERNMENT reserves the right to have a final accounting at any time during the first three (3) years of this EASEMENT and request that the value of any remaining Easement consideration balance not already contractually obligated to any specific project or service to be performed, be paid in cash to the GOVERNMENT promptly after demand.

h. In-Kind Consideration Projects, as used herein, shall mean and will include (1) maintenance, operations, protection, repair, alteration, improvement, or restoration (including environmental restoration) of facilities under the control of the Department of the Navy, (2) construction of new facilities, or (3) provision of such other services relating to activities that will occur on Department of the Navy property as the Assistant Secretary of the Navy (Installations & Environment) (ASN I&E) considers appropriate, including property in which GRANTEE's right of use shall be in common with others, the recurrence of which is not anticipated within the twelve (12) month period following its completion. For purposes of this agreement, in-kind consideration projects will include designs, studies, electric construction projects (including, but not limited to, meters, SCADA and AMI), renewable energy projects, energy efficiency projects, battery storage projects, and EV charging projects. For purposes of this EASEMENT, in-kind consideration projects as used herein shall not include any maintenance, operation, protection, repair alteration, improvement or restoration of any natural gas system, including, but not limited to, pipelines, valves, or meters or any other part of the INSTALLATION's natural gas system.

i. "In-Kind Consideration projects" as used herein does not include any item of protection, maintenance, improvement or repair which is solely incidental to GRANTEE's use of the property hereunder and which GRANTEE is obligated to perform in accordance with Paragraph 2, of the original Easement, or any other obligation that would be required to maintain the EASEMENT absent the availability of In-Kind Consideration, such as, but not limited to, guard service, janitorial service, replacement of expendable items, garbage and trash collection or disposal, or clean-up work.

j. "Actual Costs" as used herein, shall mean the sum of: (a) direct labor costs, including overheads, (b) expenses, fees and charges (including taxes), (c) calculated overhead and profit, and (d) direct material costs, when GRANTEE has incurred such costs directly in the performance of any particular LTM project approved or directed by the Local GOVERNMENT Representative. When GRANTEE contracts with third parties for performance of LTM projects, whether in part or in whole, "Actual Costs," as used herein, shall mean the amount of such contracts as shall have been

approved in advance by the Local GOVERNMENT Representative. Davis-Bacon wages are applicable.

k. Before commencement of any in-kind consideration projects for which the GRANTEE is to receive in-kind consideration credit from the GOVERNMENT, the GRANTEE must be in receipt of an official letter of approval executed by the Real Estate Contracting Officer setting forth terms, conditions, and the amount of compensation to be paid upon completion of the work to the satisfaction of the GOVERNMENT. The following procedures apply:

1) GOVERNMENT provides GRANTEE with in-kind consideration project specifications.

2) GRANTEE submits an itemized bid proposal and scope of work (SOW) covering all aspects of the project to the Real Estate Contracting Officer. The GRANTEE's bid price must not exceed the GOVERNMENT's fair cost estimate.

3) GOVERNMENT reviews the bid and SOW and, if acceptable, shall approve the in-kind consideration project via official letter. GOVERNMENT shall send a proposed official approval letter to GRANTEE. Upon receipt of the proposed official approval letter, GRANTEE shall sign the letter and return to the Real Estate Contracting Officer for final signature and approval. GOVERNMENT shall return a copy the official approval letter to the GRANTEE. **IN NO CASE SHALL GRANTEE AWARD OR BEGIN ANY IN-KIND CONSIDERATION PROJECT BEFORE RECEIVING AN OFFICIAL APPROVAL LETTER SIGNED BY BOTH THE GRANTEE AND THE REAL ESTATE CONTRACTING OFFICER.**

4) GRANTEE shall then begin work coordinating all details of the work, including starting dates and time and the location of the work, with the GOVERNMENT, specifically, the Naval Weapons Station Seal Beach Public Works Officer or his "Designated Representative".

5) The Naval Weapons Station Seal Beach Public Works Officer or a "Designated Representative" shall inspect ongoing in-kind consideration project work and shall inspect all work performed for each in-kind consideration project completed within seven (7) business days of written notification by GRANTEE of in-kind consideration project work completion. The purpose of the inspection is to verify compliance in all material respects with the specifications for each in-kind consideration project according to the acceptance criteria and deliverable requirements outlined in the SOW. If the in-kind consideration project is performed in accordance with the SOW, the Designated Representative shall provide written acceptance to the GRANTEE with a copy to the Real Estate Contracting Officer within ten (10) business days of the inspection. Should the work not be performed in accordance with the SOW, the Designated Representative shall provide, within ten (10) business days of the inspection, a written description detailing how the project work does not meet the SOW acceptance criteria and deliverable requirements. The GRANTEE will provide the Designated Representative with a plan to correct the discrepancies as soon as possible. The GOVERNMENT shall have ten (10) business days to review and comment on the GRANTEE's plan, after which time the plan will be deemed accepted. The GRANTEE shall implement the plan and provide GOVERNMENT with written notice of Project completion. This process shall be

repeated until the work is accepted and a letter of acceptance is delivered to GRANTEE within ten (10) business days of an acceptable inspection. If the Designated Representative does not provide a written notification within thirty (30) calendar days, the Project work will be deemed acceptable to the GOVERNMENT.

6) Upon completion of the work and receipt of written acceptance from the Designated Representative, the GRANTEE shall submit to the GOVERNMENT a letter invoice signed by the GRANTEE stating the full credit amount requested for the work performed, including an itemization of all labor and material and all related invoices. Naval Weapons Station Seal Beach Public Works Officer or his

“Designated Representative” shall verify work completion and countersign the letter invoice before the Real Estate Contracting Officer approves any credit. Once the credit is approved, the Real Estate Contracting Officer shall issue an Easement consideration credit letter.

7) GRANTEE and GOVERNMENT shall keep adequate records and books of account showing the actual cost to it of all items of labor, material, equipment, supplies, services, and other items of cost of any nature constituting an item of Actual Costs incurred by it directly in the performance of any in-kind consideration project(s). The GRANTEE shall provide the Designated Representative with access to such records and books of account and proper facilities for inspection thereof at all reasonable times. All information obtained from said records and books of account shall be deemed confidential to the fullest extent permitted under the Freedom of Information Act and/or California Public Records Act.

8) The GOVERNMENT acknowledges and agrees that the standards, codes, procedures or specifications listed in the SOW shall be applicable to the in-kind consideration project. To the extent that GRANTEE’s standards, procedures or specifications meet or exceed the standards, procedures or specifications listed in the SOW, the GOVERNMENT acknowledges and agrees that GRANTEE may use such standards, procedures or specifications.

2. The GRANTEE agrees to provide safety upgrades to the PREMISES to meet the current Anti-Terrorism Force Protection (ATFP) and Unified Facilities Criteria (UFC) requirements to accommodate GRANTEE’s intent to build a new pump station on the PREMISES. Upgrades shall include:

- a. The GRANTEE shall acquire and maintain a twenty (20) foot clear zone, containing 7,963.62 square feet, and more specifically described in Exhibit “A-1” attached hereto and made a part hereof. The twenty (20) foot clear zone shall be maintained and must be free of all vegetation.
- b. The GRANTEE shall install a fence twenty (20) feet from the current fence line. The location of the fence is to the Southwest as further indicated in Exhibit “D” attached hereto and made a part hereof.

- c. The GRANTEE shall install security lights to illuminate the twenty (20) foot continuously at night. The location of the lighting is described in Exhibit "D" attached hereto and made a part hereof.

3. APPROVAL OF PLANS. All work performed by the GRANTEE, its agents, or contractors in connection with the construction, installation, operation, maintenance, repair, and replacement of the security fence and security lighting shall be done without cost or expense to the GOVERNMENT and in accordance with plans previously approved by the Installation's Commanding Officer.

4. INDEMNIFICATION. GRANTEE shall indemnify and defend the GOVERNMENT against, and hold the GOVERNMENT harmless from, any costs, expenses, liabilities, fines, suits, actions, damages, liability and cause of action arising or growing out of, or in any way connected with, the occupation or use of the PREMISES by the GRANTEE and its employees, agents, servants, guests, and invitees. However, this liability shall not extend to matters caused by the GOVERNMENT's negligent or willful acts. This provision shall survive the expiration or termination of this Easement and GRANTEE's obligations hereunder shall apply whenever the GOVERNMENT incurs costs or liabilities for the GRANTEE's actions.

5. GRANTEE'S RESPONSIBILITIES. The GOVERNMENT shall not be responsible for damages to property or injuries to persons that may arise from, or be incident to, the use and occupation of the PREMISES by the GRANTEE, or for damages to the property or injuries to the persons of the GOVERNMENT's officers, agents, servants, or employees, or others who may be on the PREMISES at their invitation or the invitation of any one of them arising from or incident to governmental activities except as permitted under the Federal Tort Claims Act, 28 U.S.C. §§ 2671-2680.

6. ACCESS BY GRANTEE. The GOVERNMENT grants to the GRANTEE the right to use the PREMISES, together with the necessary rights of ingress and egress authorized by the Installation Commanding Officer. From time to time, the GRANTEE may request access to the Installation. The GRANTEE and its invitees and contractors agree to absorb all costs, including time and expenses, associated with gaining access to the Installation under the Defense Biometric Identification System (DBIDS) or similar program. Any parking that accompanies the use of, and any routes of access to and from, the PREMISES are subject to change at the sole discretion of the Installation Commanding Officer.

7. ENVIRONMENTAL PROVISIONS.

- a. GRANTEE shall comply with all applicable environmental laws, ordinances, rules, and regulations and all other Federal, state, and local laws, ordinances, regulations, and standards that are or may become applicable to GRANTEE's activities on the PREMISES.
- b. GRANTEE shall be, at its sole cost and expense, solely responsible for obtaining any environmental permits required for its activities on the PREMISES.

c. GOVERNMENT's rights under this Easement specifically include the right for its representatives to inspect the PREMISES upon reasonable notice for compliance with environmental, safety, and occupational health laws and regulations, if the GOVERNMENT is responsible for enforcing them. The inspections shall be made without prejudice to the right of duly constituted enforcement officials to make them. The GRANTEE shall have no claim on account of any entries against the United States or any of its officers, agents, employees, contractors, or subcontractors.

d. Storage, treatment, or disposal of toxic hazardous materials on the PREMISES is prohibited except as authorized by the GOVERNMENT in accordance with 10 U.S.C. § 2692.

e. The GRANTEE will not use the PREMISES for accumulation points for hazardous and other wastes or permit its hazardous wastes to be commingled with hazardous waste of the GOVERNMENT.

f. The GRANTEE shall be solely responsible for the release, or substantial threat of a release, into the environment of any hazardous substance, pollutant or contaminant as the result of any activity under this Easement, and any preceding easements, licenses, or rights-of-way. Any reporting, containment, removal, or other remedial action relating to a release or threat of release required by law or regulation shall also be the responsibility of the GRANTEE.

g. The GRANTEE agrees to comply with the provisions of any health and safety plan in effect under the Installation Restoration Plan (IRP) or the Resource Conservation Recovery Act (RCRA) Corrective Action Program during the course of any of the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action will be, to the extent practicable, coordinated with representatives designated by the GOVERNMENT. The GRANTEE shall have no claim on account of any entries against the United States or its officers, agents, employees, contractors, or subcontractors. In addition, GRANTEE shall comply with all applicable Federal, state and local occupational safety and health regulations.

h. GRANTEE shall, to the extent permitted under applicable law, indemnify and hold harmless GOVERNMENT from, and defend GOVERNMENT against, any damages, costs, expenses, liabilities, fines, suits, actions, or penalties resulting from releases, discharges, emissions, spills, storage, treatment, disposal, or other acts or omissions by GRANTEE, its officers, employees, agents, contractors, licensees, or the invitees of any of them, giving rise to GOVERNMENT liability, civil or criminal, or responsibility under federal, state or local environmental laws. This Paragraph shall survive the termination of this Easement, and the GRANTEE's obligations under this Paragraph shall apply whenever the GOVERNMENT incurs costs or liabilities for GRANTEE's actions. However, this liability shall not extend to matters caused by the GOVERNMENT's negligent or willful acts.

i. The GRANTEE shall strictly comply with the hazardous waste permit, storage, handling, and disposal requirements under the Solid Waste Disposal Act or its California equivalent. The GRANTEE must provide at its own expense any hazardous waste storage facilities, complying with all laws and regulations that it may need for storage. Installation hazardous waste storage facilities will not be available to the GRANTEE.

j. GRANTEE shall manage the natural and cultural resources on the PREMISES in a manner that is consistent with the philosophies and supportive of the objectives of the Installation's Integrated Natural Resource Management Plan and Integrated Cultural Resource Management Plan.

GRANTEE shall identify any activity that may affect Federally regulated resources (listed species, wetlands, waters of the United States, etc.) and provide information and mitigation that may be required to support consultation with the applicable regulatory agency.

k. GRANTEE shall, during the construction, installation, operation, maintenance, and repair of the security fence and security lighting, upon inadvertently discovering Native American human remains, funerary objects, sacred objects, objects of cultural patrimony, as those terms are defined in 43.C.F.R. § 10.2(d), immediately notify by telephone the Installation Environmental Program Director at (562) 626-6070, followed by written confirmation. The GRANTEE shall cease all activity in the area of inadvertent discovery until directed otherwise by the Installation.

Additionally, the GRANTEE shall take all reasonable efforts to protect any Native American human remains, funerary objects, sacred objects, objects of cultural patrimony, so discovered consistent with 43 C.F.R. § 10.2(d).

8. ENVIRONMENTAL CONDITION OF PROPERTY.

a. An Environmental Condition of Property (ECP) has been prepared as of the start date of this Amendment to document the known environmental condition of the property. It is attached hereto as **Exhibit "C"** and made a part hereof. At the termination or expiration of this Easement, another ECP shall be prepared to note the environmental condition of the property at that time. A comparison of the two ECP documents shall be made to determine the extent, if any, of liability on the part of the GRANTEE.

b. For purposes of this Easement Amendment the following terms shall have the following meanings:

(1) "Toxic or Hazardous Materials" means all manner of substances, pollutants, contaminants, and waste to which Applicable Environmental Laws pertain, expressly including petroleum, petroleum products, and materials defined in 48 C.F.R. § 252.223-7006 (a)(ii) and (iii).

(2) "Contamination" means a level of Toxic or Hazardous Materials in the air, soil, or water (surface water or ground water), that exceeds levels allowed by Applicable Environmental Laws.

(3) "Applicable Environmental Laws" means:

(a) Federal, state, and local statutes, laws, ordinances, rules, and regulations, to which the GOVERNMENT is made subject by Federal law or to which the GRANTEE is made subject by Federal and state law;

(b) Executive Orders of the President of the United States;

(c) decisions of courts and administrative tribunals of competent jurisdiction;

(d) administrative orders of regulatory agencies of competent jurisdiction (involuntary or on consent); and

(e) regulations and directives of the Department of Defense, the Department of the Navy, and the Marine Corps (for Marine Corps installations only), which pertain to the human environment (as defined in the National Environmental Policy Act of 1969); transportation of hazardous material; and human health and safety (including occupational safety).

(4) Applicable Environmental Laws include, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C. § 1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901, et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251, et seq.), the Clean Air Act (42 U.S.C. § 7401, et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601, et seq.), the Occupational Safety and Health Act (29 U.S.C. § 651, et seq.), and 10 U.S.C. § 2692, as amended.

(5) "Release" means any discharge, spill, emission, leaking, pumping, injection, excavation, deposit, disposal, leaching, or migration into the environment, accidental or otherwise, or introduction into the environment by any other means or method.

(6) "Remedial Action" means: investigating or monitoring the environmental condition of the PREMISES and clean-up, removal, response (including emergency response), and restoration of the PREMISES, as per Applicable Environmental Laws, due to the presence or suspected presence of Contamination or a Release or suspected Release of Toxic or Hazardous Materials.

c. If during the term of this Easement the GRANTEE becomes aware that a Release of Toxic or Hazardous Materials has occurred due to acts or omissions of the GRANTEE, its agents, or contractors, if such release results in contamination of the PREMISES, the GRANTEE will give verbal notice to the GOVERNMENT within 24 hours of becoming aware of the Release, providing all relevant facts and circumstances. The GOVERNMENT may direct the GRANTEE to make a detailed written report of these facts and circumstances within a time certain.

d. The GRANTEE, at its sole expense, will promptly take all action necessary to comply with Applicable Environmental Laws pertaining to a Release described in subparagraph 8(b), including but not limited to: report the occurrence to appropriate Federal, state, or local regulatory authorities, if so directed by the GOVERNMENT; take timely and effective steps to minimize the Release and its impact on human health and the environment; and take Remedial Action. The GOVERNMENT may direct the GRANTEE to provide all information requested by the GOVERNMENT regarding such actions within a time certain.

e. The GRANTEE will ensure that all activities conducted on the PREMISES by the GRANTEE, its agents, or contractors are carried out in compliance with Applicable Environmental Laws. The

GRANTEE will provide verbal notice to the GOVERNMENT within 24 hours of receiving any complaint, order, directive, claim, citation, or notice from any governmental authority or any other person or entity alleging noncompliance with or a violation of Applicable Environmental Laws on the PREMISES. The GRANTEE, at its sole expense, will promptly take all necessary action directed by Federal, state, or local regulatory authorities of competent jurisdiction to achieve or regain compliance with Applicable Environmental Laws. The GOVERNMENT may direct the GRANTEE to make a detailed written report, within a time certain, of the facts and circumstances underlying the alleged noncompliance or violation. Without limitation of the foregoing, the GOVERNMENT, in response to acts or omissions of the GRANTEE, its agents, or contractors may, in its discretion, take Remedial Action to remedy Contamination on the PREMISES or to achieve or regain compliance with Applicable Environmental Laws.

f. The GOVERNMENT may at any time inspect the PREMISES or cause the PREMISES to be inspected, to assess whether the operations of the GRANTEE, its agents, or contractors are in compliance with Applicable Environmental Laws. To assist in this evaluation, the GRANTEE, its agents, and contractors will provide to the GOVERNMENT, or another entity, as the GOVERNMENT may direct, for examination and copying, all relevant books, records, documents, and other material in their possession.

g. The GOVERNMENT, with good cause, may from time-to-time require the GRANTEE to conduct tests and analyses to assess whether the PREMISES are in compliance with Applicable Environmental Laws, and based on the results thereof, to so certify to the GOVERNMENT. Such tests and analyses shall be conducted in a manner satisfactory to the GOVERNMENT by recognized professionals approved by the GOVERNMENT. If the GOVERNMENT and the GRANTEE cannot reach agreement as to what tests and analyses shall be conducted, by whom, and when, the GRANTEE may perform such tests and analyses or cause such tests and analyses to be performed.

9. FAILURE TO INSIST ON COMPLIANCE. The failure of the GOVERNMENT to insist, in any one or more instances, upon performance of any of the terms, covenants or conditions of this Easement shall not be construed as a waiver or relinquishment of GOVERNMENT's right to the future performance of any such terms, covenants or conditions and GRANTEE's obligations for their future performance shall continue in full force and effect.

10. FEDERAL FUNDS. This Easement does not obligate the GOVERNMENT to expend any appropriated funds.

11. ASSIGNMENT / TRANSFER OF RIGHTS. The GRANTEE shall not transfer or assign this Easement or any interest in it, or otherwise make any portion of, or rights in, the PREMISES available to any party without the prior consent of the GOVERNMENT. If any assignment is made, with or without consent, the assignee shall be deemed to have assumed all the obligations of the GRANTEE. However, in no event shall the GRANTEE be relieved of any of its obligations under this Easement, except for an extension of its term that begins after an assignment, and then only if the GOVERNMENT shall have consented to it.

12. ADMINISTRATIVE COSTS AT TERMINATION OF EASEMENT. At the termination of this Easement, at the GOVERNMENT's discretion, GRANTEE shall be responsible for administrative costs associated with completing a final inspection of the premises and updating the Environmental Condition of Property Report.

13. SURRENDER. Upon any termination of this Easement, the GRANTEE, at its own expense and risk, shall promptly remove, to the extent required by the GOVERNMENT, improvements, fixtures, and equipment installed or constructed hereunder, and shall restore the PREMISES to the same or as good a condition as that which existed prior to the exercise by the GRANTEE of its rights hereunder. The restoration shall be done in a manner satisfactory to the Real Estate Contracting Officer, Naval Facilities Engineering Systems Command, Southwest, or his/her designated representative and in accordance with applicable laws and regulations. If the GRANTEE fails to remove the property as required by the GOVERNMENT, all improvements, chattels, and other items abandoned by the GRANTEE become GOVERNMENT property ninety (90) days following the date of termination or expiration. If the GOVERNMENT incurs any cost to remove the items abandoned by the GRANTEE, the GRANTEE shall reimburse the GOVERNMENT for all actual costs, direct and indirect, incurred by the GOVERNMENT.

14. MISSION ASSURANCE AND SECURITY. GRANTEE shall provide, and shall have a continuing obligation to provide, advanced written notice to the GOVERNMENT of:

(a) Any change in the business entity or entities having an ownership interest in the GRANTEE.

(b) The names of foreign business entities or foreign citizens with which the GRANTEE has, or intends to have, a contract related to use and occupancy of the PREMISES.

(c) The names of all business entities not previously identified to the GOVERNMENT with which GRANTEE has entered into, or plans to enter into, a contract to furnish parts or materials for the PREMISES or perform development, construction, operations, or maintenance activities at the PREMISES.

For those business entities identified under Paragraphs 15(a), (b) and (c), the GOVERNMENT agrees to identify to GRANTEE, no later than sixty (60) days after notification, any business entity posing a potential threat to national security pursuant to the factors contained in 50 U.S.C. § 4565(f). For any proposed business entities identified under Paragraphs 15(a), (b) and (c) the GOVERNMENT agrees to identify to GRANTEE, no later than forty-five (45) days after notification, any business entity posing a potential threat to national security pursuant to the factors contained in 50 U.S.C. § 4565(f). Any such national security threat must be resolved to the satisfaction of the GOVERNMENT prior to allowing access to the PREMISES by the entity or its representatives, and prior to installation or use of on-site equipment manufactured by such a business entity. Except as provided in the last sentence of Paragraph 15, if GRANTEE allows access to the PREMISES by the entity or its representatives in question prior to the resolution of any such national security threat to the satisfaction of the GOVERNMENT, such access shall constitute a material breach by GRANTEE and GOVERNMENT shall have the right to terminate in accordance with Paragraph 12.b. The Parties acknowledge that under the Defense Production Act of 1950, the executive branch of the GOVERNMENT is authorized to review "covered transactions" under

50 U.S.C. § 4565(b)(1)(A), as implemented by the Committee on Foreign Investment in the United States (CFIUS). Nothing in this Agreement shall prohibit or limit DoD, on behalf of and in consultation with the GOVERNMENT, from objecting to the transaction before CFIUS, nor limit communications with CFIUS during national security reviews and investigations, and, should mitigation result, during mitigation, tracking, and post-consummation monitoring and enforcement, pursuant to 50 U.S.C. § 4565. The foregoing notwithstanding, if the GOVERNMENT fails to provide the notices or approvals referenced in Paragraph 18, the GOVERNMENT'S right to identify any business entity posing a potential threat to national security pursuant to the factors contained in 50 U.S.C. § 4565(f) shall be deemed waived, or the GRANTEE's proposed contract related to use and occupancy of the PREMISES shall be deemed approved, as the case may be.

15. EXISTING EASEMENT. Except as expressly amended herein, all other terms and provisions of the GRANT OF EASEMENT shall remain in full force and effect.

[The remainder of this page intentionally left blank]

For the proposed language regarding the release, we recommend the following:

Add to Section 1.f.:

"A Notice of Satisfaction shall be provided to GRANTEE by the GOVERNMENT in recordable form, which GRANTEE may record as evidence of satisfaction of the consideration."

I think that we should not mention a "release" because we noticed that the same term is used with respect to environmental laws in Section 8.

Add new subsection 1.j.2)a. with proposed language:

"If the lowest bid by a responsive and responsible bidder received by the GRANTEE is greater than the amount in 1.a, the GRANTEE shall reject all bids and the GOVERNMENT shall reduce the scope of the in-kind consideration project, or provide another at no cost to the GRANTEE for re-advertising to be within the amount specified in 1.a."

FILE NO: EO-10529
CONTRACT NO: N624-7322-RP-00040 AMD ONE (1)

IN WITNESS WHEREOF, the parties hereto have caused this AMENDMENT to be executed by their duly authorized representatives as of the day and year first written above.

UNITED STATES OF AMERICA

By: _____

TANYA M. SPENST
Real Estate Contracting Officer
Naval Facilities Engineering Systems Command, Southwest

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

On _____ before me, _____,
Date Name and Title of the Officer

personally, appeared _____,
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____
Signature of the Notary Public

Place Notary Seal Above

FILE NO: EO-10529
CONTRACT NO: N624-7322-RP-00040 AMD ONE (1)

ACKNOWLEDGEMENT AND ACCEPTANCE OF GRANTEE

This is to certify that the Amendment to the GRANT OF EASEMENT dated _____ from the United States of America, to the Orange County Sanitation District is hereby accepted by order of the Board of Directors of the Orange County Sanitation District, pursuant to the authority conferred by said Board, on _____, and the Orange County Sanitation District agrees to be bound by all the agreements, covenants, conditions and restrictions contained herein; and to the recordation thereof by its duly authorized officer.

ORANGE COUNTY SANITATION DISTRICT

By _____

Kelly A. Lore, MMC
Clerk of the Board

9607

9922 183

NF(R)-13956

GRANT OF EASEMENT

THIS INDENTURE, made the 16th day of NOVEMBER 1971,
between the United States of America, herein called the Government, acting
by and through the Department of the Navy, and County Sanitation District
No. 3 of Orange County, California, herein called the Grantee.

WHEREAS, the Government owns that certain real property known and
identified as the Naval Weapons Station, Seal Beach, California, herein
called the Station; and

WHEREAS, the Grantee has requested the conveyance of an easement
for the construction, installation, maintenance, operation, repair and
replacement of a sewer pumping station, sewer pipeline, and appurtenances
thereto on that portion of the Station hereinafter described; and

WHEREAS, the Secretary of the Navy has found that the grant of such
easement on the terms and conditions hereinafter stated is not incompatible
with the public interest;

NOW, this Indenture witnesseth that, in consideration of the premises
and of the terms and conditions set forth herein, the Government hereby
grants unto the said Grantee and its successors and assigns, in perpetuity,
from the date hereof, an easement for the construction, installation, maintenance,
operation, repair and replacement of a sewer pumping station, sewer pipeline,
and appurtenances thereto, such easement to extend through, across, over and
under and be confined to that portion of the Station, herein called the
Premises, which is described as follows:

A parcel of land in the City of Seal Beach, County of Orange, State of
California, being a portion of the Southwest one-quarter of the Southwest
one-quarter of Section 6, Township 5 South, Range 11 West of the Rancho
Los Alamitos, as per map filed in the final decree of partition entered in
the Superior Court of Los Angeles County, Case No. 13527, a certified copy
of said final decree having been recorded February 2, 1891 in Book 14,
Page 31 of Deeds of said Orange County, more particularly described as
follows:

Commencing at the Southwest corner of said section; thence North $1^{\circ}25'19''$
East along the West line thereof 280.28 feet; thence South $88^{\circ}34'41''$ East
60.00 feet to the East line of Bay Boulevard and the TRUE POINT OF BEGINNING;
thence continuing South $88^{\circ}34'41''$ East 83.00 feet; thence South $43^{\circ}45'19''$
East 235.29 feet; thence South $1^{\circ}14'41''$ West 63.46 feet to the north line of
Westminster Avenue, said line being parallel with and 50.00 feet Northerly
measured at rights angles from the Southerly line of said Section 6; thence
North $88^{\circ}45'19''$ West along said parallel line 228.03 feet to the beginning of
a tangent curve concave Northeasterly having a radius of 22.00 feet; thence
Northwesterly 34.63 feet along said curve through a central angle of $90^{\circ}10'38''$

to a point of tangency with said East line; thence North 1°25'19" East thereon 208.03 feet to the TRUE POINT OF BEGINNING, containing 1.00 acre, more or less.

As delineated on the map identified as WESTDIVNAVFAC DRAWING NO. 102020, marked Exhibit "A", attached hereto and made a part hereof.

Also, that portion of Bay Boulevard, in the City of Seal Beach, County of Orange, State of California, lying within the Easterly 20.00 feet of the Westerly 60.00 feet of the Southerly 4080.00 feet of Section 6, Township 5 South, Range 11 West, of the Rancho Los Alamitos, as per map filed in the final decree of partition entered in the Superior Court of Los Angeles County, Case No. 13527, a certified copy of said final decree having been recorded February 2, 1891 in Book 14, Page 31 of Deeds of said Orange County, more particularly described as EXCEPTING therefrom the Southerly 50.00 feet thereof: containing 1.85 acres, more or less.

As delineated on the map identified as WESTDIVNAVFAC DRAWING NO. 102021, marked Exhibit "B", attached hereto and made a part hereof.

THIS EASEMENT is granted subject to the following terms and conditions:

1. All work in connection with the construction, installation, operation, repair and replacement of the sewer pumping station, sewer pipeline, and appurtenances shall be done without cost or expense to the Department of the Navy and in accordance with plans previously approved by the Commanding Officer, Western Division, Naval Facilities Engineering Command, hereinafter referred to as the Commanding Officer.

2. The Grantee shall maintain the Premises and the sewer pumping station, sewer pipeline, and appurtenances in good condition at all times and shall promptly make all repairs thereto which may be necessary for the preservation of the condition of the Premises and the continued operation and maintenance of the sewer pumping station, sewer pipeline, and appurtenances.

3. The Grantee shall have the right to fence and pave the real property, subject of this easement, together with the right to exclude all persons therefrom except persons authorized by Government, and the right to access thereto by Grantee and its agents at all times and without notice to Government.

4. The Grantee's rights hereunder shall be subject to such reasonable rules and regulations as may be promulgated by the Government to insure that the exercise of such rights shall not interfere with the Government activities at the Station.

5. The Grantee will, without cost or expense to the Government, install a 10-inch plugged tee for connection of a proposed Station sewage force main.

6. The Grantee will, for the duration of the easement, accept the Station's sewage, including industrial waste, conforming to the established uniform quality standards of Grantee to a maximum average flow of 300,000 gallons per day and a maximum peak flow rate of 500,000 gallons per day through

the 10-inch tee described in paragraph 5 above and will also waive its sewer connection charge with respect to this use. Further, Grantee will also for the duration of the easement accept the Station's sewage in the amounts set out above and will also waive the above mentioned Station sewer connection charge in the event that the Government and the City of Seal Beach, California, enter into an agreement whereby Station sewage is transported through City lines into the Grantee's sewage system rather than directly into the Grantee's sewage system through the above mentioned 10-inch tee.

7. The annual charges by the Grantee for the acceptance and processing of Station sewage will be determined under a sewage-disposal service contract to be entered into by the Government and the Grantee.

8. All sewer pumping station facilities installed by the Grantee will be underground, except for required access and controls which will be housed in an appropriate building with suitable landscaping.

9. Upon termination of the easement granted herein, if desired by the Government, the Grantee, at its expense, shall remove any and all improvements installed or constructed hereunder and restore the Premises to the same or as good condition as that which existed prior to the exercise by the Grantee of its rights hereunder, such restoration to be effected to the satisfaction of the Commanding Officer.

10. All or any part of the easement herein granted may be terminated upon failure on the part of the Grantee to comply with any of the terms and conditions of this grant; upon abandonment of the rights granted herein; or upon nonuse of such rights for a period of two consecutive years.

11. The Government may use the Premises which are the subject of this easement for any purpose which does not create an unreasonable interference with the use or enjoyment by the Grantee of the easement rights granted herein.

IN WITNESS WHEREOF, the Government, acting by and through the Department of the Navy, has caused this instrument to be executed the day and year first above written.

Approved:

By R. K. Kuehler
Counsel for WESTNAVFACENGCOM

UNITED STATES OF AMERICA

By T. Daniel
R. E. NELSON, Captain, CEC, USN
By direction of the Commander, Naval
Facilities Engineering Command, acting
under the direction of the Secretary
of the Navy

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) SS

NF(R)-13956

On this 16th day of November, 19 71, before me
Beverly J. Martin, a Notary Public in and for said County and
State, personally appeared R. H. Nelson, known to me to be
the person whose name is subscribed to the within instrument, and acknowledged
that he executed the same by direction of the Commander, Naval Facilities
Engineering Command, acting under the direction of the Secretary of the
Navy, U.S.A.



Beverly J. Martin
Notary Public

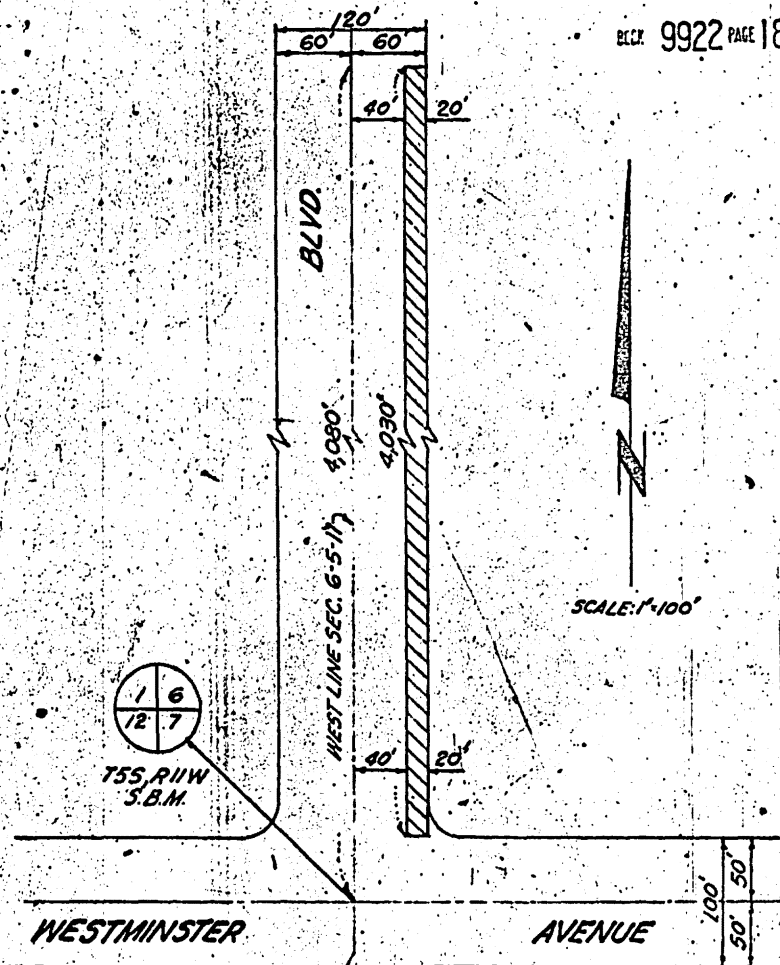


CERTIFICATE OF ACCEPTANCE

This is to certify that the interest conveyed by this instrument
from United States of America
to County San Diego District No. 3
of Orange County, Calif., is hereby accepted
by order of the Board of Directors of the District of San Diego
and is given pursuant to the provisions thereof by its duly
authorized officer, By [Signature]
Date 12/8/71 Secretary

FREE
C3

RECORDED IN OFFICIAL RECORDS
OF ORANGE COUNTY, CALIFORNIA
14 Min. / P.M. DEC 10 1971
J. W. H. EARLY, County Recorder



WEST DIV NAVFAC 'DWG. 102021

SKETCH TO ACCOMPANY LEGAL DESCRIPTION OF
EASEMENT FOR 51 INCH SEWER LINE
FOR
COUNTY SANITATION DISTRICT NO. 3 OF ORANGE COUNTY

REVISIONS _____ _____ _____ _____	DESIGN	BOYLE ENGINEERING SANTA ANA, CALIF. DATE: AUG 69 N. 81-2056 80-90	SHEET 1 OF 1 SHEETS
	DRAWN K.L.		
	CHECKED		

A-102021

Exhibit "B"

OPERATIONS COMMITTEE

Agenda Report

File #: 2023-2903

Agenda Date: 5/3/2023

Agenda Item No: 3.

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

SUBJECT:

AUDIOVISUAL NETWORK EQUIPMENT PURCHASE FOR HEADQUARTERS COMPLEX AT PLANT NO. 1, PROJECT NO. P1-128A

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Purchase Order Contract to SHI International Corp (SHI) for the purchase of audiovisual network equipment for the Headquarters Complex at Plant No. 1, Project No. P1-128A, utilizing the National Association of State Procurement Officials (NASPO) ValuePoint Data Communications Cooperative Agreement Contract No. AR3227 for a total amount not to exceed \$205,447, plus freight and sales tax; and
- B. Approve a contingency of \$20,545 (10%).

BACKGROUND

Orange County Sanitation District (OC San) is constructing a new Headquarters Complex under Project No. P1-128A. The new headquarters building will require audiovisual equipment which was intentionally not included in the primary construction contract and was planned as a separate, coordinated procurement. This will ensure the most current and up-to-date equipment is procured at the time of installation. This purchase includes displays, speakers, and camera systems in the conference rooms and Board Room; and network switches and associated equipment to support the audiovisual network throughout the building. The P1-128A design consultant, HDR Engineering, has assisted in the audiovisual network design to ensure the package is coordinated with the primary construction contract.

RELEVANT STANDARDS

- Participate in local, state, and national cooperative purchasing programs
- Ensure the public's money is wisely spent
- Provide a safe and collegial workspace
- Maintain positive employer-employee relations

PROBLEM

The new headquarters building requires an audiovisual network to be functional. Staff will not be able to use audiovisual features in the new building without the purchase of audiovisual equipment.

PROPOSED SOLUTION

Approve a purchase order contract for audiovisual equipment utilizing a cooperative agreement.

TIMING CONCERNS

The audiovisual network equipment must be installed by December 2023 to maintain the project schedule and allow staff to occupy the new building.

RAMIFICATIONS OF NOT TAKING ACTION

The new building will not be able to utilize audiovisual features and the building occupancy date will be delayed.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

OC San engaged three different equipment dealers that currently have active cooperative agreements, that OC San can utilize for this purchase, in accordance with OC San's Purchasing Ordinance. OC San received two (2) quotes and, based on the results, the most competitive pricing was provided by SHI International Corp, which is \$62,015.56 lower than the other pricing. OC San will work with SHI International Corp under the NASPO Cooperative Agreement Contract No. AR3227 and California Participating Addendum #7-20-70-47-01.

NASPO ValuePoint is a cooperative purchasing program facilitating procurement solicitations and agreements using a lead-state model. Cooperative Agreement NASPO ValuePoint Data Communications #AR3227 is a "discount off list price" contract. This Contract for California offers a minimum 35% discount. The NASPO ValuePoint master agreement was awarded by the State of Utah using a competitive bid process comparable to OC San's and vetted by OC San's Purchasing Division.

CEQA

The Headquarters Complex project is included in the Addendum to the City of Fountain Valley "Fountain Valley Crossings Specific Plan" Program Environmental Impact Report, State Clearinghouse No. 2015101042.

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Adopted Budget, Fiscal Years 2022-2023 and 2023-2024, Section 8, Page 55, Headquarters Complex, Project No. P1-128) 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:

N/A

AB:tk

File #: 2023-2916

Agenda Date: 5/3/2023

Agenda Item No: 4.

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

SUBJECT:

PROCESS CONTROL SYSTEMS UPGRADE, PROJECT NO. J-120

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Purchase Order to CDW-G Corporation for the purchase of computers and monitors, for the Process System Control Upgrade, Project No. J-120, using the Sourcewell cooperative contract number 081419-CDW for a total amount not to exceed \$334,058 plus applicable sales tax; and
- B. Approve a contingency of \$33,406 (10%).

BACKGROUND

Process Control Systems Upgrade, Project No. J-120, will replace the existing Human-Machine-Interface (HMI) system and data historian with an ABB distributed control system (DCS). The HMI system is the graphical user interface for Orange County Sanitation District's (OC San) treatment plants and collections facilities control systems.

The new DCS requires computer workstations, monitors, and ancillary items which were not included in Project No. J-120 under the Master Services Agreement with ABB Inc. and were planned as owner -furnished equipment. The items selected meet ABB's recommended specifications and OC San's standards.

RELEVANT STANDARDS

- 24/7/365 treatment plant reliability
- Participate in local, state, and national cooperative purchasing programs
- Ensure the public's money is wisely spent
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard
- Protect OC San assets

PROBLEM

The new DCS system requires computer workstations and monitors to be functional. The existing workstations used for the existing HMI system do not meet ABB's recommended specifications. Staff will not be able to use the new system if workstations are not purchased.

PROPOSED SOLUTION

Approve a purchase order for computers and monitors utilizing a cooperative agreement.

TIMING CONCERNS

New workstations and monitors are required by December 2023 to maintain the current schedule for Process Control System Upgrade, Project No. J-120.

RAMIFICATIONS OF NOT TAKING ACTION

A decision not to purchase new workstations and monitors would prevent the deployment of the new ABB DCS system and the replacement of the existing HMI system.

PRIOR COMMITTEE/BOARD ACTIONS

April 2023 - Approved a Purchase Order to ePlus Technology, Inc. for the purchase of software, hardware, and services for Specification No. E-2022-1375BD, Process Control System Upgrade: Server Expansion (Project No. J-120), for a total amount not to exceed \$1,008,454 plus applicable sales tax and shipping; and approved a contingency in the amount of \$100,845 (10%).

July 2021 - Approved Task Order No. 1 under the Master Services Agreement with ABB Inc. to provide services, software, and equipment for Process Control Systems Upgrades, Project No. J-120, for an amount not to exceed \$11,818,480; and approved a contingency of \$1,181,848 (10%).

ADDITIONAL INFORMATION

OC San is utilizing a cooperative agreement through Sourcewell, a State of Minnesota local government agency and service cooperative, Contract # 081419-CDW. This agreement was awarded using a competitive bid process similar to OC San's and has been vetted by Purchasing. The total amount of bid under this cooperative agreement is \$334,057.82 plus applicable sales tax, with approximately \$30,000 of savings.

Staff evaluated the bid in accordance with OC San policies and procedures and, based on these results, recommends awarding the Purchase Order to CDW-G Corporation. The term of this Purchase Order will be upon effective date of the Notice to Proceed.

OC San also solicited pricing from Insight Public Sector through a different cooperative agreement Omnia Partners, Contract # 4400006644. The pricing from Insight Public Sector was \$364,039.36 plus tax, which was higher than the bid from CDW-G Corporation.

CEQA

The project is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations Section 15301. A Notice of Exemption has been filed with the OC Clerk-Recorder (July 2021).

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Adopted Budget, Fiscal Years 2022-2023 and 2023-2024, Section 8, Page 37, Process Control Systems Upgrade, Project No. J-120) 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:

N/A

GR:tk

File #: 2023-2905

Agenda Date: 5/3/2023

Agenda Item No: 5.

FROM: Robert Thompson, General Manager
Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

PROCUREMENT BLANKET PURCHASE ORDER WITH MCMASTER-CARR

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve a Blanket Purchase Order with McMaster-Carr (McMaster) for the purchase of maintenance tools and supplies for the period beginning July 1, 2023, through June 30, 2024, for a total amount not to exceed \$175,000 per year; and
- B. Approve four (4) optional one-year renewal periods in the amount of \$175,000 per year.

BACKGROUND

The Orange County Sanitation District (OC San) needs various parts and supplies that may be one-time purchases or bought infrequently. As a result, it is not suitable to keep them in OC San's warehouse.

RELEVANT STANDARDS

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

PROBLEM

Small tools and parts are procured through individual purchase orders, which can impede maintenance schedules and delay job completion.

PROPOSED SOLUTION

Establishing a blanket purchase order would expedite the procurement process and enable maintenance to carry out their tasks promptly.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

Delays in procuring necessary parts and supplies and longer completion times for work orders could be experienced without this action.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

In accordance with the authority levels of OC San's Purchasing Ordinance, the General Manager's Purchasing Procedures allows for the establishment of convenience blanket purchase orders. They allow for the quick and efficient procurement of small items and parts in support of repairs.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item will be funded by the FY 2023-24 approved budget for Plant No. 1 and Plant No. 2 Maintenance Divisions. (Line item: Repairs and Maintenance, Section 6, Pages 92 and 96).

ATTACHMENT

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

N/A



OPERATIONS COMMITTEE

Agenda Report

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

File #: 2023-2720

Agenda Date: 5/3/2023

Agenda Item No: 6.

FROM: Robert Thompson, General Manager
Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

COOPERATIVE PROCUREMENT WITH W.W. GRAINGER, INC.

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve a Blanket Purchase Order with W.W. Grainger, Inc. (Grainger, Inc.) for the purchase of maintenance tools and supplies, utilizing the National Association of State Procurement Officials (NASPO) Master Agreement No. 8496, for the period beginning July 1, 2023, through June 30, 2024, for a total amount not to exceed \$300,000.

BACKGROUND

The Orange County Sanitation District (OC San) requires miscellaneous parts and supplies which may be one-time purchases, or purchased infrequently, such that it is not appropriate to stock them in the OC San's warehouse.

RELEVANT STANDARDS

- Participate in local, state, and national cooperative purchasing programs
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

The current Blanket Purchase Order (BPO) with Grainger, Inc. expires June 30, 2023. Without an agreement in place, procurement of parts and supplies necessary for day-to-day repairs could be delayed resulting in higher individual procurement costs.

PROPOSED SOLUTION

Approve a Blanket Purchase Order with Grainger, Inc. thereby allowing quick procurement and stable pricing of necessary small tools and equipment for day-to-day repairs.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

Increased time to procure needed parts and supplies, and potentially higher costs.

PRIOR COMMITTEE/BOARD ACTIONS

February 2020 - Approved a Blanket Purchase Order with W.W. Grainger, Inc. for the purchase of maintenance tools and supplies, in accordance with Ordinance No. OCSD-52, Section 2.03(B): Cooperative Procurement; for the period beginning March 1, 2020 through February 28, 2021, with two one-year renewal options, for a total amount not to exceed \$275,000 per year.

ADDITIONAL INFORMATION

Grainger, Inc. has participated in National Association of State Procurement Officials (NASPO) agreements for Cooperative Contract Pricing for 8 years. NASPO agreements are available to all State of California governmental entities (e.g., state agencies, cities, counties, special districts, school districts, universities) that expend public funds for the acquisition of both goods and services. OC San is utilizing NASPO Master Agreement No. 8496 with W.W. Grainger, Inc., under Ordinance No. OC SAN-56, Section 2.03(B), Cooperative Purchases.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item will be funded by the FY 2023-24 approved budget for Plant No. 1 and Plant No. 2 Maintenance Divisions. (Line item: Repairs and Maintenance, Section 6, Pages 92 and 96).

ATTACHMENT

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

N/A

File #: 2023-2907

Agenda Date: 5/3/2023

Agenda Item No: 7.

FROM: Robert Thompson, General Manager
Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

TRICKLING FILTER A AND B CENTER ROTATING ASSEMBLIES REPLACEMENT AT PLANT NO. 2, PROJECT NO. MP2-005

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a sole source General Services Contract to Jamison Engineering Contractors, Inc. for Trickling Filter A and B Center Rotating Assemblies Replacement at Plant No. 2, Project No. MP2-005, for a total amount not to exceed \$494,600; and
- B. Approve a contingency of \$49,460 (10%).

BACKGROUND

The Orange County Sanitation District (OC San) trickling filters at Plant No. 2 consist of three 150-foot diameter rotating assemblies. This trickling filter process provides secondary treatment rated at 60 MGD average during dry weather and approximately 182 MGD during peak wet weather capacities. The trickling filters are engineered to remove the organic content in wastewater utilizing micro-organisms living on the filter media. Each trickling filter is equipped with a motor-operated rotary distributor assembly to uniformly distribute the primary treated flow over the media.

Following structural failures in Trickling Filter A, fabrication of a new Center Mast Assembly for Trickling Filter A was approved in June 2022. Subsequently, similar structural deficiencies were identified in the Trickling Filter B Center Mast Assembly and fabrication of replacement pieces was approved in July 2022. The equipment is scheduled to be shipped to Plant No. 2 for installation in May 2023.

RELEVANT STANDARDS

- Maintain a proactive asset management program

PROBLEM

Trickling Filters A and B Center Mast structures have been fabricated and will be delivered to Plant No. 2. The new structural elements need to be installed in Trickling Filters A and B.

PROPOSED SOLUTION

Replace Trickling Filters A and B Center Mast structures provided by Ovivo USA, LLC (Ovivo), the original equipment manufacturer (OEM), using the exclusive OEM qualified installation contractor in our service area, Jamison Engineering Contractors, Inc.

TIMING CONCERNS

The Trickling Filters at Plant No. 2 are critical assets that support secondary treatment requirements. There exists a higher risk of not being able to reliably provide required secondary treatment at Plant No. 2. Additionally, this trickling filter process provides all secondary treatment for the GWRS from Plant No. 2.

RAMIFICATIONS OF NOT TAKING ACTION

Failure to act increases the risk of providing required secondary treatment at the Plant No. 2 trickling filter process and to providing water to the GWRS.

PRIOR COMMITTEE/BOARD ACTIONS

July 2022 - Board approved a Sole Source Purchase Order Contract to Ovivo USA, LLC (Ovivo) for a direct replacement Center Mast assembly for the Plant No. 2 Trickling Filter B solids contact, Secondary Treatment, in an amount not to exceed \$507,272, plus applicable sales tax and shipping; and approved a contingency of \$50,727 (10%).

June 2022 - Board approved a Sole Source Purchase Order Contract to Ovivo USA, LLC (Ovivo) for a direct replacement Center Mast assembly for the Plant No. 2 Trickling Filter A solids contact, Secondary Treatment, in an amount not to exceed \$461,500, plus applicable sales tax and shipping; and approved a contingency of \$46,150 (10%).

ADDITIONAL INFORMATION

Ovivo USA, LLC is the Board of Directors approved OEM for Plant No. 2 Trickling Filter parts. Jamison Engineering Contractors, Inc. is the Board of Directors approved sole source contractor for Trickling Filter repairs.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item will be funded by the FY 2022-23 and 2023-24 approved budget for Plant No. 2 Maintenance Division. (Line item: Repairs and Maintenance, Section 6, Page 96).

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
05/24/2023	\$494,600	\$49,460

ATTACHMENT

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

- General Services Contract

GENERAL SERVICES CONTRACT
Trickling Filter A and B Center Rotating Assemblies Replacement at Plant No. 2
Project No. MP2-005

This GENERAL SERVICES CONTRACT (hereinafter referred to as "Contract"), 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 Jamison Engineering Contractors, Inc. (hereinafter referred to as "Contractor"), and collectively referred to herein as the "Parties."

RECITALS

WHEREAS, OC San desires to retain the services of Contractor for Trickling Filter A and B Center Rotating Assemblies at Plant No. 2 (Services") as described in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, Contractor is qualified to perform the Services by virtue of experience, training, education, and expertise; and

WHEREAS, OC San desires to engage Contractor to provide the Services; and

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

WHEREAS, on May 24, 2023 OC San's Board of Directors, by minute order, authorized execution of this Contract.

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 Contract and all exhibits hereto are made by OC San and the Contractor.

1.2 The following exhibits, in order of precedence, are incorporated by reference and made part of this Contract.

Exhibit "A" – Scope of Work

Exhibit "B" – Proposal

Exhibit "C" – Determined Insurance Requirement Form

Exhibit "D" – Contractor Safety Standards

Exhibit "E" – Human Resources Policies

Exhibit "F" – General Conditions

1.3 In the event of any conflict or inconsistency between the provisions of this Contract and any of the provisions of the exhibits hereto, the provisions in the Contract 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 Contractor as a result of work performed in anticipation of acquisition of the Services by OC San.

1.5 Work Hours: All work shall be scheduled Monday through Friday, between the hours of 7:30 a.m. and 5:30 p.m.

- 1.6 Days: Shall mean calendar days, unless otherwise noted.
- 1.7 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.
- 1.8 Work: Shall mean all work, labor, and materials necessary to provide the Services.
- 1.9 The provisions of this Contract may be amended or waived only by an amendment executed by authorized representatives of both Parties.
- 1.10 The various headings in this Contract are inserted for convenience only and shall not affect the meaning or interpretation of this Contract or any paragraph or provision hereof.

2. Scope of Work.

- 2.1 Contractor shall perform the Services identified in Exhibit "A" in accordance with generally accepted industry and professional standards.
- 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 Contract, Contractor warrants that: (a) it has investigated the work to be performed; (b) it understands the facilities, difficulties, and restrictions of the work under this Contract; and (c) it has examined the site of the work and is aware of all conditions at the site. Should Contractor 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 Contractor'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. Contract Term.

- 3.1 The Services shall be completed within one hundred thirty-seven (137) calendar days from the effective date of the Notice to Proceed.
- 3.2 Extensions. The term of this Contract may be extended only by an amendment signed by both Parties.

4. Compensation.

- 4.1 As compensation for the Services provided under this Contract, OC San shall pay Contractor a total amount not to exceed Four Hundred Ninety-Four Thousand Six Hundred Dollars (\$494,600.00).
- 4.2 Contractor shall provide OC San with all required premiums and/or overtime work at no charge beyond the amount specified above.

5. Payments and Invoicing.

- 5.1 OC San shall pay itemized invoices for work completed in accordance with Exhibit "A" thirty (30) days from receipt of the invoice and after approval by OC San's Project Manager or designee. OC San shall be the determining party, in its sole discretion, as to whether the Services have been satisfactorily completed.

- 5.2 Contractor shall submit its invoices to OC San Accounts Payable by electronic mail to APStaff@OCSan.gov. In the subject line include "INVOICE" and the Purchase Order Number.

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

- 6.1 To the extent Contractor's employees and/or its subcontractors perform work related to this Contract 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 Contract. It is Contractor's responsibility to interpret and implement any prevailing wage requirements and Contractor agrees to pay any penalty or civil damages resulting from a violation of the prevailing wage laws.
- 6.2 Contractor and its subcontractors 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 Contractor and its subcontractors 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), Contractor shall post a copy of the prevailing rate of per diem wages at the job site.
- 6.5 Contractor and its subcontractors shall maintain accurate payroll records and shall comply with all the provisions of Labor Code section 1776. Contractor and its subcontractors shall submit payroll records to the Labor Commissioner pursuant to Labor Code section 1771.4(a)(3). Pursuant to Labor Code section 1776, the Contractor and its subcontractors 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, Contractor 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 Contract.

6.6 The Contractor and its subcontractors shall comply with Labor Code section 1774 and section 1775. Pursuant to Labor Code section 1775, the Contractor and any of its subcontractors 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 Contractor or its subcontractor.

6.7 Contractor and its subcontractors shall comply with Labor Code sections 1810 through 1815. Contractor and its subcontractors 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 Contractor 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 Contractor and its subcontractors shall comply with Labor Code sections 1777.5, 1777.6, and 1777.7 concerning the employment of apprentices by Contractor or any subcontractor.

6.9 Contractor shall include, at a minimum, a copy of the following provisions in any contract it enters into with any subcontractor: 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 Contractor and its subcontractors will be required to secure the payment of compensation to employees. Pursuant to Labor Code section 1861, Contractor, by accepting this contract, 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.”

Contractor shall ensure that all its contracts with its subcontractors provide the provision above.

7. **Damage to OC San’s Property.** Any of OC San’s property damaged by Contractor, any subcontractor, or by the personnel of either will be subject to repair or replacement by Contractor at no cost to OC San.

8. **Freight (F.O.B. Destination).** Contractor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Contract.

9. **Audit Rights.** Contractor agrees that, during the term of this Contract 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 Contractor relating to the invoices submitted by Contractor pursuant to this Contract.
10. **Contractor Safety Standards and Human Resources Policies.** OC San requires Contractor and its subcontractor(s) to follow and ensure their employees follow all Federal, State, and local regulations as well as the Contractor Safety Standards while working at OC San locations. If, during the course of the Contract, it is discovered that the Contractor Safety Standards do not comply with Federal, State, or local regulations, the Contractor is required to follow the most stringent regulatory requirement at no additional cost to OC San. Contractor, its subcontractors, and all of their employees shall adhere to the safety requirements in Exhibit "A," all applicable Contractor Safety Standards in Exhibit "D," and the Human Resources Policies in Exhibit "E."
11. **Insurance.** Contractor and all its subcontractors shall purchase and maintain, throughout the term of this Contract 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. Contractor shall not commence work under this Contract until all required insurance is obtained in a form acceptable to OC San, nor shall Contractor allow any subcontractor to commence service pursuant to a subcontract until all insurance required of the subcontractor has been obtained. Failure to obtain and maintain the required insurance coverage shall result in termination of this Contract.
12. **Bonds.** Not Used
13. **Indemnification and Hold Harmless Provision.** Contractor shall assume all responsibility for damages to property and/or injuries to persons, including accidental death, which may arise out of or may be caused by Contractor's Services under this Contract, or by its subcontractor(s), or by anyone directly or indirectly employed by Contractor, and whether such damage or injury shall accrue or be discovered before or after the termination of the Contract. Except as to the sole active negligence of or willful misconduct of OC San, Contractor 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 Contractor's performance under the Contract, and/or (b) on account of use of any copyrighted or uncopyrighted material, composition, or process; or any patented or unpatented invention, article, or appliance furnished or used under the Contract, and/or (c) on account of any goods and services provided under this Contract. This indemnification provision shall apply to any acts or omissions, willful misconduct, or negligent misconduct, whether active or passive, on the part of Contractor or anyone employed by or working under Contractor. To the maximum extent permitted by law, Contractor's duty to defend shall apply whether or not such claims, allegations, lawsuits, or proceedings have merit or are meritless; or which involve claims or allegations that any of the parties to be defended were actively, passively, or concurrently negligent; or which otherwise assert that the parties to be defended are responsible, in whole or in part, for any loss, damage, or injury. Contractor agrees to provide this defense immediately upon written notice from 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 Contract.

14. **Independent Contractor.** The relationship between the Parties hereto is that of an independent contractor and nothing herein shall be deemed to make Contractor an OC San employee. During the performance of this Contract, Contractor and its officers, employees, and agents shall act in an independent capacity and shall not act as OC San's officers, employees, or agents. Contractor and its officers, employees, and agents shall obtain no rights to any benefits which accrue to OC San's employees.
15. **Subcontracting and Assignment.** Contractor shall not delegate any duties nor assign any rights under this Contract without the prior written consent of OC San. Any such attempted delegation or assignment shall be void.
16. **Disclosure.** Contractor agrees not to disclose, to any third party, data or information generated from this Contract without the prior written consent from OC San.
17. **Non-Liability of OC San Officers and Employees.** No officer or employee of OC San shall be personally liable to Contractor, 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 Contractor or to its successor, or for breach of any obligation under the terms of this Contract.
18. **Third-Party Rights.** Nothing in this Contract shall be construed to give any rights or benefits to anyone other than OC San and Contractor.
19. **Applicable Laws and Regulations.** Contractor shall comply with all applicable Federal, State, and local laws, rules, and regulations. Contractor also agrees to indemnify and hold OC San harmless from any and all damages and liabilities assessed against OC San as a result of Contractor's noncompliance therewith. Any provision required by law to be included herein shall be deemed included as a part of this Contract whether or not specifically included or referenced.
20. **Licenses, Permits, Ordinances, and Regulations.** Contractor 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 Contract will be paid by Contractor.
21. **Regulatory Requirements.** Contractor shall perform all work under this Contract in strict conformance with applicable Federal, State, and local regulatory requirements including, but not limited to, 40 CFR 122, 123, 124, 257, 258, 260, 261, and 503, Title 22, 23, and Water Codes Division 2.
22. **Environmental Compliance.** Contractor shall, at its own cost and expense, comply with all Federal, State, and local environmental laws, regulations, and policies which apply to the Contractor, its subcontractors, and the Services, including, but not limited to, all applicable Federal, State, and local air pollution control laws and regulations.
23. **South Coast Air Quality Management District's Requirements.** It is Contractor's responsibility to ensure that all equipment furnished and installed be in accordance with the latest rules and regulations of the South Coast Air Quality Management District (SCAQMD). All Contract work practices, which may have associated emissions such as sandblasting, open field spray painting, or demolition of asbestos containing components or structures shall comply with the appropriate rules and regulations of SCAQMD.

24. **Warranties.** In addition to the warranties stated in Exhibit "A," the following shall apply:
- 24.1 Manufacturer's standard warranty shall apply. All manufacturer warranties shall commence on the date of acceptance of the work as complete by the OC San Project Manager or designee.
- 24.2 Contractor's Warranty (Guarantee): If within a one (1) year period of completion of all work specified in Exhibit "A," OC San informs Contractor that any portion of the Services provided fails to meet the standards required under this Contract, Contractor shall, within the time agreed to by OC San and Contractor, take all such actions as are necessary to correct or complete the noted deficiency(ies) at Contractor's sole expense.
25. **Dispute Resolution.**
- 25.1 In the event of a dispute as to the construction or interpretation of this Contract, or any rights or obligations hereunder, the Parties shall first attempt, in good faith, to resolve the dispute by mediation. The Parties shall mutually select a mediator to facilitate the resolution of the dispute. If the Parties are unable to agree on a mediator, the mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Agreement, through the alternate dispute resolution procedures of Judicial Arbitration through Mediation Services of Orange County ("JAMS"), or any similar organization or entity conducting an alternate dispute resolution process.
- 25.2 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.
26. **Liquidated Damages.** Not Used
27. **Remedies.** In addition to other remedies available in law or equity, if the Contractor fails to make delivery of the goods and Services or repudiates its obligations under this Contract, or if OC San rejects the goods or Services or revokes acceptance of the goods and Services, OC San may (a) cancel the Contract; (b) recover whatever amount of the purchase price OC San has paid, and/or (c) "cover" by purchasing, or contracting to purchase, substitute goods and Services for those due from Contractor. In the event OC San elects to "cover" as described in (c), OC San shall be entitled to recover from Contractor as damages the difference between the cost of the substitute goods and Services and the Contract price, together with any incidental or consequential damages.
28. **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.

29. Termination.

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

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

29.3 OC San may also immediately terminate this Contract for default, in whole or in part, by written notice to Contractor:

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

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

30. 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 Contract, 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.

31. Waiver. The waiver by either party of any breach or violation of, or default under, any provision of this Contract shall not be deemed a continuing waiver by such party of any other provision or of any subsequent breach or violation of this Contract or default thereunder. Any breach by Contractor to which 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.

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

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

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

35. **Notices.**

35.1 All notices under this Contract 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: Jackie Lagade
Principal Buyer
Orange County Sanitation District
10844 Ellis Avenue
Fountain Valley, CA 92708
jlagade@ocsan.gov

Contractor: Don Jamison
President
Jamison Engineering Contractors, Inc.
2525 South Yale Street
Santa Ana, CA 92704
jamisoneng@msn.com

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

36. **Read and Understood.** By signing this Contract, Contractor represents that it has read and understood the terms and conditions of the Contract.

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

38. **Entire Agreement.** This Contract 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 Contract to be signed by their duly authorized representatives.

ORANGE COUNTY SANITATION DISTRICT

Dated: _____ By: _____
Chad P. Wanke
Chair, Board of Directors

Dated: _____ By: _____
Kelly A. Lore
Clerk of the Board

Dated: _____ By: _____
Ruth Zintzun
Purchasing & Contracts Manager

JAMISON ENGINEERING CONTRACTORS, INC.

Dated: _____ By: _____

Print Name and Title of Officer

JL

**EXHIBIT A
SCOPE OF WORK
TRICKLING FILTER A AND B CENTER ROTATING ASSEMBLIES
REPLACEMENT AT PLANT 2 (MP2-005)**

SCOPE OF WORK

1 Location of Work

The work covered under this Contract will take place at the Orange County Sanitation District's ("OC San's"):

- Plant 2 – 22212 Brookhurst Street, Huntington Beach, CA 92648 (See Appendix A-1, Vicinity and Appendix A-2, Location Map)

2 General

The Contractor shall furnish all labor, equipment, materials, machinery, tools, supplies, insurance, bonds, permits, licenses, transportation, and other incidentals necessary to complete all tasks and items of work described within Exhibit A and within other portions of the Contract Documents and Drawings and as more specifically described below.

All work performed by the Contractor on the equipment listed herein shall be completed in accordance with original equipment manufacturer (OEM) recommendations, instructions and as required by the latest applicable codes and regulations.

3 Description of the Work

The work involves replacing two center rotating assemblies provided by OC San on Trickling Filter A (TF-A) and Trickling Filter B (TF-B) at Plant No. 2 Trickling Filters facility. The Contractor shall coordinate work with OC San project team and Operations for existing trickling filter shutdown. No more than one trickling filter shall be shut down for installation work to avoid interference or disruption of existing process operation. The Contractor shall complete the project within 137 calendar days from the date the Notice to Proceed is issued.

Contractor shall provide lifting, rigging and scaffolding, personal protective equipment, safety submittals, and complete safety related tasks.

The installation work shall include support services from OEM Ovivo, the manufacturer of the center assemblies. The services shall include Ovivo's field supervision and inspection during the center rotating assemblies installation, and commissioning service.

4 Project/Work Elements

4.1 Removal (TF-B only)

TF-A center rotating assembly had already been removed. The work described herein is for TF-B only.

1. Disassemble the rotary arms.
2. Disconnect the electrical.
3. Remove hardware from center rotating assembly.
4. Remove part of the trickling filter dome cover and remove center rotating assembly out of trickling filter.
5. Transport of existing center rotating assemblies to an OC San designated location for parts reuse and disposal.
6. Review any findings during the removal phase with the PM or designee.

4.2 Site Preparation (TF-A and TF-B)

1. Set up containment and remove existing mortar.
2. Clean and chase threads on anchoring studs, and reset jacking nuts.
3. Prepare and recoat the top edge of the existing 84" center feed well.
4. Fabricate template using bolts pattern from new center rotating assembly. Lay template over existing anchoring bolts to verify that new center rotating assembly will fit on bolts.
5. Working with equipment manufacturer Ovivo to make any adjustment if necessary to ensure proper installation.

4.3 Equipment Installation (TF-A and TF-B)

The equipment to be installed is manufactured by Ovivo. See Appendix A-3 – Ovivo Shop Drawing for equipment to be installed and Appendix A - 4 Existing Trickling Filter Construction Drawings and pictures for the installation work reference. The equipment shall be installed per the installation instructions and procedures from Ovivo.

1. Contractor shall perform a pre-inspection of the center rotating assemblies staged at the project site. Any discrepancies shall be documented and reported to the PM or designee immediately.
2. Set new center rotating assembly units on jacking nuts and level units.
3. Reconnect the existing rotating arms and supporting rods, and level the arms.
4. Reinstall electrical cable and conduits to the newly installed units.
5. Apply water to rotating arms and level the arms.
6. Grout center mast to existing center well.
7. Perform electrical test.
8. Reinstall the dome covers removed.

4.4 Commissioning (TF-A and TF-B)

1. Working with OC San to test running the units.
2. Startup function test shall be conducted and approved by an Ovivo representative, Operations Supervisor and PM or designee.

4.5 Submittals

1. Work Plan
2. Construction Schedule
3. Crane lifting plan

4.6 Warranties

1. The Contractor shall warrant all work performed will be free of defects in workmanship for a period of one year from the date of acceptance by OC San. All warranty periods shall begin after satisfactory installation and approved functional testing by the contractor and PM.
2. The Contractor shall be responsible for removal, installation, and shipping costs for correcting of any workmanship defects at no cost to OC San.
3. The equipment manufacturer Ovivo shall be responsible for providing the replacement parts and installation cost for correcting any equipment failure in a separate manufacturer warranty.

4.7 Material Requirements

Any material or parts supplied by the contractor shall be of OEM or equal specifications.

4.8 Permits/License

NONE

5 Resources Available

1. Lay down and staging area.
2. OC San will provide a laydown area at a location determined by OC San at the beginning of the project.

5.1 Unavailable

1. Temporary power and utilities
2. OC San restroom facilities

6 Project Schedule

Timeline	Duration (days)	Review Period (Days)	Cumulative Days
Kick-Off Meeting (NTP)	0	0	0
Submittal	7	7	14
TF-A Center Rotating Assembly Installation and Commissioning	28	0	42
OC San Operations Test Running of TF-A	Up to 60 days	0	102
TF-B Exiting Center Rotating Assembly Removal	7	0	109
TF-B Center Rotating Assembly Installation and Commissioning	28	0	137

7 Project Management

7.1 Project Kick-Off Meeting

1. A minimum of one week prior to start of work, a meeting with OC San staff shall be held to establish appropriate contacts and review the Contractor's plan to implement this work.

8 Change Management

See Master General Conditions – Section **GC-22**.

9 Staff Assistance

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

File #: 2023-2921

Agenda Date: 5/3/2023

Agenda Item No: 8.

FROM: Rob Thompson, General Manager
Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

QUARTERLY ODOR COMPLAINT REPORT

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Receive and file the Fiscal Year 2022-23 Third Quarter Odor Complaint Report.

BACKGROUND

During the third quarter of FY 2022-23, the Orange County Sanitation District (OC San) had the following attributable odor complaints: Plant No. 1 had six odor complaints, Plant No. 2 had no odor complaints, and the collection system had three odor complaints. A summary of the odor complaints with a table tracking the history is included as an attachment.

RELEVANT STANDARDS

- Zero odor incidents/events under normal operating conditions for Plant Nos. 1 and 2
- Operate and maintain facilities to minimize impacts on surrounding communities, including odor, noise, and lighting
- 12 or fewer odor complaints per year under normal operating conditions in the collection system

ATTACHMENT

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

- FY 2022-23 Third Quarter Odor Complaint Report

JL:BR:cr

Orange County Sanitation District

Odor Complaint Report

Fiscal Year 2022/23 – 3rd Quarter

1. Plant No. 1 Treatment Facility Odor Complaint Summary

Plant No. 1 received six attributable odor complaints during the 3rd quarter.

- Six odor complaints were received between January and March. Five out of the six odor complaints came from Alabama Circle. Staff identified the trickling filters and truckloading processes as the odor sources due to weather conditions.
 - A plant tour with Alabama Circle neighbors was conducted on March 28, 2023. Neighbors confirmed the main odor sources were from the trickling filter and truckloading processes.
 - Residents have reported positive feedback after staff took immediate actions:
 - Trickling filter flows were lowered to reduce fugitive odors.
 - Double trailers are no longer loaded at Plant No. 1, which allows truckloading bay doors to remain closed during the loading process.
 - Working with vendors to ensure drivers are following tarping and loading procedures for truckloading.
 - Staff is developing an air balance preventative maintenance program to ensure foul air collection efficiency at Plant No. 1 and Plant No. 2.
 - OC San is actively conducting neighborhood rounds to verify odors are not present.
 - OC San and neighbors are actively communicating for odor status updates.

2. Plant No. 2 Treatment Facility Odor Complaint Summary

Plant No. 2 received no attributable odor complaints during the 3rd quarter.

3. Collections Facilities Odor Complaint Summary

The Collection System received three attributable odor complaints during the 3rd quarter. All three complaints were due to the pressurization and ventilation of foul odors escaping sewer manhole covers. The manhole covers have been sealed to reduce sewer odor and prevent further complaints. Two of the odor complaints originated in the City of Placentia and Cypress. The third complaint originated in the City of Garden Grove.

All Odor Complaints Tracking

All Public Complaints	Jan. 2023 to Mar. 2023			1 st Qtr FY 22/23	2 nd Qtr FY 22/23	3 rd Qtr FY 22/23	4 th Qtr FY 22/23	Cumulative FY 22/23
	Collections	P1	P2	Total	Total	Total	Total	Total
Attributable to OC San	3	6	0	5	5	9		19
Not Attributable to OC San	3	7	0	14	7	10		31
Total Public Complaints Received:	6	13	0	19	12	19		50

OPERATIONS COMMITTEE

Agenda Report

File #: 2022-2457

Agenda Date: 5/3/2023

Agenda Item No: 9.

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

SUBJECT:

GISLER-RED HILL INTERCEPTOR AND BAKER FORCE MAIN REHABILITATION, PROJECT NO. 7-65

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65;
- B. Approve a project budget increase of \$11,100,000 for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65, for a new total project budget of \$55,500,000;
- C. Award a Construction Contract to Steve P. Rados, Inc. for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65, for a total amount not to exceed \$44,706,000; and
- D. Approve a contingency of \$4,470,600 (10%).

BACKGROUND

The Orange County Sanitation District (OC San) owns and maintains regional conveyance facilities in the City of Costa Mesa, including the 30 and 33-inch diameter Gisler-Red Hill Interceptor, dual parallel 42-inch diameter Baker Force Mains, and the Main Street Pump Station, which is located in the City of Irvine. The Baker Force Main and Main Street Pump Station carry flows from large watersheds of Irvine, Tustin, and Costa Mesa as well as required interagency flows from Irvine Ranch Water District. The facilities range in age from 30 to 55 years. The facilities are not capacity deficient.

RELEVANT STANDARDS

- Comply with California Public Contract Code Section 20103.8, award construction contract to lowest responsive, responsible bidder
- Achieve less than 2.1 sewer spills per 100 miles
- Protect OC San assets

second company heard the CIPP subcontractor was going to bid as a prime contractor so declined to bid.

The bid was evaluated in accordance with OC San's policies and procedures. Since the single bid amount was 36% higher than the engineer's estimate, the bid validity period was extended to allow staff time to validate the current project needs and potential alternatives. Staff re-reviewed the alternative repair options, and their associated costs and public impacts. It was determined that CIPP lining was still the most cost-effective method for pipeline rehabilitation.

With a single bid, OC San was able to conduct several meetings with Steve P. Rados, Inc. to perform a cost analysis of their bid. During the evaluation of the bid amount, it was determined the difference between the engineer's estimate and the construction bid was due to the cost of the CIPP lining operations. OC San performed an updated cost estimate and verified that there has been a significant increase in CIPP costs over the past year. The bid amount is 15% higher than the revised engineer's estimate.

Moving forward with the project as bid provides the best approach to meet the operational and reliability needs of OC San. Staff recommends awarding a Construction Contract to the lowest responsive and responsible bidder, Steve P. Rados, Inc., for a total amount not to exceed \$44,706,000. A notice was sent to all bidders on April 24, 2023 informing them of the intent of OC San staff to recommend award of the Construction Contract to Steve P. Rados, Inc.

CEQA

The project is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations Section 15301. A Notice of Exemption has been filed with the OC Clerk-Recorder.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Adopted Budget, Fiscal Years 2022-2023 and 2023-24, Section 8, Page 32, Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65). This item will increase the project budget and will be funded from the Capital Improvement Program budget.

ATTACHMENT

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

- Construction Contract
- Presentation

RL:tk

PART A
CONTRACT AGREEMENT

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CONTRACT AGREEMENT

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CONTRACT AGREEMENT
ORANGE COUNTY SANITATION DISTRICT

PROJECT NO. 7-65

GISLER-RED HILL INTERCEPTOR AND BAKER FORCE MAIN REHABILITATION

THIS AGREEMENT is made and entered into, to be effective, this May 24, 2023, by and between Steve P. Rados, Inc., hereinafter referred to as "CONTRACTOR" and the Orange County Sanitation District, hereinafter referred to as "OC SAN".

WITNESSETH

That for and in consideration of the promises and agreements hereinafter made and exchanged, OC SAN and CONTRACTOR agree as follows:

SECTION – 1 GENERAL

CONTRACTOR certifies and agrees that all the terms, conditions and obligations of the Contract Documents as hereinafter defined, the location of the job site, and the conditions under which the Work is to be performed have been thoroughly reviewed, and enters into this Contract based upon CONTRACTOR's investigation of all such matters and is in no way relying upon any opinions or representations of OC SAN. It is agreed that this Contract represents the entire agreement. It is further agreed that the Contract Documents are each incorporated into this Contract by reference, with the same force and effect as if the same were set forth at length herein, and that CONTRACTOR and its Subcontractors, if any, will be and are bound by any and all of said Contract Documents insofar as they relate in any part or in any way, directly or indirectly, to the Work covered by this Contract.

A. Contract Documents Order of Precedence

"Contract Documents" refers to those documents identified in the definition of "Contract Documents" in the General Conditions, "Definitions".

CONFORMED

C-CA-062022
PROJECT NO. 7-65
GISLER-RED HILL INTERCEPTOR AND BAKER FORCE MAIN REHABILITATION

1. In the event of a conflict between one Contract Document and any of the other Contract Documents, the provisions in the document highest in precedence shall be controlling. The order of precedence of the Contract Documents is as follows:
 - a. Supplemental Agreements – the last in time being the first in precedence
 - b. Addenda issued prior to the date for submittal of Bids – the last in time being the first in precedence
 - c. Contract Agreement
 - d. Permits and other regulatory requirements
 - e. Special Provisions
 - f. General Conditions (GC)
 - g. Notice Inviting Bids and Instruction to Bidders
 - h. Geotechnical Baseline Report (GBR), if attached as a Contract Document
 - i. Plans and Specifications – in these documents the order of precedence shall be:
 - i. Specifications (Divisions 01-17)
 - ii. Plans
 - iii. General Requirements (GR)
 - iv. Standard Drawings and Typical Details
 - j. CONTRACTOR's Bid
2. In the event of a conflict between terms within an individual Contract Document, the conflict shall be resolved by applying the following principles as appears applicable:
 - a. Figured dimensions on the Contract Documents shall govern. Dimensions not specified shall be as directed by the ENGINEER. Details not shown or specified shall be the same as similar parts that are shown or specified, or as

directed. Full-size details shall take precedence over scale Drawings as to shape and details of construction. Specifications shall govern as to material and workmanship.

- b. The Contract Documents calling for the higher quality material or workmanship shall prevail. Materials or Work described in words, which so applied, have a well-known technical or trade meaning shall be deemed to refer to such recognized standards. In the event of any discrepancy between any Drawings and the figures thereon, the figures shall be taken as correct.
- c. Scale Drawings, full-size details, and Specifications are intended to be fully complementary and to agree. Should any discrepancy between Contract Documents come to the CONTRACTOR's attention, or should an error occur in the efforts of others, which affect the Work, the CONTRACTOR shall notify the ENGINEER, in writing, at once. In the event any doubts or questions arise with respect to the true meaning of the Contract Documents, reference shall be made to the ENGINEER whose written decision shall be final. If the CONTRACTOR proceeds with the Work affected without written instructions from the ENGINEER, the CONTRACTOR shall be fully responsible for any resultant damage or defect.
- d. Anything mentioned in the Specifications and not indicated in the Plans, or indicated in the Plans and not mentioned in the Specifications, shall be of like effect as if indicated and mentioned in both. In case of discrepancy in the Plans or Specifications, the matter shall be immediately submitted to OC SAN's ENGINEER, without whose decision CONTRACTOR shall not adjust said discrepancy save only at CONTRACTOR's own risk and expense. The decision of the ENGINEER shall be final.

In all matters relating to the acceptability of material, machinery or plant equipment; classifications of material or Work; the proper execution, progress or sequence of the Work; and quantities interpretation of the Contract Documents, the decision of the ENGINEER shall be final and binding, and shall be a condition precedent to any payment under the Contract, unless otherwise ordered by the Board of Directors.

B. Definitions

Capitalized terms used in this Contract are defined in the General Conditions, "Definitions". Additional terms may be defined in the Special Provisions.

SECTION – 2 MATERIALS AND LABOR

CONTRACTOR shall furnish, under the conditions expressed in the Plans and Specifications, at CONTRACTOR'S own expense, all labor and materials necessary, except such as are mentioned in the Specifications to be furnished by OC SAN, to construct and complete the Project, in good workmanlike and substantial order. If CONTRACTOR fails to pay for labor or materials when due, OC SAN may settle such claims by making demand upon the Surety to this Contract. In the event of the failure or refusal of the Surety to satisfy said claims, OC SAN may settle them directly and deduct the amount of payments from the Contract Price and any amounts due to CONTRACTOR. In the event OC SAN receives a stop payment notice from any laborer or material supplier alleging non-payment by CONTRACTOR, OC SAN shall be entitled to deduct all of its costs and expenses incurred relating thereto, including but not limited to administrative and legal fees.

SECTION – 3 PROJECT

The Project is described as:

PROJECT NO. 7-65

GISLER-RED HILL INTERCEPTOR AND BAKER FORCE MAIN REHABILITATION

SECTION – 4 PLANS AND SPECIFICATIONS

The Work to be done is shown in a set of Plans and Specifications entitled:

PROJECT NO. 7-65

GISLER-RED HILL INTERCEPTOR AND BAKER FORCE MAIN REHABILITATION

Said Plans and Specifications and any revision, amendments and addenda thereto are attached hereto and incorporated herein as part of this Contract and referred to by reference.

SECTION – 5 TIME OF COMMENCEMENT AND COMPLETION

CONTRACTOR agrees to commence the Project within 15 calendar days from the date set forth in the “Notice to Proceed” sent by OC SAN, unless otherwise specified therein and shall diligently prosecute the Work to completion within seven hundred thirty (730) calendar days from the date of the “Notice to Proceed” issued by OC SAN, excluding delays caused or authorized by OC SAN as set forth in Sections 7, 8, and 9 hereof, and applicable provisions in the General Conditions. The time for completion includes thirty (30) calendar days determined by OC SAN likely to be inclement weather when CONTRACTOR will be unable to work. In addition, CONTRACTOR shall accomplish such milestones within the periods of performance set forth in Appendix A of the Special Provisions entitled “Work Completion Schedule.”

SECTION – 6 TIME IS OF THE ESSENCE

Time is of the essence of this Contract. As required by the Contract Documents, CONTRACTOR shall prepare and obtain approval of all shop drawings, details and samples, and do all other things necessary and incidental to the prosecution of CONTRACTOR’s Work in conformance with an approved construction progress schedule. CONTRACTOR shall coordinate the Work covered by this Contract with that of all other contractors, subcontractors and of OC SAN, in a manner that will facilitate the efficient completion of the entire Work and

CONFORMED

C-CA-062022
PROJECT NO. 7-65
GISLER-RED HILL INTERCEPTOR AND BAKER FORCE MAIN REHABILITATION

accomplish the required milestone(s), if any, by the applicable deadline(s) in accordance with Section 5 herein. OC SAN shall have the right to assert complete control of the premises on which the Work is to be performed and shall have the right to decide the time or order in which the various portions of the Work shall be installed or the priority of the work of subcontractors, and, in general, all matters representing the timely and orderly conduct of the Work of CONTRACTOR on the premises.

SECTION – 7 EXCUSABLE DELAYS

CONTRACTOR shall only be excused for any delay in the prosecution or completion of the Project as specifically provided in General Conditions, “Extension of Time for Delay”, and the General Requirements, “By CONTRACTOR or Others – Unknown Utilities during Contract Work”. Extensions of time and extra compensation arising from such excusable delays will be determined in accordance with the General Conditions, “Extension of Time for Delay” and “Contract Price Adjustments and Payments”, and extensions of time and extra compensation as a result of incurring undisclosed utilities will be determined in accordance with General Requirements, “By CONTRACTOR or Others – Unknown Utilities during Contract Work”. OC SAN’s decision will be conclusive on all parties to this Contract.

SECTION – 8 EXTRA WORK

The Contract Price as set forth in Section 11, includes compensation for all Work performed by CONTRACTOR, unless CONTRACTOR obtains a Change Order signed by a designated representative of OC SAN specifying the exact nature of the Extra Work and the amount of extra compensation to be paid all as more particularly set forth in Section 9 hereof and the General Conditions, “Request for Change (Changes at CONTRACTOR’s Request)”, “OWNER Initiated Changes”, and “Contract Price Adjustments and Payments”.

In the event a Change Order is issued by OC SAN pursuant to the Contract Documents, OC SAN shall extend the time fixed in Section 5 for completion of the Project by the number of days, if any, reasonably required for CONTRACTOR to perform the Extra Work, as determined by OC SAN's ENGINEER. The decision of the ENGINEER shall be final.

SECTION – 9 CHANGES IN PROJECT

OC SAN may at any time, without notice to any Surety, by Change Order, make any changes in the Work within the general scope of the Contract Document, including but not limited to changes:

1. In the Specifications (including Drawings and designs);
2. In the time, method or manner of performance of the Work;
3. In OC SAN-furnished facilities, equipment, materials, services or site; or
4. Directing acceleration in the performance of the Work.

No change of period of performance or Contract Price, or any other change in the Contract Documents, shall be binding until the Contract is modified by a fully executed Change Order.

All Change Orders shall be issued in accordance with the requirements set forth in the General Conditions, "Request for Change (Changes at CONTRACTOR's Request)" and "OWNER Initiated Changes".

SECTION – 10 LIQUIDATED DAMAGES FOR DELAY

Liquidated Damages shall be payable in the amounts and upon the occurrence of such events or failure to meet such requirements or deadlines as provided in the Special Provisions, "Liquidated Damages and Incentives."

SECTION – 11 CONTRACT PRICE AND METHOD OF PAYMENT

- A. OC SAN agrees to pay and the CONTRACTOR agrees to accept as full consideration for the faithful performance of this Contract, subject to any additions or deductions as provided in approved Change Orders, the sum of Forty-Four Million Seven Hundred Six Thousand Dollars (\$44,706,000) as itemized on the attached Exhibit "A".

Upon satisfaction of the conditions precedent to payment set forth in the General Requirements, Additional General Requirements, and General Conditions (including but not limited to Sections entitled "Mobilization Payment Requirements" and "Payment Itemized Breakdown of Contract Lump Sum Prices"), there shall be paid to the CONTRACTOR an initial Net Progress Payment for mobilization. OC SAN shall issue at the commencement of the job a schedule which shows:

1. A minimum of one payment to be made to the CONTRACTOR for each successive four (4) week period as the Work progresses, and
2. The due dates for the CONTRACTOR to submit requests for payment to meet the payment schedule.

After the initial Net Progress Payment, and provided the CONTRACTOR submits the request for payment prior to the end of the day required to meet the payment schedule, the CONTRACTOR shall be paid a Net Progress Payment on the corresponding monthly payment date set forth in the schedule.

Payments shall be made on demands drawn in the manner required by law, accompanied by a certificate signed by the ENGINEER, stating that the Work for which payment is demanded has been performed in accordance with the terms of the Contract Documents, and that the amount stated in the certificate is due under the terms of the Contract.

Payment applications shall also be accompanied with all documentation, records, and releases as required by the Contract; Exhibit A, Schedule of Prices; and General Conditions, "Payment for Work – General". The Total amount of Progress Payments shall not exceed the actual value of the Work completed as certified by OC SAN's ENGINEER. The processing of payments shall not be considered as an acceptance of any part of the Work.

B. As used in this Section, the following defined terms shall have the following meanings:

1. **“Net Progress Payment”** means a sum equal to the Progress Payment less the Retention Amount and other qualified deductions (Liquidated Damages, stop payment notices, etc.).
2. **“Progress Payment”** means a sum equal to:
 - a. the value of the actual Work completed since the commencement of the Work as determined by OC SAN;
 - b. plus the value of material suitably stored at the worksite, treatment plant or approved storage yards subject to or under the control of OC SAN since the commencement of the Work as determined by OC SAN;
 - c. less all previous Net Progress Payments;
 - d. less all amounts of previously qualified deductions;
 - e. less all amounts previously retained as Retention Amounts.
3. **“Retention Amount”** for each Progress Payment means the percentage of each Progress Payment to be retained by OC SAN to assure satisfactory completion of the Contract. The amount to be retained from each Progress Payment shall be determined as provided in the General Conditions, “Retained Funds; Substitution of Securities.”

SECTION – 12 SUBSTITUTION OF SECURITIES IN LIEU OF RETENTION OF FUNDS

Pursuant to Public Contract Code Section 22300 et seq., the CONTRACTOR may, at its sole expense, substitute securities as provided in General Conditions, “Retained Funds; Substitution of Securities.”

SECTION – 13 COMPLETION

Final Completion and Final Acceptance shall occur at the time and in the manner specified in the General Conditions, “Final Acceptance and Final Completion”, “Final Payment”; and Exhibit A, Schedule of Prices.

Upon receipt of all documentation, records, and releases as required by the Contract from the CONTRACTOR, OC SAN shall proceed with the Final Acceptance as specified in General Conditions.

SECTION – 14 CONTRACTOR’S EMPLOYEES COMPENSATION

A. Davis-Bacon Act:

CONTRACTOR will pay and will require all Subcontractors to pay all employees on said Project a salary or wage at least equal to the prevailing rate of per diem wages as determined by the Secretary of Labor in accordance with the Davis-Bacon Act for each craft or type of worker needed to perform the Contract. The provisions of the Davis-Bacon Act shall apply only if the Contract is in excess of Two Thousand Dollars (\$2,000.00) and when twenty-five percent (25%) or more of the Contract is funded by federal assistance. If the aforesaid conditions are met, a copy of the provisions of the Davis-Bacon Act to be complied with are incorporated herein as a part of this Contract and referred to by reference.

B. General Prevailing Rate:

OC SAN has been advised by the State of California Director of Industrial Relations of its determination of the general prevailing rate of per diem wages and the general prevailing rate for legal holiday and overtime Work in the locality in which the Work is to be performed for each craft or type of Work needed to execute this Contract, and copies of the same are on file in the Office of the ENGINEER of OC SAN. The CONTRACTOR

agrees that not less than said prevailing rates shall be paid to workers employed on this public works Contract as required by Labor Code Section 1774 of the State of California. Per California Labor Code 1773.2, OC SAN will have on file copies of the prevailing rate of per diem wages at its principal office and at each job site, which shall be made available to any interested party upon request.

C. Forfeiture for Violation:

CONTRACTOR shall, as a penalty to OC SAN, forfeit Two Hundred Dollars (\$200.00) for each calendar day or portion thereof for each worker paid (either by the CONTRACTOR or any Subcontractor under it) less than the prevailing rate of per diem wages as set by the Director of Industrial Relations, in accordance with Sections 1770-1780 of the California Labor Code for the Work provided for in this Contract, all in accordance with Section 1775 of the Labor Code of the State of California.

D. Apprentices:

Sections 1777.5, 1777.6, 1777.7 of the Labor Code of the State of California, regarding the employment of apprentices are applicable to this Contract and the CONTRACTOR shall comply therewith if the prime contract involves Thirty Thousand Dollars (\$30,000.00) or more.

E. Workday:

In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the CONTRACTOR shall not require more than eight (8) hours of labor in a day from any person employed by him hereunder except as provided in paragraph (B) above. CONTRACTOR shall conform to Article 3, Chapter 1, Part 7 (Section 1810 et seq.) of the Labor Code of the State of California and shall forfeit to OC SAN as a penalty, the sum of Twenty-five Dollars (\$25.00) for each worker employed in the execution of this Contract by CONTRACTOR or any Subcontractor for each calendar day during which any worker is

required or permitted to labor more than eight (8) hours in any one calendar day and forty (40) hours in any one week in violation of said Article. CONTRACTOR shall keep an accurate record showing the name and actual hours worked each calendar day and each calendar week by each worker employed by CONTRACTOR in connection with the Project.

F. Registration; Record of Wages; Inspection:

CONTRACTOR shall comply with the registration requirements of Labor Code Section 1725.5. Pursuant to Labor Code Section 1771.4, the Work is subject to compliance monitoring by the California Department of Industrial Relations. CONTRACTOR shall maintain accurate payroll records and shall submit payroll records to the Labor Commissioner pursuant to Labor Code Section 1771.4(a)(3). Penalties for non-compliance with the requirements of Section 1776 may be deducted from progress payments per Section 1776.

CONTRACTOR shall comply with the job site notices posting requirements established by the Labor Commissioner per Title 8, California Code of Regulations Section 16461(e).

SECTION – 15 SURETY BONDS

CONTRACTOR shall, before entering upon the performance of this Contract, furnish Bonds approved by OC SAN's General Counsel – one in the amount of one hundred percent (100%) of the Contract amount, to guarantee the faithful performance of the Work, and the other in the amount of one hundred percent (100%) of the Contract amount to guarantee payment of all claims for labor and materials furnished. As changes to the Contract occur via approved Change Orders, the CONTRACTOR shall assure that the amounts of the Bonds are adjusted to maintain 100% of the Contract Price. This Contract shall not become effective until such Bonds are supplied to and approved by OC SAN. Bonds must be issued by a Surety authorized by the State Insurance Commissioner to do business in California. The Performance Bond shall remain in full force and effect through the warranty period, as specified in Section 19 below. All

Bonds required to be submitted relating to this Contract must comply with California Code of Civil Procedure Section 995.630. Each Bond shall be executed in the name of the Surety insurer under penalty of perjury, or the fact of execution of each Bond shall be duly acknowledged before an officer authorized to take and certify acknowledgments, and either one of the following conditions shall be satisfied:

- A. A copy of the transcript or record of the unrevoked appointment, power of attorney, by-laws, or other instrument, duly certified by the proper authority and attested by the seal of the insurer entitling or authorizing the person who executed the Bond to do so for and on behalf of the insurer, is on file in the Office of the County Clerk of the County of Orange; or
- B. A copy of a valid power of attorney is attached to the Bond.

SECTION – 16 INSURANCE

CONTRACTOR shall purchase and maintain, for the duration of the Contract, insurance against claims for injuries to persons, or damages to property which may arise from or in connection with the performance of the Work hereunder, and the results of that Work by CONTRACTOR, its agents, representatives, employees, or Subcontractors, in amounts equal to the requirements set forth below. CONTRACTOR shall not commence Work under this Contract until all insurance required under this Section is obtained in a form acceptable to OC SAN, nor shall CONTRACTOR allow any Subcontractor to commence Work on a subcontract until all insurance required of the Subcontractor has been obtained. CONTRACTOR shall maintain all of the foregoing insurance coverages in force through the point at which the Work under this Contract is fully completed and accepted by OC SAN pursuant to the provisions of the General Conditions, "Final Acceptance and Final Completion". Furthermore, CONTRACTOR shall maintain all of the foregoing insurance coverages in full force and effect throughout the warranty period, commencing on the date of Final Acceptance. The requirement for carrying the

foregoing insurance shall not derogate from the provisions for indemnification of OC SAN by CONTRACTOR under Section 17 of this Contract. Notwithstanding nor diminishing the obligations of CONTRACTOR with respect to the foregoing, CONTRACTOR shall subscribe for and maintain in full force and effect during the life of this Contract, inclusive of all changes to the Contract Documents made in accordance with the provisions of the General Conditions, "Request for Change (Changes at CONTRACTOR's Request)" and/or "OWNER Initiated Changes", the following insurance in amounts not less than the amounts specified. OC SAN reserves the right to amend the required limits of insurance commensurate with the CONTRACTOR's risk at any time during the course of the Project. No vehicles may enter OC SAN premises/worksite without possessing the required insurance coverage.

CONTRACTOR's insurance shall also comply with all insurance requirements prescribed by agencies from whom permits shall be obtained for the Work and any other third parties from whom third party agreements are necessary to perform the Work (collectively, the "Third Parties"). The Special Provisions may list such requirements and sample forms and requirements from such Third Parties may be included in an attachment to the General Requirements. CONTRACTOR bears the responsibility to discover and comply with all requirements of Third Parties, including meeting specific insurance requirements, that are necessary for the complete performance of the Work. To the extent there is a conflict between the Third Parties' insurance requirements and those set forth by OC SAN herein, the requirement(s) providing the more protective coverage for both OC SAN and the Third Parties shall control and be purchased and maintained by CONTRACTOR.

If CONTRACTOR maintains higher limits than the minimums shown in this Section, OC SAN requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR.

Where permitted by law, CONTRACTOR hereby waives all rights of recovery by subrogation because of deductible clauses, inadequacy of limits of any insurance policy, limitations or exclusions of coverage, or any other reason against OC SAN, its or their officers, agents, or employees, and any other contractor or subcontractor performing Work or rendering services on behalf of OC SAN in connection with the planning, development and construction of the Project. In all its insurance coverages (except for Professional Liability/Errors and Omissions coverages, if applicable) related to the Work, CONTRACTOR shall include clauses providing that each insurer shall waive all of its rights of recovery by subrogation against OC SAN, its or their officers, agents, or employees, or any other contractor or subcontractor performing Work or rendering services at the Project. Where permitted by law, CONTRACTOR shall require similar written express waivers and insurance clauses from each of its Subcontractors of every tier. A waiver of subrogation shall be effective as to any individual or entity, even if such individual or entity (a) would otherwise have a duty of indemnification, contractual or otherwise, (b) did not pay the insurance premium, directly or indirectly, and (c) whether or not such individual or entity has an insurable interest in the property damaged.

A. Limits of Insurance

1. General Liability: Five Million Dollars (\$5,000,000) per occurrence and a general aggregate limit of Ten Million Dollars (\$10,000,000) for bodily injury, personal injury and property damage. If aggregate limits apply separately to this contract (as evidenced by submission of ISO form CG 25 03 or CG 25 04), then the aggregate limit may be equivalent to the per occurrence limit. Coverage shall include each of the following:
 - a. Premises-Operations.
 - b. Products and Completed Operations, with limits of at least Five Million Dollars (\$5,000,000) per occurrence and a general aggregate limit of Ten Million

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Dollars (\$10,000,000) which shall be in effect at all times during the warranty period set forth in the Warranty section herein, and as set forth in the General Conditions, "Warranty (CONTRACTOR's Guarantee)", plus any additional extension or continuation of time to said warranty period that may be required or authorized by said provisions. If aggregate limits apply separately to this contract (as evidenced by submission of ISO form CG 25 03 or CG 25 04), then the aggregate limit may be equivalent to the per occurrence limit.

- c. Broad Form Property Damage, expressly including damage arising out of explosion, collapse, or underground damage.
- d. Contractual Liability, expressly including the indemnity provisions assumed under this Contract.
- e. Separation of Insured Clause, providing that coverage applies separately to each insured, except with respect to the limits of liability.
- f. Independent CONTRACTOR's Liability.

To the extent first dollar coverage, including defense of any claim, is not available to OC SAN or any other additional insured because of any SIR, deductible, or any other form of self insurance, CONTRACTOR is obligated to assume responsibility of insurer until the deductible, SIR or other condition of insurer assuming its defense and/or indemnity has been satisfied.

CONTRACTOR shall be responsible to pay any deductible or SIR.

- g. If a crane will be used, the general liability insurance will be endorsed to add Riggers Liability coverage or its equivalent to cover the usage of the crane and exposures with regard to the crane operators, riggers and others involved in using the crane.

- h. If divers will be used, the general liability insurance will be endorsed to cover marine liability or its equivalent to cover the usage of divers.
2. Automobile Liability: The CONTRACTOR shall maintain a policy of automobile liability insurance on a comprehensive form covering all owned, non-owned, and hired automobiles, trucks, and other vehicles providing the following minimum limit of liability coverage: combined single limit of One Million Dollars (\$1,000,000) for bodily injury, personal injury, and property damage.
3. Umbrella Excess Liability: The minimum limits of general liability and automobile liability insurance required, as set forth above, shall be provided for either in a single policy of primary insurance or a combination of policies of primary and umbrella excess coverage. Excess liability coverage shall be issued with limits of liability which, when combined with the primary insurance, will equal the minimum limits for general liability and automobile liability.
4. Drone Liability Insurance: If a drone will be used, drone liability insurance must be maintained by CONTRACTOR in the amount of One Million Dollars (\$1,000,000) in a form acceptable to OC SAN.
5. Workers' Compensation/Employer's Liability: CONTRACTOR shall provide such workers' compensation insurance as required by the Labor Code of the State of California, including employer's liability with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If an exposure to Jones Act liability may exist, the insurance required herein shall include coverage with regard to Jones Act claims.
6. Pollution Liability Insurance: CONTRACTOR shall purchase and maintain insurance for pollution liability covering bodily injury, property damage (including loss of use of damaged property or property that has not been physically injured or destroyed),

cleanup costs, and defense costs (including costs and expenses for investigation, defense, or settlement of claims). Coverage shall carry limits of at least Two Million Dollars (\$2,000,000) and shall apply to sudden and non-sudden pollution conditions (including sewage spills), both at the site or needed due to migration of pollutants from the site, resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants, contaminants or pollutants.

If CONTRACTOR provides coverage written on a claims-made basis, OC SAN has the right to approve or reject such coverage in its own discretion. If written on a claims-made basis, the CONTRACTOR warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract, and that continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two years beginning from the time that the Project under this Contract is completed.

B. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by OC SAN. At the option of OC SAN, either: the Insurer shall reduce or eliminate such deductibles or self-insured retentions as respects OC SAN, its Directors, officers, agents, consultants, and employees; or CONTRACTOR shall provide a financial guarantee satisfactory to OC SAN guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

C. Other Insurance Provisions

1. Each such policy of general liability insurance and automobile liability insurance shall be endorsed to contain, the following provisions:

- a. OC SAN, its directors, officers, agents, consultants, and employees, and all public agencies from whom permits will be obtained, and their directors, officers, agents, and employees are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of CONTRACTOR at or from any of the sites of OC SAN in connection with this Contract, or acts and omissions of the additional insured in connection with its general supervision or inspection of said operations related to this Contract.
 - b. Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by OC SAN shall be excess only and not contributing with insurance provided under this policy.
2. Cancellation and Policy Change Notice.

The CONTRACTOR is required to notify OC SAN in writing of any insurance cancellation notice it receives or other knowledge of pending or actual insurance policy cancellation within two (2) working days of receipt of such notice or acquisition of such knowledge. Additionally, the CONTRACTOR is required to notify OC SAN in writing of any change in the terms of insurance, including reduction in coverage or increase in deductible/SIR, within two (2) working days of receipt of such notice or knowledge of same.

Said notices shall be mailed to OC SAN at:

ORANGE COUNTY SANITATION DISTRICT
10844 Ellis Avenue
Fountain Valley, CA 92708
Attention: Contracts, Purchasing & Materials Management Division
3. Coverage shall not extend to any indemnity coverage for the active negligence of any additional insured in any case where an agreement to indemnify the additional insured would be invalid under California Civil Code Section 2782(b).

4. If required by a public agency from whom permit(s) will be obtained, each policy of general liability insurance and automobile liability insurance shall be endorsed to specify by name the public agency and its legislative members, officers, agents, consultants, and employees, to be additional insureds.

D. Acceptability of Insurers

Insurers must have an "A-", or better, Policyholder's Rating, and a Financial Rating of at least Class VIII, or better, in accordance with the most current A.M. Best Rating Guide. OC SAN recognizes that State Compensation Insurance Fund has withdrawn from participation in the A.M. Best Rating Guide process. Nevertheless, OC SAN will accept State Compensation Insurance Fund for the required policy of worker's compensation insurance, subject to OC SAN's option, at any time during the term of this Contract, to require a change in insurer upon twenty (20) days written notice. Further, OC SAN will require CONTRACTOR to substitute any insurer whose rating drops below the levels herein specified. Said substitution shall occur within twenty (20) days of written notice to CONTRACTOR by OC SAN or its agent.

E. Verification of Coverage

CONTRACTOR shall furnish OC SAN with original certificates and mandatory endorsements affecting coverage. Said policies and endorsements shall conform to the requirements herein stated. All certificates and endorsements are to be received and approved by OC SAN before Work commences. OC SAN reserves the right to require complete, certified copies of all required insurance policies, including endorsements, affecting the coverage required by these Specifications at any time.

F. Subcontractors

CONTRACTOR shall be responsible to establish insurance requirements for any Subcontractors hired by CONTRACTOR. The insurance shall be in amounts and types

reasonably sufficient to deal with the risk of loss involving the Subcontractor's operations and work. OC SAN and any public agency issuing permits for the Project must be named as "Additional Insured" on any general liability or automobile liability policy obtained by a Subcontractor. The CONTRACTOR must obtain copies and maintain current versions of all Subcontractors' policies, certificate of liability and mandatory endorsements effecting coverage. Upon request, CONTRACTOR must furnish OC SAN with the above referenced required documents.

G. Required Forms and Endorsements

1. Required ACORD Form

- | | | |
|----|--------------------------|---|
| a. | Certificate of Liability | ACORD Form 25 or other equivalent certificate of insurance form |
|----|--------------------------|---|

2. Required Insurance Services Office, Inc. Endorsements (when alternative forms are shown, they are listed in order of preference)

In the event any of the following forms are cancelled by Insurance Services Office, Inc. (ISO), or are updated, the ISO replacement form or equivalent must be supplied.

- | | | |
|----|---|--|
| a. | Commercial General Liability | Form CG 00 01 |
| b. | Additional Insured Including Products-Completed Operations | Form CG 20 10 and
Form CG 20 37
All other additional insured endorsements must be submitted for approval by OC SAN, and OC SAN may reject alternatives that provide different or less coverage to OC SAN. |
| c. | Waiver of Transfer of Rights of Recovery Against Others to Us/
Waiver of Subrogation | Form CG 24 04 |

3. Required State Compensation Insurance Fund Endorsements

- | | | |
|----|-----------------------|---|
| a. | Waiver of Subrogation | Submit workers' compensation waiver of subrogation endorsement provided by carrier for OC SAN approval. |
|----|-----------------------|---|

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b. Cancellation Notice

No endorsement is required. However, CONTRACTOR is responsible for notifying OC SAN of any pending or actual insurance policy cancellation, as described in Article C.2., Cancellation and Policy Change Notice, above.

4. Additional Required Endorsements

a. Notice of Policy Termination

Manuscript Endorsement

5. Pollution Liability Endorsements

There shall be a Separation of Insured Clause or endorsement, providing that coverage applies separately to each insured, except with respect to the limits of liability. There shall also be an endorsement or policy language containing a waiver of subrogation rights on the part of the insurer.

OC SAN, its directors, officers, agents, consultants and employees and all public agencies from whom permits will be obtained as well as their directors, officers, agents, and employees shall be included as insureds under the policy. Any additional insured endorsement shall contain language at least as broad as the coverage language contained in ISO form CG 20 10 or alternatively in both CG 20 10 and CG 20 37 together.

SECTION – 17 RISK AND INDEMNIFICATION

All Work covered by this Contract done at the site of construction or in preparing or delivering materials to the site shall be at the risk of CONTRACTOR alone. CONTRACTOR shall save, indemnify, defend, and keep OC SAN and others harmless as more specifically set forth in General Conditions, "General Indemnification".

SECTION – 18 TERMINATION

This Contract may be terminated in whole or in part in writing by OC SAN in the event of substantial failure by the CONTRACTOR to fulfill its obligations under this Agreement, or it may be terminated by OC SAN for its convenience provided that such termination is effectuated in a manner and upon such conditions set forth more particularly in General Conditions, “Termination for Default” and/or “Termination for Convenience”, provided that no termination may be effected unless proper notice is provided to CONTRACTOR at the time and in the manner provided in said General Conditions. If termination for default or convenience is effected by OC SAN, an equitable adjustment in the price provided for in this Contract shall be made at the time and in the manner provided in the General Conditions, “Termination for Default” and “Termination for Convenience”.

SECTION – 19 WARRANTY

The CONTRACTOR agrees to perform all Work under this Contract in accordance with the Contract Documents, including OC SAN’s designs, Drawings and Specifications.

The CONTRACTOR guarantees for a period of at least one (1) year from the date of Final Acceptance of the Work, pursuant to the General Conditions, “Final Acceptance and Final Completion” that the completed Work is free from all defects due to faulty materials, equipment or workmanship and that it shall promptly make whatever adjustments or corrections which may be necessary to cure any defects, including repairs of any damage to other parts of the system resulting from such defects. OC SAN shall promptly give notice to the CONTRACTOR of observed defects. In the event that the CONTRACTOR fails to make adjustments, repairs, corrections or other work made necessary by such defects, OC SAN may do so and charge the CONTRACTOR the cost incurred. The CONTRACTOR’s warranty shall continue as to any corrected deficiency until the later of (1) the remainder of the original one-year warranty period;

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or (2) one year after acceptance by OC SAN of the corrected Work. The Performance Bond and the Payment Bond shall remain in full force and effect through the guarantee period.

The CONTRACTOR's obligations under this clause are in addition to the CONTRACTOR's other express or implied assurances under this Contract, including but not limited to specific manufacturer or other extended warranties specified in the Plans and Specifications, or state law and in no way diminish any other rights that OC SAN may have against the CONTRACTOR for faulty materials, equipment or Work.

SECTION – 20 ASSIGNMENT

No assignment by the CONTRACTOR of this Contract or any part hereof, or of funds to be received hereunder, will be recognized by OC SAN unless such assignment has had prior written approval and consent of OC SAN and the Surety.

SECTION – 21 RESOLUTION OF DISPUTES

OC SAN and the CONTRACTOR shall comply with the provisions of California Public Contract Code Section 20104 et. seq., regarding resolution of construction claims for any Claims which arise between the CONTRACTOR and OC SAN, as well as all applicable dispute and Claims provisions as set forth in the General Conditions and as otherwise required by law.

SECTION – 22 SAFETY & HEALTH

CONTRACTOR shall comply with all applicable safety and health requirements mandated by federal, state, city and/or public agency codes, permits, ordinances, regulations, and laws, as well as these Contract Documents, including but not limited to the General Requirements, Section entitled "Safety" and Exhibit B Contractor Safety Standards.

[THIS SECTION INTENTIONALLY LEFT BLANK]

SECTION – 23 NOTICES

Any notice required or permitted under this Contract shall be sent by certified mail, return receipt requested, at the address set forth below. Any party whose address changes shall notify the other party in writing.

TO OC SAN: Orange County Sanitation District
 10844 Ellis Avenue
 Fountain Valley, California 92708-7018
 Attn: Clerk of the Board

Copy to: Orange County Sanitation District
 10844 Ellis Avenue
 Fountain Valley, California 92708-7018
 Attn: Construction Manager

Bradley R. Hugin, Esquire
Woodruff, Spradlin & Smart
555 Anton Boulevard
Suite 1200
Costa Mesa, California 92626

TO CONTRACTOR: Steve P. Rados, Inc.
 2002 E. McFadden Avenue, Suite 200
 Santa Ana, CA 92705

Copy to: Stephen S. Rados, President
 Steve P. Rados, Inc.
 2002 E. McFadden Avenue, Suite 200
 Santa Ana, CA 92705

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IN WITNESS WHEREOF, the parties hereto have executed this Contract Agreement as the date first hereinabove written.

CONTRACTOR: Steve P. Rados, Inc.
2002 E. McFadden Avenue, Suite 200
Santa Ana, CA 92705

By _____ Date _____

Printed Name

Its _____

CONTRACTOR's State License No. 484452 (Expiration Date – 12/31/2023)

OC SAN: Orange County Sanitation District

By _____ Date _____

Chad P. Wanke
Board Chairman

By _____ Date _____

Kelly A. Lore
Clerk of the Board

By _____ Date _____

Ruth Zintzun
Purchasing & Contracts Manager

EXHIBIT A
SCHEDULE OF PRICES

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SCHEDULE OF PRICES

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EXHIBIT A

SCHEDULE OF PRICES

EXA-1 BASIS OF COMPENSATION

CONTRACTOR will be paid the Contract Price according to the Schedule of Prices, and all other applicable terms and conditions of the Contract Documents.

EXA-2 PROGRESS PAYMENTS

Progress payments will be made in accordance with all applicable terms and conditions of the Contract Documents, including, but not limited to:

1. Contract Agreement – Section 11 – “Contract Price and Method of Payment;”
2. General Conditions – “Payment – General”;
3. General Conditions – “Payment – Applications for Payment”;
4. General Conditions – “Payment – Mobilization Payment Requirements;”
5. General Conditions – “Payment – Itemized Breakdown of Contract Lump Sum Prices”;
6. General Conditions – “Contract Price Adjustments and Payments”;
7. General Conditions – “Suspension of Payments”;
8. General Conditions – “OC SAN’s Right to Withhold Certain Amounts and Make Application Thereof”; and
9. General Conditions – “Final Payment.”

EXA-3 RETENTION AND ESCROW ACCOUNTS

A. Retention:

OC SAN shall retain a percentage of each progress payment to assure satisfactory completion of the Work. The amount to be retained from each progress payment shall be determined as provided in General Conditions – “Retained Funds; Substitution of Securities”. In all contracts between CONTRACTOR and its Subcontractors and/or Suppliers, the retention may not exceed the percentage specified in the Contract Documents.

B. Substitution of Securities:

CONTRACTOR may, at its sole expense, substitute securities as provided in General Conditions – “Retained Funds; Substitution of Securities.” Payment of Escrow Agent:

In lieu of substitution of securities as provided above, the CONTRACTOR may request and OC SAN shall make payment of retention earned directly to the escrow agent at the expense of the CONTRACTOR. At the expense of the CONTRACTOR, the CONTRACTOR may direct the investment of the payments into securities consistent with Government Code §16430 and the CONTRACTOR shall receive the interest earned on the investments upon the same terms provided for in this article for securities deposited by the CONTRACTOR. Upon satisfactory completion of the Contract, the CONTRACTOR shall receive from the escrow agent all securities, interest and payments received by the escrow agent from OC SAN, pursuant to the terms of this article. The CONTRACTOR shall pay to each Subcontractor, not later than twenty (20) calendar days after receipt of the payment, the respective amount of interest earned, net of costs attributed to retention withheld from each Subcontractor, on the amount of retention withheld to ensure the performance of the Subcontractor. The escrow agreement used by the escrow agent pursuant to this article shall be substantially similar to the form set forth in §22300 of the California Public Contract Code.

C. Release of Retention:

Upon Final Acceptance of the Work, the CONTRACTOR shall submit an invoice for release of retention in accordance with the terms of the Contract.

D. Additional Deductibles:

In addition to the retentions described above, OC SAN may deduct from each progress payment any or all of the following:

1. Liquidated Damages that have occurred as of the date of the application for progress payment;
2. Deductions from previous progress payments already paid, due to OC SAN's discovery of deficiencies in the Work or non-compliance with the Specifications or any other requirement of the Contract;
3. Sums expended by OC SAN in performing any of the CONTRACTOR'S obligations under the Contract that the CONTRACTOR has failed to perform, and;
4. Other sums that OC SAN is entitled to recover from the CONTRACTOR under the terms of the Contract, including without limitation insurance deductibles and assessments.

The failure of OC SAN to deduct any of the above-identified sums from a progress payment shall not constitute a waiver of OC SAN's right to such sums or to deduct them from a later progress payment.

EXA-4 STOP PAYMENT NOTICE

In addition to other amounts properly withheld under this article or under other provisions of the Contract, OC SAN shall retain from progress payments otherwise due the CONTRACTOR an amount equal to one hundred twenty-five percent (125%) of the amount claimed under any stop payment notice under Civil Code §9350 et. seq. or other lien filed against the CONTRACTOR for labor, materials, supplies, equipment, and any other thing of value claimed to have been furnished to and/or incorporated into the Work; or for any other alleged contribution thereto. In addition to the foregoing and in accordance with Civil Code §9358 OC SAN may also satisfy its duty to withhold funds for stop payment notices by refusing to release funds held in escrow pursuant to public receipt of a release of stop payment notice executed by a stop payment notice claimant, a stop payment notice release bond, an order of a court of competent jurisdiction, or other evidence satisfactory to OC SAN that the CONTRACTOR has resolved such claim by settlement.

EXA-5 PAYMENT TO SUBCONTRACTORS

Requirements

1. The CONTRACTOR shall pay all Subcontractors for and on account of Work performed by such Subcontractors, not later than seven (7) days after receipt of each progress payment as required by the California Business and Professions Code §7108.5. Such payments to Subcontractors shall be based on the measurements and estimates made pursuant to article progress payments provided herein.
2. Except as specifically provided by law, the CONTRACTOR shall pay all Subcontractors any and all retention due and owing for and on account of Work performed by such Subcontractors not later than seven (7) days after CONTRACTOR'S receipt of said retention proceeds from OC SAN as required by the California Public Contract Code §7107.

EXA-6 PAYMENT OF TAXES

Unless otherwise specifically provided in this Contract, the Contract Price includes full compensation to the CONTRACTOR for all taxes. The CONTRACTOR shall pay all federal, state, and local taxes, and duties applicable to and assessable against any Work, including but not limited to retail sales and use, transportation, export, import, business, and special taxes. The CONTRACTOR shall ascertain and pay the taxes when due. The CONTRACTOR will maintain auditable records, subject to OC SAN reviews, confirming that tax payments are current at all times.

EXA-7 FINAL PAYMENT

After Final Acceptance of the Work, as more particularly set forth in the General Conditions, "Final Acceptance and Final Completion", and after Resolution of the Board authorizing final payment and satisfaction of the requirements as more particularly set forth in General Conditions – "Final Payment", a final payment will be made as follows:

1. Prior to Final Acceptance, the CONTRACTOR shall prepare and submit an application for Final Payment to OC SAN, including:
 - a. The proposed total amount due the CONTRACTOR, segregated by items on the payment schedule, amendments, Change Orders, and other bases for payment;
 - b. Deductions for prior progress payments;
 - c. Amounts retained;
 - d. A conditional waiver and release on final payment for each Subcontractor (per Civil Code Section 8136);
 - e. A conditional waiver and release on final payment on behalf of the CONTRACTOR (per Civil Code Section 8136);
 - f. List of Claims the CONTRACTOR intends to file at that time or a statement that no Claims will be filed,
 - g. List of pending unsettled claims, stating claimed amounts, and copies of any and all complaints and/or demands for arbitration received by the CONTRACTOR; and
 - h. For each and every claim that resulted in litigation or arbitration which the CONTRACTOR has settled, a conformed copy of the Request for Dismissal with prejudice or other satisfactory evidence the arbitration is resolved.
2. The application for Final Payment shall include complete and legally effective releases or waivers of liens and stop payment notices satisfactory to OC SAN, arising out of or filed in connection with the Work. Prior progress payments shall be subject to correction in OC SAN's review of the application for Final Payment. Claims filed with the application for Final Payment must be otherwise timely under the Contract and applicable law.
3. Within a reasonable time, OC SAN will review the CONTRACTOR'S application for Final Payment. Any recommended changes or corrections will then be forwarded to the CONTRACTOR. Within ten (10) calendar days after receipt of recommended changes from OC SAN, the CONTRACTOR will make the changes, or list Claims that will be filed as a result of the

changes, and shall submit the revised application for Final Payment. Upon acceptance by OC SAN, the revised application for Final Payment will become the approved application for Final Payment.

4. If no Claims have been filed with the initial or any revised application for Final Payment, and no Claims remain unsettled within thirty-five (35) calendar days after Final Acceptance of the Work by OC SAN, and agreements are reached on all issues regarding the application for Final Payment, OC SAN, in exchange for an executed release, satisfactory in form and substance to OC SAN, will pay the entire sum found due on the approved application for Final Payment, including the amount, if any, allowed on settled Claims.
5. The release from the CONTRACTOR shall be from any and all Claims arising under the Contract, except for Claims that with the concurrence of OC SAN are specifically reserved, and shall release and waive all unreserved Claims against OC SAN and its officers, directors, employees and authorized representatives. The release shall be accompanied by a certification by the CONTRACTOR that:
 - a. It has resolved all Subcontractors, Suppliers and other Claims that are related to the settled Claims included in the Final Payment;
 - b. It has no reason to believe that any party has a valid claim against the CONTRACTOR or OC SAN which has not been communicated in writing by the CONTRACTOR to OC SAN as of the date of the certificate;
 - c. All warranties are in full force and effect, and;
 - d. The releases and the warranties shall survive Final Payment.
6. If any claims remain open, OC SAN may make Final Payment subject to resolution of those claims. OC SAN may withhold from the Final Payment an amount not to exceed one hundred fifty percent (150%) of the sum of the amounts of the open claims, and one hundred twenty-five percent (125%) of the amounts of open stop payment notices referred to in article entitled stop payment notices herein.
7. The CONTRACTOR shall provide an unconditional waiver and release on final payment from each Subcontractor and Supplier providing Work under the Contract (per Civil Code Section 8138) and an unconditional waiver and release on final payment on behalf of the CONTRACTOR (per Civil Code Section 8138) within thirty (30) days of receipt of Final Payment.

EXA-8 DISCOVERY OF DEFICIENCIES BEFORE AND AFTER FINAL PAYMENT

Notwithstanding OC SAN's acceptance of the application for Final Payment and irrespective of whether it is before or after Final Payment has been made, OC SAN shall not be precluded from subsequently showing that:

1. The true and correct amount payable for the Work is different from that previously accepted;
2. The previously accepted Work did not in fact conform to the Contract requirements, or;
3. A previous payment or portion thereof for Work was improperly made.

OC SAN also shall not be stopped from demanding and recovering damages from the CONTRACTOR, as appropriate, under any of the foregoing circumstances as permitted under the Contract or applicable law.

ATTACHMENT 1 – CERTIFICATION FOR REQUEST FOR PAYMENT

I hereby certify under penalty of perjury as follows:

That the claim for payment is in all respects true, correct; that the services mentioned herein were actually rendered and/or supplies delivered to OC SAN in accordance with the Contract.

I understand that it is a violation of both the federal and California False Claims Acts to knowingly present or cause to be presented to OC SAN a false claim for payment or approval.

A claim includes a demand or request for money. It is also a violation of the False Claims Acts to knowingly make use of a false record or statement to get a false claim paid. The term "knowingly" includes either actual knowledge of the information, deliberate ignorance of the truth or falsity of the information, or reckless disregard for the truth or falsity of the information. Proof of specific intent to defraud is not necessary under the False Claims Acts. I understand that the penalties under the Federal False Claims Act and State of California False Claims Act are non-exclusive, and are in addition to any other remedies which OC SAN may have either under contract or law.

I hereby further certify, to the best of my knowledge and belief, that:

1. The amounts requested are only for performance in accordance with the Specifications, terms, and conditions of the Contract;
2. Payments to Subcontractors and Suppliers have been made from previous payments received under the Contract, and timely payments will be made from the proceeds of the payment covered by this certification;
3. This request for progress payments does not include any amounts which the prime CONTRACTOR intends to withhold or retain from a Subcontractor or Supplier in accordance with the terms and conditions of the subcontract; and
4. This certification is not to be construed as Final Acceptance of a Subcontractor's performance.

Name

Title

Date

CONFORMED

C-EXA-062221
PROJECT NO. 7-65
GISLER-RED HILL INTERCEPTOR AND BAKER FORCE MAIN REHABILITATION

ATTACHMENT 2 – SCHEDULE OF PRICES

See next pages from the Bid Submittal Forms (Steve P. Rados, Inc.)

BF-14 Schedule of Prices, Pages 1-3

Bid Submitted By: Steve P. Rados, Inc.

(Name of Firm)

BF-14 SCHEDULE OF PRICES

INSTRUCTIONS

A. General

For Unit Prices, it is understood that the following quantities are approximate only and are solely for the purpose of estimating the comparison of Bids, and that the actual value of Work will be computed based upon the actual quantities in the completed Work, whether they be more or less than those shown. CONTRACTOR's compensation for the Work under the Contract Documents will be computed based upon the lump sum amount of the Contract at time of award, plus any additional or deleted costs approved by OC SAN via approved Change Orders, pursuant to the Contract Documents.

Bidder shall separately price and accurately reflect costs associated with each line item, leaving no blanks. Any and all modifications to the Bid must be initialed by an authorized representative of the Bidder in accordance with the Instructions to Bidders, Preparation of Bid.

Bidders are reminded of Instruction to Bidders, Discrepancy in Bid Items, which, in summary, provides that the total price for each item shall be based on the Unit Price listed for each item multiplied by the quantity; and the correct Total Price for each item shall be totaled to determine the Total Amount of Bid.

All applicable costs including overhead and profit shall be reflected in the respective unit costs and the TOTAL AMOUNT OF BID. The Bid price shall include all costs to complete the Work, including profit, overhead, etc., unless otherwise specified in the Contract Documents. All applicable sales taxes, state and/or federal, and any other special taxes, patent rights or royalties shall be included in the prices quoted in this Bid.

B. Basis of Award

AWARD OF THE CONTRACT WILL BE MADE ON THE BASIS OF THE LOWEST RESPONSIVE AND RESPONSIBLE BID.

Note 1: Base Bid. Includes all costs necessary to furnish all labor, materials, equipment and services for the construction of the Project per the Contract Documents.

Bid Submitted By: Steve P. Rados, Inc.

(Name of Firm)

SCHEDULE OF PRICES

BASE BID ITEMS (Refer to Note 1 in the Instructions):

Item No.	Description	Unit of Measurement	Approx. Qty		Unit Price		Extended Price
1.	Mobilization as described in Specifications Section 01155 and in conformance with the Contract Documents for the lump sum price of...	Lump Sum				=	\$1,000,000
2.	Sheeting, Shoring and Bracing as described in Specifications Section 01155 and in conformance with the Contract Documents for the lump sum price of...	Lump Sum				=	\$750,000
3.	Permit and Inspection Fees as described in Specifications Section 01155 and in conformance with the Contract Documents for the allowance of...	Allowance				=	\$70,000
4.	Final Grind and Cap Asphalt Pavement as described in Specifications Section 01155 and in conformance with the Contract Documents for the unit price and total price of...	Square Foot	33,000	x	8.00	=	\$264,000
5.	Manhole Structural Repairs Prior to Lining as described in Specifications Section 01155, Section 02960 and in conformance with the Contract Documents for the unit price and total price of...	Gallon	800	x	210.00	=	\$168,000
6.	Not Used						

Item No.	Description	Unit of Measurement	Approx. Qty		Unit Price		Extended Price
7.	Monitoring Well Abandonment as described in Specifications Section 01155 and in conformance with the Contract Documents for the lump sum price of...	Lump Sum				=	\$40,000
8.	All other portions of the Work set forth in the Contract Documents, except for the Work performed in Item Nos. 1, 2, 3, 4, 5, 7 and 9 inclusive for the lump sum price of...	Lump Sum				=	\$42,164,000
9.	Demobilization as described in Specifications Section 01155 and in conformance with the Contract Documents for the lump sum price of...	Lump Sum				=	\$250,000

TOTAL AMOUNT OF BID (BASIS OF AWARD)

\$ 44,706,000

Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation Project No. 7-65

Presented by:
Marianne Kleine
Engineering
Supervisor

Operations
Committee
May 3, 2023

Construction Award

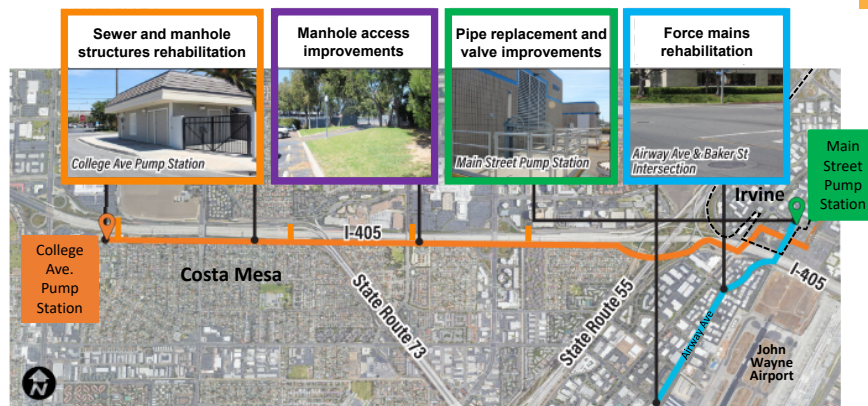


OC SAN
ORANGE COUNTY SANITATION DISTRICT

1

Project Location

Majority of the project is within the City of Costa Mesa with a very small portion within the City of Irvine.



2

2

Driver of Project: Condition

Gisler-Red Hill Gravity Sewer built 1950s/60s:

- Unsealed joints/infiltration
- Cracks and damage

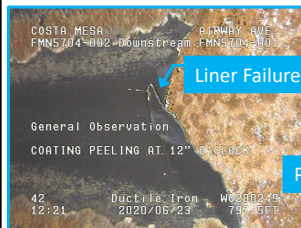
Infiltration



Gravity Sewer

Baker Force Mains built in 1991:

- Corrosion
- Polybond liner failure
- Protruding gaskets at joints
- Cracks
- Infiltration

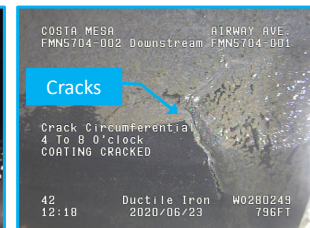


Liner Failure



Protruding Gasket

Force Main



Cracks

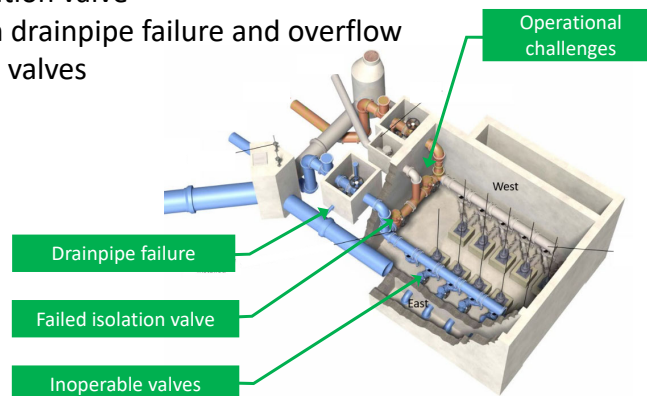
3

3

Driver of Project: Condition

Main Street Pump Station built 1985 & 1991

- Corroded pipe
- Operational challenges
- Failed isolation valve
- Force main drainpipe failure and overflow
- Inoperable valves

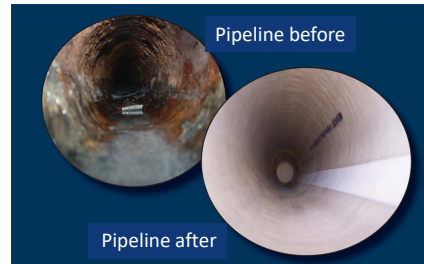


4

4

Solutions

- Rehabilitate pipes and manholes
- Replace pump station piping and valves



5

5

Bid Results

Engineer's Estimate

\$33,000,000

Bidder

Amount of Bid

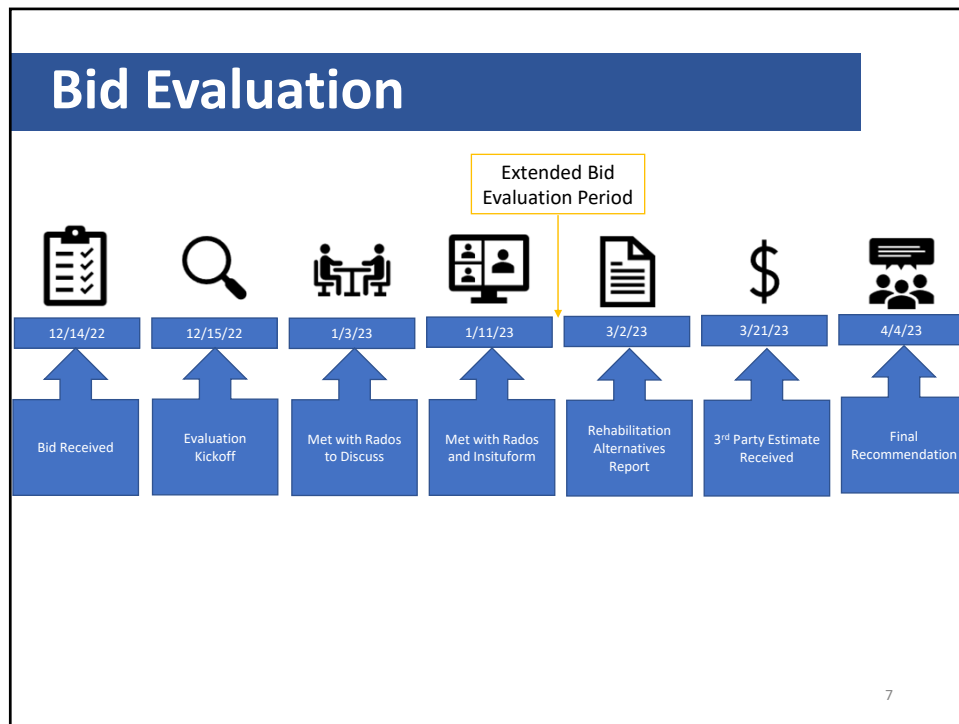
Steve P. Rados, Inc.

\$44,706,000

- Three bidders interested during Pre-Bid Survey
- Single bid received
- Difference of \$11,706,000

6

6



7

Project Budget Request

Current project budget insufficient to cover award and construction contingency amount.

Subject	Amount
Current Project Budget	\$44,400,000
Total Requested Project Budget	\$55,500,000

Total Project Budget Increase Request = \$11,100,000

8

8

Recommendation

Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65;
- B. Approve a project budget increase of \$11,100,000 for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65, for a new total project budget of \$55,500,000;
- C. Award a Construction Contract to Steve P. Rados, Inc. for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65, for a total amount not to exceed \$44,706,000; and
- D. Approve a contingency of \$4,470,600 (10%).

9

9

Questions



10

File #: 2022-2421

Agenda Date: 5/3/2023

Agenda Item No: 10.

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

SUBJECT:

GISLER-RED HILL INTERCEPTOR AND BAKER FORCE MAIN REHABILITATION, PROJECT NO. 7-65

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Professional Construction Services Agreement with CDM Smith, Inc. to provide construction support services for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65, for a total amount not to exceed \$988,460; and
- B. Approve a contingency of \$98,846 (10%).

BACKGROUND

CDM Smith, Inc. was selected as part of a competitive, qualifications-based solicitation process to design Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65. At the time of the solicitation, the Orange County Sanitation District (OC San) documented its intent to award a subsequent agreement to the design consultant for continuation of engineering services during construction.

The project will re-line approximately 12,000 linear feet of the Baker Force Main; replace corroded and damaged piping, valves, and valve vaults at the Main Street pump station; and re-line and repair approximately 8,600 linear feet of the Gisler-Red Hill Interceptor.

RELEVANT STANDARDS

- Comply with Government Code Section 4526 to engage the best qualified firm “on the basis of demonstrated competence and qualifications” and “negotiate fair and reasonable fees”
- Ensure the public’s money is wisely spent

PROBLEM

This project requires the design consultant to provide as-needed services during construction including submittal review, responding to the Contractor’s requests for information, reviewing

construction change orders, participating in meetings, attending site visits, and preparing record drawings.

PROPOSED SOLUTION

Approve a Professional Construction Services Agreement with the design consultant, CDM Smith, Inc., to provide construction support services during construction.

TIMING CONCERNS

Engineering support services will be required at the start of construction. Construction is anticipated to start in June 2023.

RAMIFICATIONS OF NOT TAKING ACTION

The engineering support services needed to facilitate and review construction activities would not be available by the Engineer of Record, which may negatively impact the contract execution.

PRIOR COMMITTEE/BOARD ACTIONS

September 2020 - Approved a Professional Design Services Agreement with CDM Smith, Inc. to provide engineering services for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65, for an amount not to exceed \$1,754,000; and approved a contingency of \$175,400 (10%).

ADDITIONAL INFORMATION

CDM Smith, Inc. has successfully furnished engineering services for the design of this project and their support services during construction will provide continuity through the completion of the project.

Staff negotiated with CDM Smith, Inc. for these support services in accordance with OC San's adopted policies and procedures. A review of the proposed price was conducted using estimated quantities of requests for information, submittals, meetings, site visits, change order review, and design revisions, as well as the level of effort for preparing record drawings. Based on this review, staff determined the negotiated fee to be fair and reasonable for these services.

CEQA

The project is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations Section 15301. A Notice of Exemption has been filed with the OC Clerk-Recorder.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Adopted Budget, Fiscal Years 2022-2023 and 2023-24, Section 8, Page 32, Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65) 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:

- Professional Construction Services Agreement

PROFESSIONAL CONSTRUCTION SERVICES AGREEMENT

This PROFESSIONAL CONSTRUCTION SERVICES AGREEMENT, (hereinafter referred to as "Agreement"), is made and entered into to be effective the «date» day of «Month», «year» by and between the ORANGE COUNTY SANITATION DISTRICT, (hereinafter referred to as "OC SAN"), and «CONSULTANT COMPANY», (hereinafter referred to as "CONSULTANT").

WITNESSETH:

WHEREAS, OC SAN desires to engage CONSULTANT to provide construction support services for **Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65** (Construction Support Services); and

WHEREAS, CONSULTANT is qualified to provide the necessary services for the Construction Support Services in connection with these requirements; and

WHEREAS, OC SAN has adopted procedures in accordance with OC SAN's Ordinance No. OC SAN-56, Section 4.03(B), for the continuation of services and has proceeded in accordance with said procedures to perform the Construction Support Services; and

WHEREAS, at its regular meeting on «Board Meeting Date» the Board of Directors, by Minute Order, accepted the recommendation of the Operations Committee pursuant to OC SAN's Ordinance No. OC SAN-56 to approve this Agreement.

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

1. SCOPE OF WORK

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

- A. The CONSULTANT shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all design, drawings, specifications, and other services furnished by the CONSULTANT under this Agreement, including the work performed by its subconsultants (Subconsultants). Where approval by OC SAN is indicated, it is understood to be conceptual approval only and does not relieve the CONSULTANT of responsibility for complying with all laws, codes, industry standards and liability for damages caused by errors, omissions, noncompliance with industry standards, and/or negligence on the part of the CONSULTANT or its Subconsultants.
- B. CONSULTANT is responsible for the quality of work prepared under this Agreement and shall ensure that all work is performed to the standards of best engineering practice for clarity, uniformity, and completeness.
- C. In the event that work is not performed to the satisfaction of OC SAN and does not conform to the requirements of this Agreement or any applicable industry

standards, the CONSULTANT shall, without additional compensation, promptly correct or revise any errors or deficiencies in its designs, drawings, specifications, or other services within the timeframe specified by the Project Engineer/Project Manager. OC SAN may charge to CONSULTANT all costs, expenses and damages associated with any such corrections or revisions.

- D. All CADD drawings, figures, and other work shall be produced by CONSULTANTS and Subconsultants using OC SAN standard software. Conversion of CADD work from any other non-standard CADD format to OC SAN format shall not be acceptable in lieu of this requirement.

Electronic files shall be subject to an acceptance period of «Number of Days» calendar days during which OC SAN shall perform appropriate acceptance tests. CONSULTANT shall correct any discrepancies or errors detected and reported within the acceptance period at no additional cost to OC SAN.

- E. All professional services performed by the CONSULTANT, including but not limited to all drafts, data, correspondence, proposals, reports, and estimates compiled or composed by the CONSULTANT, pursuant to this Agreement, are for the sole use of OC SAN, its agents and employees. Neither the documents nor their contents shall be released to any third party without the prior written consent of OC SAN. This provision does not apply to information that (a) was publicly known, or otherwise known to the CONSULTANT, at the time that it was disclosed to the CONSULTANT by OC SAN, (b) subsequently becomes publicly known to the CONSULTANT other than through disclosure by OC SAN.

2. COMPENSATION

Total compensation shall be paid to CONSULTANT for the Construction Support Services in accordance with the following provisions:

- A. Total Compensation

Total compensation shall be in an amount not to exceed «Grand Total Written Amount» Dollars (\$«Grand Total Amount»). Total compensation to CONSULTANT including burdened labor (salaries plus benefits), overhead, profit, direct costs, and Subconsultant(s) fees and costs shall not exceed the sum set forth in Attachment "E" - Fee Proposal.

- B. Labor

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

- C. Overhead

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

D. Profit

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

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

E. Subconsultants

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

For any Subconsultant whose fees for services are less than \$100,000, CONSULTANT may pay to Subconsultant total compensation on an hourly-rate basis [If there are no Subconsultants under \$100K, delete this phrase 'per attached hourly rate schedule'.] per the attached hourly rate Schedule and as specified in the Scope of Work. OC SAN shall pay to CONSULTANT the actual costs of Subconsultant fees and charges in an amount not to exceed the sum set forth in Attachment "E" - Fee Proposal.

F. Direct Costs

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

G. Other Direct Costs

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

H. Reimbursable Direct Costs

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

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

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

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

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

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

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

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

I. Limitation of Costs

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

3. REALLOCATION OF TOTAL COMPENSATION

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

4. PAYMENT

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

Upon approval of such payment request by OC SAN, payment shall be made to CONSULTANT as soon as practicable of one hundred percent (100%) of the invoiced amount on a per task basis.

If OC SAN determines that the work under this Agreement, or any specified task hereunder, is incomplete and that the amount of payment is in excess of:

- i. The amount considered by OC SAN's Director of Engineering to be adequate for

the protection of OC SAN; or

- ii. The percentage of the work accomplished for each task.

OC SAN may, at the discretion of the Director of Engineering, retain an amount equal to that which ensures that the total amount paid to that date does not exceed the percentage of the completed work for each task or the project in its entirety.

- C. CONSULTANT may submit periodic payment requests for each 30-day period of this Agreement for the profit as set forth in Section 2 - COMPENSATION above. Said profit payment request shall be proportionate to the work actually accomplished to date on a per task basis. In the event OC SAN's Director of Engineering determines that no satisfactory progress has been made since the prior payment, or in the event of a delay in the work progress for any reason, OC SAN shall have the right to withhold any scheduled proportionate profit payment.
- D. Upon satisfactory completion by CONSULTANT of the work called for under the terms of this Agreement, and upon acceptance of such work by OC SAN, CONSULTANT will be paid the unpaid balance of any money due for such work, including any retained percentages relating to this portion of the work.
- E. Upon satisfactory completion of the work performed hereunder and prior to final payment under this Agreement for such work, or prior settlement upon termination of this Agreement, and as a condition precedent thereto, CONSULTANT shall execute and deliver to OC SAN a release of all claims against OC SAN arising under or by virtue of this Agreement other than such claims, if any, as may be specifically exempted by CONSULTANT from the operation of the release in stated amounts to be set forth therein.
- F. Pursuant to the California False Claims Act (Government Code Sections 12650-12655), any CONSULTANT that knowingly submits a false claim to OC SAN for compensation under the terms of this Agreement may be held liable for treble damages and up to a ten thousand dollars (\$10,000) civil penalty for each false claim submitted. This Section shall also be binding on all Subconsultants.

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

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

- A. To the extent CONSULTANT's employees and/or Subconsultants who will perform work during the design and preconstruction phases of a construction contract for which Prevailing Wage Determinations have been issued by the DIR and as more specifically defined under Labor Code Section 1720 et seq, CONSULTANT and Subconsultants shall comply with the registration requirements of Labor Code Section 1725.5. Pursuant to Labor Code Section 1771.4, the work is subject to compliance monitoring and enforcement by the DIR.
- B. The CONSULTANT and Subconsultants shall maintain accurate payroll records and shall comply with all the provisions of Labor Code Section 1776, and shall submit payroll records to the Labor Commissioner pursuant to Labor Code Section 1771.4(a) (3). Penalties for non-compliance with the requirements of Section 1776 may be deducted from progress payments per Section 1776.
- C. Pursuant to Labor Code Section 1776, the CONSULTANT and Subconsultants shall furnish a copy of all certified payroll records to OC SAN and/or general public upon request, provided the public request is made through OC SAN, the Division of Apprenticeship Standards or the Division of Labor Enforcement of the Department of Industrial Relations.
- D. The CONSULTANT and Subconsultants shall comply with the job site notices posting requirements established by the Labor Commissioner per Title 8, California Code of Regulation Section 16461(e).

6. DOCUMENT OWNERSHIP – SUBSEQUENT CHANGES TO PLANS AND SPECIFICATIONS

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

service rendered by CONSULTANT was not a proximate cause of the damage.

7. INSURANCE

A. General

- i. Insurance shall be issued and underwritten by insurance companies acceptable to OC SAN.
- ii. Insurers must have an "A-" Policyholder's Rating, or better, and Financial Rating of at least Class VIII, or better, in accordance with the most current A.M. Best's Guide Rating. However, OC SAN will accept State Compensation Insurance Fund, for the required policy of Workers' Compensation Insurance subject to OC SAN's option to require a change in insurer in the event the State Fund financial rating is decreased below "B". Further, OC SAN will require CONSULTANT to substitute any insurer whose rating drops below the levels herein specified. Said substitution shall occur within twenty (20) days of written notice to CONSULTANT, by OC SAN or its agent.
- iii. Coverage shall be in effect prior to the commencement of any work under this Agreement.

B. General Liability

The CONSULTANT shall maintain during the life of this Agreement, including the period of warranty, commercial general liability insurance written on an occurrence basis providing the following minimum limits of liability coverage: Two Million Dollars (\$2,000,000) per occurrence with Four Million Dollars (\$4,000,000) aggregate. If aggregate limits apply separately to this contract (as evidenced by submission of ISO form CG 25 03 or 25 04), then the aggregate limit may be equivalent to the per occurrence limit. Said insurance shall include coverage for the following hazards: premises-operations, blanket contractual liability (for this Agreement), products liability/completed operations (including any product manufactured or assembled), broad form property damage, blanket contractual liability, independent contractors liability, personal and advertising injury, mobile equipment, owners and contractors protective liability, and cross liability and severability of interest clauses. A statement on an insurance certificate will not be accepted in lieu of the actual additional insured endorsement(s). If requested by OC SAN and applicable, XCU coverage (Explosion, Collapse and Underground) and Riggers/On Hook Liability must be included in the general liability policy and coverage must be reflected on the submitted certificate of insurance. Where permitted by law, CONSULTANT hereby waives all rights of recovery by subrogation because of deductible clauses, inadequacy of limits of any insurance policy, limitations or exclusions of coverage, or any other reason against OC SAN, its or their officers, agents, or employees, and any other consultant, contractor, or subcontractor performing work or rendering services on behalf of OC SAN in connection with the planning, development, and construction of the project. In all its insurance coverages related to the work, CONSULTANT shall include clauses providing that each insurer shall waive all of its rights of recovery

by subrogation against OC SAN, its or their officers, agents, or employees, or any other consultant, contractor, or subcontractor performing work or rendering services at the project. Where permitted by law, CONSULTANT shall require similar written express waivers and insurance clauses from each of its Subconsultants of every tier. A waiver of subrogation shall be effective as to any individual or entity, even if such individual or entity (a) would otherwise have a duty of indemnification, contractual or otherwise, (b) did not pay the insurance premium, directly or indirectly, and (c) whether or not such individual or entity has an insurable interest in the property damaged.

C. Umbrella Excess Liability

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

D. Automobile/Vehicle Liability Insurance

The CONSULTANT shall maintain a policy of automobile liability insurance on a comprehensive form covering all owned, non-owned, and hired automobiles, trucks, and other vehicles providing the following minimum limit of liability coverage: combined single limit of One Million Dollars (\$1,000,000). A statement on an insurance certificate will not be accepted in lieu of the actual additional insured endorsement.

E. Drone Liability Insurance

If a drone will be used, drone liability insurance must be maintained by CONSULTANT in the amount of one million dollars (\$1,000,000) in form acceptable to OC SAN.

F. Workers' Compensation Insurance

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

G. Errors and Omissions/Professional Liability

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

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

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

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

H. Proof of Coverage

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

- Certificate of Insurance ACORD Form or other equivalent certificate of insurance form
- Additional Insurance The combination of (ISO Forms)
 (General Liability) CG 20 10 and CG 20 37

All other additional insured endorsements must be submitted for approval by OC SAN, and

OC SAN may reject alternatives that provide different or less coverage to OC SAN.

- Additional Insured (Automobile Liability) Submit endorsement provided by carrier for OC SAN approval.
- Waiver of Subrogation Submit workers' compensation waiver of subrogation endorsement provided by carrier for OC SAN approval.
- Cancellation Notice No endorsement is required. However, CONSULTANT is responsible for notifying OC SAN of any pending or actual insurance policy cancellation, as described in Article I. Cancellation and Policy Change Notice, below.

I. Cancellation and Policy Change Notice

The CONSULTANT is required to notify OC SAN in writing of any insurance cancellation notice it receives or other knowledge of pending or actual insurance policy cancellation, within two (2) working days of receipt of such notice or acquisition of such knowledge. Additionally, the CONSULTANT is required to notify OC SAN in writing of any change in the terms of insurance, including reduction in coverage or increase in deductible/SIR, within two (2) working days of receipt of such notice or knowledge of same.

Said notices shall be mailed to OC SAN at:

ORANGE COUNTY SANITATION DISTRICT
10844 Ellis Avenue
Fountain Valley, CA 92708
Attention: Contracts, Purchasing & Materials Management Division

J. Primary Insurance

The general and automobile liability policies shall contain a "Primary and Non Contributory" clause. Any other insurance maintained by OC SAN shall be excess and not contributing with the insurance provided by CONSULTANT.

K. Separation of Insured

The general and automobile liability policies shall contain a "Separation of Insureds" clause.

L. Non-Limiting (if applicable)

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

persons or property.

M. Deductibles and Self-Insured Retentions

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

N. Defense Costs

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

O. Subconsultants

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

P. Limits Are Minimums

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

8. SCOPE CHANGES

In the event of a change in the Scope of Work or other terms in the Agreement, as requested by OC SAN, the parties hereto shall execute an Amendment to this Agreement setting forth with particularity all terms of the new Agreement, including, but not limited to, any additional CONSULTANT's fees. CONSULTANT hereby agrees to use any and all procedures, programs, and systems required by OC SAN to process and execute such Amendment(s), including, but not limited to, computer programs and systems.

9. PROJECT TEAM AND SUBCONSULTANTS

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

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

10. ENGINEERING REGISTRATION

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

11. AUDIT PROVISIONS

- A. OC SAN retains the reasonable right to access, review, examine, and audit, any and all books, records, documents and any other evidence of procedures and practices that OC SAN determines are necessary to discover and verify that the CONSULTANT is in compliance with all requirements under this Agreement. The CONSULTANT shall include OC SAN's right as described above, in any and all of their subcontracts, and shall ensure that these rights are binding upon all Subconsultants.
- B. OC SAN retains the right to examine CONSULTANT's books, records, documents and any other evidence of procedures and practices that OC SAN determines are necessary to discover and verify all direct and indirect costs, of whatever nature, which are claimed to have been incurred, or anticipated to be incurred or to ensure CONSULTANT's compliance with all requirements under this Agreement during the term of this Agreement and for a period of three (3) years after its termination.
- C. CONSULTANT shall maintain complete and accurate records in accordance with generally accepted industry standard practices and OC SAN's policy. The CONSULTANT shall make available to OC SAN for review and audit, all project related accounting records and documents, and any other financial data within 15 days after receipt of notice from OC SAN. Upon OC SAN's request, the CONSULTANT shall submit exact duplicates of originals of all requested records to OC SAN. If an audit is performed, CONSULTANT shall ensure that a qualified employee of the CONSULTANT will be available to assist OC SAN's auditor in obtaining all project related accounting records and documents, and any other financial data.

12. LEGAL RELATIONSHIP BETWEEN PARTIES

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

13. NOTICES

All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of said notices in

person or by depositing said notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid.

Notices shall be mailed to OC SAN at:

ORANGE COUNTY SANITATION DISTRICT
10844 Ellis Avenue
Fountain Valley, CA 92708-7018
Attention: «Contracts Administrator's Name», «Contracts Administrator's Title»
Copy: «Project Manager's Name», Project Manager

Notices shall be mailed to CONSULTANT at:

«CONSULTANT COMPANY»
«Street Address»
«City, State Zip»
Attention: «CONSULTANT's Representative»

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

14. TERMINATION

OC SAN may terminate this Agreement at any time, without cause, upon giving thirty (30) days written notice to CONSULTANT. In the event of such termination, CONSULTANT shall be entitled to compensation for work performed on a prorated basis through and including the effective date of termination.

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

Notice of termination shall be mailed to OC SAN and/or CONSULTANT in accordance with Section 13 - NOTICES.

15. DOCUMENTS AND STUDY MATERIALS

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

16. COMPLIANCE

A. Labor

CONSULTANT certifies by the execution of this Agreement that it pays employees not less than the minimum wage as defined by law, and that it does not discriminate in its employment with regard to race, color, religion, sex or

national origin; that it is in compliance with all federal, state and local directives and executive orders regarding non-discrimination in employment; and that it agrees to demonstrate positively and aggressively the principle of equal opportunity in employment.

B. Air Pollution

CONSULTANT and its subconsultants and subcontractors shall comply with all applicable federal, state and local air pollution control laws and regulations.

C. Iran Contracting Act

CONSULTANT and its subconsultants and subcontractors shall comply with the Iran Contracting Act of 2010 (Public Contract Code sections 2200-2208).

17. AGREEMENT EXECUTION AUTHORIZATION

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

18. DISPUTE RESOLUTION

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

19. ATTORNEY'S FEES, COSTS AND NECESSARY DISBURSEMENTS

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

20. PROGRESS REPORTS

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

21. WARRANTY

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

22. INDEMNIFICATION

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

- (A) the sole or active negligence or willful misconduct of the Indemnified Parties; or
- (B) a natural disaster or other act of God, such as an earthquake; or
- (C) the independent action of a third party who is neither one of the Indemnified Parties nor the CONSULTANT, nor its principal, officer, agent, employee, nor CONSULTANT's supplier, consultant, subconsultant, subcontractor, nor anyone employed directly or indirectly by any of them.

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

CONSULTANT's liability for indemnification hereunder is in addition to any liability CONSULTANT may have to OC SAN for a breach by CONSULTANT of any of the provisions of this Agreement. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit CONSULTANT's indemnification obligation or other liability hereunder.

The terms of this Agreement are contractual and the result of negotiation between the parties hereto. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement.

23. DUTY TO DEFEND

The duty to defend hereunder is wholly independent of and separate from the duty to indemnify and such duty to defend shall exist regardless of any ultimate liability of

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

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

24. CONSULTANT PERFORMANCE

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

25. COMPLIANCE WITH OC SAN POLICIES AND PROCEDURES

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

26. CLOSEOUT

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

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

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

CONSULTANT shall be required to provide adequate resources to fully support any

administrative closeout efforts identified in this Agreement. Such support must be provided within the timeframe requested by OC SAN.

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

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

27. ENTIRE AGREEMENT

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

IN WITNESS WHEREOF, this Agreement has been executed in the name of OC SAN and CONSULTANT by their respective duly authorized officers as of the day and year first written above.

CONSULTANT: COMPANY NAME

By _____ Date _____

Printed Name & Title

ORANGE COUNTY SANITATION DISTRICT

By _____ Date _____
Chad P. Wanke
Board Chairman

By _____ Date _____
Kelly A. Lore
Clerk of the Board

By _____ Date _____
Ruth Zintzun
Purchasing & Contracts Manager

Attachments: Attachment "A" – Scope of Work
Attachment "B" – Not Used
Attachment "C" – Not Used
Attachment "D" – Allowable Direct Costs
Attachment "E" – Fee Proposal
Attachment "F" – Not Used
Attachment "G" – Not Used
Attachment "H" – Not Used
Attachment "I" – Cost Matrix and Summary
Attachment "J" – Not Used
Attachment "K" – Minor Subconsultant Hourly Rate Schedule
Attachment "L" – Contractor Safety Standards
Attachment "M" – Iran Contracting Act Verification

DM

Gisler - Red Hill Interceptor and Baker Forcemain Rehabilitation, Project No. 7-65

PROFESSIONAL CONSTRUCTION SERVICES AGREEMENT

ATTACHMENT A – SCOPE OF WORK

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I. SUMMARY

Provide construction engineering support services for the construction and installation and closeout, for Gisler - Red Hill Interceptor and Baker Forcemain Rehabilitation, Project No. 7-65.

II. PROJECT SCHEDULE

The schedule for the services specified in this Scope of Work (SOW) shall be provided per the construction contract schedule, and the following schedule constraints:

Task(s)	Period of Performance
Submittals	As described under Task 4.3 titled "Submittals"
Requests for Information	As described under Task 4.4 titled "Requests for Information (RFIs)"
Record Drawings	Draft Record Drawings shall be submitted to OC SAN within 45 Calendar days of receipt from OC SAN of the accepted Contractor's As-Built Drawings. The Final Record Drawings shall be submitted within 30 Calendar days of receipt of OC SAN's comments on the Draft Record Drawings. See also Task 6.2 requirements.

III. PROJECT IMPLEMENTATION

All Orange County Sanitation District (OC SAN) projects are divided into six phases. CONSULTANT shall provide engineering support services for Phase 4 Construction and Installation Services, Phase 5 Commissioning, and Phase 6 Closeout.

Phase 1 – Project Development – *Completed*

Phase 2 – Preliminary Design – *Completed*

Phase 3 – Final Design – *Completed*

Phase 4 – Construction and Installation Services

Phase 5 – Not Used

Phase 6 – Closeout

PHASE 1 – PROJECT DEVELOPMENT – completed

PHASE 2 – PRELIMINARY DESIGN – completed

PHASE 3 - FINAL DESIGN – completed

PHASE 4 – CONSTRUCTION AND INSTALLATION SERVICES

OC SAN will administer and provide field inspection for construction contracts. Construction and installation support services shall be provided by the CONSULTANT as requested by OC

SAN CONSULTANT shall refer to the Engineering Design Guidelines, Chapter 01 for detailed requirements.

CONSULTANT shall provide the key management personnel as described in their proposal on this project. CONSULTANT shall not reassign the key project personnel without prior approval of OC SAN. OC SAN may request reassignment of any of the CONSULTANT's or their subconsultant's personnel, based on that individual's performance.

For all services, CONSULTANT shall refer to Engineering Design Guidelines, Chapter 01 for detailed requirements.

Quality Assurance/Quality Control (QA/QC): CONSULTANT shall administer a program of QA/QC procedures for producing quality work and shall effectively manage and control the work. Specific procedures shall include but not be limited to planning, coordination, tracking, checking, reviewing, and scheduling the work. CONSULTANT shall subject all work products prepared by the CONSULTANT to the CONSULTANT's in-house QA/QC procedures prior to submittal to OC SAN. QA/QC hours and costs shall be incorporated into other tasks within this SOW.

Task 4.1 – Project Management

CONSULTANT shall be responsible for detailed management of the project, including managing its subconsultants, and shall keep OC SAN apprised of the status of the project.

CONSULTANT shall not reassign the key personnel without prior acceptance by OC SAN. OC SAN may request reassignment of any of the CONSULTANT's personnel, based on that individual's poor performance.

CONSULTANT shall conduct monthly project management meetings with OC SAN's Project Manager. These meetings shall be attended by OC SAN's Project Manager and CONSULTANT's Project Manager at a mutually agreeable time. The purpose of the meetings shall be to review the CONSULTANT Project Manager's progress report and the status of the project scope, budget, and any issues which may affect completion of the project. Meetings should be arranged so that the progress report can be submitted shortly prior to or at each meeting.

CONSULTANT shall prepare and submit monthly invoices to OC SAN no later than the second Wednesday of the following month. The invoices shall document the man-hours and billing rate for each person that works on the project for each task in the Work Breakdown Structure (WBS). Overhead, profit, and any direct costs shall also be shown for each task. As part of the summary section of the invoice, CONSULTANT shall also include the following information:

- Budget
- Current billing period invoicing
- Previous billing period "total invoiced to date"
- Budget amount remaining
- Current billing period "total percent invoice to date"
- Current billing period "total percent completed to date"

The monthly progress report and project schedule shall be submitted with the project invoice as part of the monthly request for payment.

CONSULTANT shall also provide the percent budget spent for each of OC SAN's WBS cost codes (i.e., by work package and phase). OC SAN shall provide a list of cost codes by phase to the CONSULTANT.

CONSULTANT shall also provide a summary of progress and expenditures to date.

OC SAN will provide a sample invoice structure to CONSULTANT at the beginning of the project.

Task 4.2 – Initial Project Meetings

4.2.1 - Construction Hand-Off Workshop

CONSULTANT shall participate in a two-hour virtual construction hand-off workshop. The purpose of the workshop is for the CONSULTANT and OC SAN design teams to transfer project-specific knowledge to the OC SAN construction management and inspection staff who will be managing and monitoring construction. Topics that might be covered in this meeting include the following:

- Overview of objective of the project
- Review of project elements
- Review of sequencing constraints
- Key issues to be addressed during construction
- Identification of risks and discussions of contingency plans

The workshop will be led by OC SAN's Project Engineer and CONSULTANT's Project Discipline Leads. CONSULTANT shall include its Project Manager, and Project Engineer, as a minimum.

4.2.2 - PMWeb Procedures Meeting

The project will utilize PMWeb as the web-based Project Control Management System (PCMS). The PCMS shall be utilized for Project communication, tracking, and management. PCMS utilization is to facilitate the electronic exchange of information, the automation of key processes, and the overall management of the contract. When required by OC SAN, paper documents shall also be provided. In the event of discrepancy between the electronic version and paper documents, the electronic documents within PCMS shall govern.

CONSULTANT shall participate in a one-hour PMWeb procedure virtual meeting. The training will be provided by OC SAN's staff. The purpose of this meeting is to review the roles and logistics for review, approval, and provision of various construction related documents. CONSULTANT's Project Manager, Project Engineer, Project Assistant, and two other discipline leads shall participate in the virtual meeting.

4.2.3 - Submittal Review Procedures

CONSULTANT shall participate in a one-hour Virtual Submittal Procedure Meeting. The purpose of this meeting is to review the roles and logistics for review and approval of the Contractor submittals. CONSULTANT's Project Manager and Project Engineer and document control staff who will be handling submittals shall participate in this meeting.

4.2.4 - Preconstruction Conference

CONSULTANT shall participate in a one-hour Preconstruction Conference attended virtually by OC SAN staff, CONSULTANT, the Contractor, subcontractors, and vendors. This meeting will be scheduled and presided over by OC SAN. In this meeting, OC SAN's Resident Engineer will describe CONSULTANT's role in the project as the Design Engineer and the services

CONSULTANT shall provide during construction. OC SAN will prepare meeting minutes and CONSULTANT shall review and comment on the minutes. CONSULTANT'S Project Manager and Project Engineer shall participate in this meeting.

Task 4.3 – Submittal Reviews

OC SAN will receive and log-in all submittals from the Contractor. OC SAN will forward copies of selected shop drawing and submittals requiring CONSULTANT review. CONSULTANT shall review the shop drawings and submittals for conformance with the requirements of the Contract Documents and return the submittal review comments to OC SAN within seven calendar days after receipt of submittal. CONSULTANT shall return comments to OC SAN allowing sufficient time for OC SAN to incorporate all comments into a combined review comment set that OC SAN will return to the Contractor. CONSULTANT shall accommodate occasional expedited reviews for time sensitive submittals. Submittals shall include but not be limited to shop drawings, vendor tests, certifications, and test reports. All submittals will be made available only electronically (PDF) through PMWeb.

See “Quantitative Assumptions” in this SOW for the number of submittals.

Task 4.4 – Request for Information (RFIs)

OC SAN will log in and forward to CONSULTANT certain RFIs generated by the Contractor or OC SAN. CONSULTANT shall return written responses to OC SAN as soon as possible or within three calendar days of receipt of RFI, clarifying the requirements of the contract documents. CONSULTANT shall generate necessary sketches, figures, and modifications to the drawings for clarifications. When required to avoid schedule delay or additional construction-related costs, CONSULTANT shall expedite the review of time sensitive RFIs.

If any changes to the contract drawings are required, the CONSULTANT shall prepare these drawings and submit them as AutoCAD files or in PDF format as per direction from OC SAN. The CONSULTANT shall update all AutoCAD drawings and specifications upon OC SAN acceptance of any changes resulting from RFIs and change orders.

All RFIs will be made available electronically (PDF) through PMWeb.

See Section V - “Quantitative Assumptions” in this SOW for the estimated number of RFIs.

Task 4.5 – Contract Document Modifications, Design Changes, and Change Orders

If the Contract Documents require modifications due to changed conditions, OC SAN requested changes, omissions, or design errors; CONSULTANT shall prepare preliminary change order documents and forward them to OC SAN, as needed. OC SAN shall review the proposed change and request CONSULTANT to incorporate any changes. OC SAN will issue the change order documents in a formal Request for Proposal (RFP) or Field Change Order (FCO) to the Contractor. CONSULTANT shall forward design calculations and other design backup documents as necessary to OC SAN.

Any Contract Document that requires changes shall be identified with date of change and reference (RFI number, RFP number, FCO number, etc.) shown on the document. Changes shown on drawings shall be clearly marked and “clouded” for accurate identification of the scope of change by the Contractor and inspection staff. CONSULTANT shall maintain up-to-date Contract Documents. When a change is required on a contract drawing that has

previously undergone a change, the updated drawing showing the previous change shall be used as the base document to identify new changes.

CONSULTANT shall submit complete change documentation to OC SAN for use in RFIs, RFPs, and FCOs. This change documentation shall include plan drawings, schematics, details, schedules, and specifications, as required.

CONSULTANT shall prepare cost estimates for the changes when requested by OC SAN.

See “Quantitative Assumptions” in this SOW for the estimated number of hours.

Task 4.6 – Construction Progress Meetings and Site Visits

CONSULTANT shall attend construction progress meetings as requested by OC SAN. The scope includes time for meeting preparation, travel time, follow-up, and review of meeting minutes. Progress meeting minutes shall be prepared by OC SAN.

CONSULTANT shall attend or be available by phone for a one-hour construction weekly progress meetings.

CONSULTANT shall make field visits to assist in field problem resolution and design clarification/verification to help resolve construction issues as they arise and as requested by OC SAN. CONSULTANT shall report the nature of the field site visits, the problem resolved, and identify staff requesting the site visit in CONSULTANT’s monthly project report. OC SAN will provide project inspection, except as required in other sections of this scope.

See “Quantitative Assumptions” in this SOW for the estimated number of hours.

Task 4.7 – Contractor’s Baseline Schedule Review

OC SAN will review the Contractor’s baseline construction schedule and monthly updates for compliance with the specified schedule submittal requirements. The CONSULTANT shall review the Contractor’s baseline schedule to confirm that the work plan indicated in the baseline schedule is consistent with the specified sequencing constraints. The CONSULTANT shall meet with OC SAN’s schedule reviewer to discuss key aspects on the Contractor’s baseline schedule. The CONSULTANT shall submit a memorandum describing any comments on the submittal. The CONSULTANT shall assume one resubmittal of the Contractor’s baseline schedule for review.

See “Quantitative Assumptions” in this SOW for the estimated number of hours.

PHASE 5 – COMMISSIONING SUPPORT

Task 5.1 – Commissioning Team Meetings

The CONSULTANT shall attend Commissioning Team meetings at OC SAN’s request. The scope includes time for meeting preparation, follow-up, and review of meeting minutes. Commissioning team meeting minutes shall be prepared by OC SAN. The CONSULTANT will review and comment on OC SAN prepared meeting minutes. See “Quantitative Assumptions” in this Scope of Work for the number of meetings.

Task 5.2 – EID

The CONSULTANT shall review electronic copies of the EID updated by the Contractor. CONSULTANT shall update and verify the fields in the EID required to be filled out by the Consultant in accordance with Specification Section 01788. The EID shall be completed and submitted to OC SAN as equipment is taken over for beneficial occupancy.

See "Quantitative Assumptions" in this SOW for the estimated number of hours.

Task 5.3 – Commissioning Support

CONSULTANT's operations staff members, at the request of OC SAN, shall provide assistance to OC SAN's operations staff during the startup of the pumps, grinders, sump pumps, etc. The Commissioning Operator Staff is available to help troubleshooting during commissioning, during RAT and to prepare OMAPs. The CONSULTANT services shall consist of a series of on-site visits to participate in the development of stable process/systems.

CONSULTANT shall witness the FAT and RAT and document any deviations from the prepared procedures, failures and anomalies during the testing, and report any activities negatively impacting the operation of the treatment facilities to OC SAN. CONSULTANT, at the request of OC SAN, shall assist with Performance Acceptance Testing (PAT) to confirm that the new facilities, modifications, and upgrades constructed and installed meet the project's process and performance design expectations.

PHASE 6 – CLOSEOUT

Closeout tasks include completion of punch list work by the Contractor, final inspection, completion of record drawings, and electronic data. CONSULTANT shall submit a final invoice at the completion of the project.

Task 6.1 – Final Inspection and Punch Lists

CONSULTANT's construction coordinator shall attend the final inspection job walk with the Contractor and OC SAN staff. CONSULTANT shall make recommendations on the completion of the work including, but not limited to, completion of punch list items, site cleanup, leakage, and overall system operations. Each engineering discipline will be involved in the final inspection job walk. The final inspection will be prior to OC SAN beneficial occupancy.

CONSULTANT shall assist OC SAN in developing punch lists of items required to be completed prior to final acceptance of the project by OC SAN.

Task 6.2 – Record Drawings

When requested by OC SAN, the CONSULTANT shall attend preliminary as-built meetings with OC SAN and the Contractor and shall inspect the Contractor's as-built drawings to verify that the Contractor has included all relevant information from approved change orders and RFIs. As part of the review process, the CONSULTANT shall verify that the Contractor's as-built drawings correctly reflects the information included in the approved shop drawings, RFIs, approved FCOs, plan clarifications, plan changes, and other deviations from the Contract Drawings and that the information in the set is complete. CONSULTANT shall allow for four meetings/visits per year to review the Contractor's as-built drawings.

At the time that OC SAN takes beneficial occupancy of each facility, CONSULTANT shall provide CAD as-built drawings of Single-Line and P&ID.

After Final Completion of the project, OC SAN will transmit to the CONSULTANT the final as-built drawings. At that time, the CONSULTANT shall meet with OC SAN's inspectors and Resident Engineer to review the Contractor's final as-built drawings.

Four weeks after receipt of as-builts, CONSULTANT shall prepare Draft Record Drawings based on the final as-built drawings for all drawings in accordance with the requirements in the CAD Manual. CONSULTANT shall submit the Draft Record Drawings to the OC SAN Resident Engineer.

The Draft Record Drawings will be reviewed for content and CAD compliance by OC SAN staff. A comment log will be returned to the CONSULTANT and, if any comments are generated, the CONSULTANT shall revise the Record Drawings and resubmit to the Resident Engineer for review of the changes and acceptance of the Record Drawings.

When no additional comments are identified, CONSULTANT shall prepare the Final Record Drawings and submit them along with the Contractor's field markup set to the Project Manager. All record drawings shall contain a stamp indicating:

"Record Drawings

These record drawings have been prepared based on information provided by others. The Engineer has not verified the accuracy of this information and shall not be responsible for any errors or omissions which may be herein as a result."

The stamp shall optimally be placed in the bottom right-hand corner of the border and may be included via x-ref. If importing the stamp via x-ref interferes with content in the bottom right-hand corner, the stamp may also be placed in other open space along the bottom of the border. In addition, a note shall be placed over the engineer's seal stating that "This drawing was originally approved for construction by [name of engineer] on [date] and sealed by [name of engineer] a licensed professional engineer in the State of California No. [License number] ". CONSULTANT shall submit an electronic copy of the record drawings to OC SAN for review and approval. The acceptance of the record drawings shall be deemed a condition for completion of work.

Contractor-generated drawings described in the Design Guidelines and the shop drawings will not be updated by CONSULTANT.

The format and quantities for delivery of the submittals shall be listed below:

Contents	Draft Record Drawings	Final Record Drawings
Hard Copy Sets	2 sets of bound 11x17 prints	None
All related electronic files, including CAD and compiled PDFs	Transmit electronically via OneDrive	Transmit electronically via OneDrive

Task 6.3 – Project Management

CONSULTANT shall also include project management support labor hours related to closeout activities per requirements stated in Phase 4, Project Management Task.

IV. STAFF ASSISTANCE

OC SAN staff member or designee assigned to work with CONSULTANT on the construction phase of this project is Rich Leon at (714) 593-7732, e-mail to: rleon@ocsan.gov.

V. QUANTITATIVE ASSUMPTIONS

The assumptions listed in the following table below shall be the basis for the assumed level of effort.

Task	Description	Assumption
4.1	Project Management	24 months duration from construction NTP to construction completion
4.2	Initial Project Meetings	2 people per meeting
4.3	Submittals	50 original submittals 30 resubmittals
4.4	Requests for Information	100 RFIs
4.5	Design Changes	80 labor hours
4.5	Cost Estimating for Design Changes	20 labor hours
4.6	Construction Progress Meetings & Site Visits (not including meetings specified in Task 4.2)	24 person-visits
6.1	Final Inspection and Punch Lists	2 person-visits
6.2	Record Drawings	Each plan sheet and each detail sheet
6.3	Project Management	3 months duration

File #: 2023-2848

Agenda Date: 5/3/2023

Agenda Item No: 11.

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

SUBJECT:

HEADQUARTERS COMPLEX AT PLANT NO. 1, PROJECT NO. P1-128A - QUARTERLY UPDATE

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Item.

BACKGROUND

Project No. P1-128A, Headquarters Complex, will construct a new Headquarters Building on the north side of Ellis Avenue to house administrative and engineering staff. The Headquarters Complex will also include a Board Room and a pedestrian/utility bridge over Ellis Avenue to Plant No. 1.

Construction started in July 2021 and completion is scheduled for December 2023. Staff will present an update on the construction progress.

RELEVANT STANDARDS

- Provide a safe and collegial workplace
- Ensure the public's money is wisely spent
- Comply with current Building Codes

ATTACHMENT

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

- Presentation

Headquarters Complex at Plant No. 1

Project No. P1-128A

Presented by:
Mike Dorman
*Acting Director
 of Engineering*

*Operations
 Committee*
May 3, 2023

Quarterly Update



1

Project Site



Headquarters
Complex

Administration
Building

2

2

Site Plan



3

3

Main Entrance



4

4

Lobby Entrance



5

5

Employee Workspace



Chilled Beam

Office/Open Workstation Area

6

6

Last Update and Now



7

7

Since Last Update

- Bridge foundation work at Plant No. 1 commenced
- Curtain wall install – window panels
- Building 5 demolition
- Roof work
- HVAC



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Upcoming Activities

- Interior and exterior framing ongoing
- Begin bridge construction



Pedestrian sky bridge over Ellis Avenue connects to Plant No. 1

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Other Procurement Status

Activity	Complete	Comments
IT network equipment procurement	✓	Dec 2022 Admin
Move management consultant hired	✓	Dec 2022 Admin
Furnishings, fixtures and equipment purchase order contract awarded	✓	April 2023 Ops
Audiovisual equipment bidding	✓	May 2023 Ops
Audiovisual installation procurement		July 2023 Ops

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Project Status

Budget

Original Approved Contract	\$102,544,973	
6 Approved Change Orders	\$1,086,209	(\$4,041,040 Remaining)
Total Current Approved Contract	\$103,768,307	
 Amount Invoiced	 \$61,822,976	 (60% of Total)

Schedule

- 72% of contract elapsed
- Final Completion: December 4, 2023 (contract)

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Live Camera Feed

www.ocsan.gov/Headquarters

One-time registration to view camera footage

The screenshot shows the OC SAN website with the following content:

- Header:** OC SAN ORANGE COUNTY SANITATION DISTRICT. Navigation links: Home, Board Agendas, Jobs, Report a Problem, Sewer Fees, Contact Us. Search bar.
- Menu:** SERVICES, BUSINESSES, RESIDENTS, EDUCATION, ABOUT US, I WANT TO...
- Breadcrumbs:** Home » Construction Program/Business » Current Construction » Fountain Valley Water Treatment Plant
- Page Title:** Headquarters Administration Building Project
- Project Description:** This project will construct a new administrative headquarters building in the City of Fountain Valley. The project includes a 3-story office building, surface parking, and pedestrian bridge on Ellis Avenue to the OC San Plant No. 1 facility.
- Map:** A map showing the project location in Fountain Valley, CA.
- More Information:**
 - Construction Hotline: (714) 378-2965, ConstructionHotline@ocsan.gov
 - Social Media: @OCSanDistrict
 - Construction Schedule: Summer 2021 - Late 2023
 - Construction Budget: \$103.5 million
- Live Camera Feed:** A section with a red circle around it, containing a video player and a link to register for access to view the feed.
- Notifications:**
 - Mar 2022 - Ellis Avenue right work
 - Jul 2022 - Start of construction
 - November 3, 2019 - Notice distributed to affected businesses on Boulevard

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Questions





OPERATIONS COMMITTEE

Agenda Report

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

File #: 2023-2763

Agenda Date: 5/3/2023

Agenda Item No: 12.

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

SUBJECT:

CAPITAL IMPROVEMENT PROGRAM PROPOSED BUDGET FOR FY 2023-24

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Item.

BACKGROUND

Staff will present the proposed Capital Improvement Program (CIP) Budget to be included in the upcoming Fiscal Year 2023-24 budget book update.

RELEVANT STANDARDS

- Protect OC San assets
- Ensure the public's money is wisely spent

ATTACHMENT

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

- Presentation

JF:op

Capital Improvement Program (CIP) FY 2023-24 Budget Update

Presented by:
Justin Fenton
Engineering
Manager

Operations
Committee
May 3, 2023

OC SAN
ORANGE COUNTY SANITATION DISTRICT

1

CIP Budget Book Overview

2022-23 & 2023-24 Budget

Orange County Sanitation District Consolidated Cash Flow Projections

Ref	Description	Preliminary 22-23	Preliminary 23-24	Preliminary 24-25	Preliminary 25-26
Revenues:					
1	General User Fees	308,534,310	319,687,358	331,833,970	344,050,358
2	Permitted User Fees	12,500,918	12,897,197	13,329,000	13,761,000
3	IRWD Assessments	14,502,872	16,358,057	15,147,000	15,965,000
4	SAWPA Assessments	3,018,000	3,138,000	3,232,000	3,329,000
5	Property Taxes	109,776,020	112,081,316	115,444,000	118,907,000
6	New COP Issues	-	-	-	-
7	Interest Revenues	14,504,000	13,725,000	12,846,000	12,145,000
8	Capital Facilities Capacity Charges	17,923,749	18,533,000	19,623,000	19,779,000
9	Other Revenues	34,865,635	29,629,718	16,210,000	16,519,000
10	Revenues	515,425,504	526,049,646	527,664,970	544,455,358
Requirements:					
11	Oper & Mce Exp (3.0% yr)	201,144,702	209,891,777	216,189,000	222,675,000
12	Capital Improvement Program (CIP)	284,617,365	329,320,429	311,961,000	321,793,000
13	Less: CIP Savings & Deferrals	(16,449,864)	(24,012,792)	(32,206,601)	(26,986,247)
14	Allocation for Future Rehabilitation	-	10,000,000	2,157,931	5,876,342
15	COP Debt Service	68,568,134	68,611,384	68,572,000	68,626,000
16	Reduction of Long-Term Liabilities	-	-	-	-
17	Other Requirements	7,190,000	7,350,000	3,850,000	3,850,000
18	Requirements	545,070,337	601,160,798	570,523,330	595,834,095

Ref: FY 2022-23 & 23-24 Budget, Section 4

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FY 2023-24 Budget Update

Board Presentations:

February – Budget Assumptions, Insurance Overview

March – Revenue, Reserves

April – Operational Expenditures

May – Capital Improvement Program

June – Board adopts FY 2023-24 Budget Update

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Capital Improvement Program (CIP)

The CIP includes all costs to plan, design, and construct capital facilities based on 4 key drivers:

- ***Additional Capacity***
- ***Regulations***
- ***Strategic Initiatives***
- ***Rehabilitation & Replacement***



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CIP – General Information

OC San's current CIP includes:

- ~\$4.3 Billion of Board Authorization
- 95 active projects that total over \$3.04 Billion

Project	Project Name	Status	Budget
P2-128	TPAD Digester Facility at Plant No.2	05-Design	\$421,800,000
P1-105	Headworks Rehabilitation at Plant 1	07-Construction	\$340,000,000
P1-140	Activated Sludge-1 and Secondary Clarifier Rehabilitation	03-Project Develop.	\$280,000,000
P1-126	Primary Sedimentation Basins No. 3-5 Replacement at Plant No. 1	04-Preliminary Des.	\$183,000,000
J-124	Digester Gas Facilities Replacement	05-Design	\$173,000,000
P2-98A	A-Side Primary Clarifiers Replacement at Plant 2	07-Construction	\$165,890,806
P1-128A	Headquarters Complex at Plant No. 1	07-Construction	\$164,318,715
J-117B	Outfall Low Flow Pump Station	07-Construction	\$135,386,171
S-67	Bay Bridge Pump Station Replacement	05-Design	\$105,397,078
3-67	Seal Beach Pump Station Replacement	05-Design	\$100,000,000
P2-138	Operations and Maintenance Facility Improvements at Plant No. 2	04-Preliminary Des.	\$84,000,000
P2-136	Activated Sludge Aeration Basin Rehabilitation at Plant No. 2	03-Project Develop.	\$65,600,000
J-137	120-inch Ocean Outfall Rehabilitation	03-Project Develop.	\$64,968,000
PS21-08	Pure Oxygen Activated Sludge Operations Study at Plant No. 2	03-Project Develop.	\$360,000
PS21-01	Exterior Lighting Study at Plant Nos. 1 and 2	03-Project Develop.	\$345,533
RE20-02	Chemical Resilience Study at Plant No.1 and 2	05-Design	\$329,996
PS22-02	Onsite Oxygen Generation Feasibility Study at Plant No. 2	03-Project Develop.	\$295,000
FE21-01	Plasma Cutting Fume Extractor Installation at Plant No. 1 Rebuild Shop	05-Design	\$277,000
FE21-04	Thickening and Dewatering Facility Handrail Installation at Plant No. 1	05-Design	\$230,000
PS21-10	Sidestream Nitrogen Management	03-Project Develop.	\$211,000
RE20-06	Co-Thickened Sludge Pump Trial at Plant No. 1	03-Project Develop.	\$160,000
PS21-07	Process Simulation Model Development for Gen Gen Facilities	03-Project Develop.	\$121,000
PS22-03	CEQA/MMRP Measures Review	03-Project Develop.	\$40,000
			\$3,040,510,738

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FY 2022-23 CIP Activities

**New Design
Contracts**

7

Totaling \$33 M



**New Construction
Contracts**

17

Totaling \$108 M



6

6

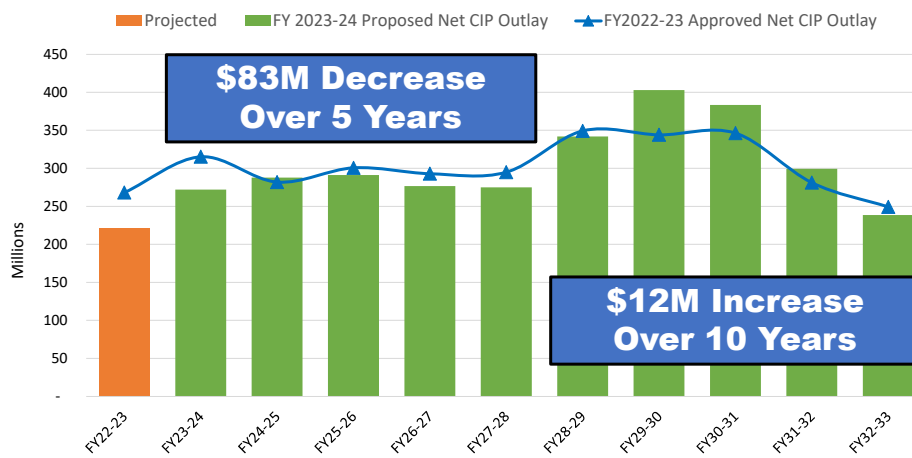
FY 2022-23 CIP Performance

Performance Measure	Goal	Current Projection
Net CIP Outlay	85% - 105% (\$228M-\$282M)	82%
Non-Construction Cost (% of Construction Costs)	< 37.5%	34%
Cumulative Change Order Rate	< 5.0%	5.8%

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10-Year Net CIP Outlay: \$3.07B



Ref: FY 2022-23 & 23-24 Budget, Section 4

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Total CIP Budget Authority

Total CIP Budget Authority	Budget
FY 23-24 Proposed Total CIP Budget Authority	\$4.615 billion
FY 22-23 Approved Total CIP Budget Authority	\$4.290 billion
Net Increase	\$325 million (0.7%)

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Total CIP Budget Authority

Net Change	\$325 million	
Proposed New Projects	\$105 million	} \$375M ↑
Proposed Project Budget Increases	\$270 million	
Proposed Project Budget Decreases	-\$45 million	} -\$50M ↓
Proposed Project Cancellations/Closures	-\$5 million	

Ref: FY 2022-23 & 23-24 Budget, Section 8

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New Projects

Project No.	Project Name	Proposed Budget	Start Date
11-35	Bolsa Chica / Edinger / Springdale Trunk Sewer Rehabilitation	\$18 M	2025
7-70	Chapman – El Modena – Panorama Heights Trunk Sewer Rehabilitation	\$13 M	2024
J-138	Central Generation Facilities and OOBs Seismic Upgrades	\$17 M	2024
P1-142	Trickling Filter Rehabilitation at Plant No. 1	\$58 M	2023

Ref: FY 2022-23 & 23-24 Budget, Section 8

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Top Budget Increases

Project	Proposed Increase	Proposed Budget
P2-128 TPAD Digester Facility at Plant No.2	\$113 M	\$588 M
3-67 Seal Beach Pump Station Replacement	\$28 M	\$115 M
5-67 Bay Bridge Pump Station Replacement	\$22 M	\$128 M
J-137 120-inch Ocean Outfall Rehabilitation	\$17 M	\$82 M
J-124 Digester Gas Facilities Replacement	\$17 M	\$190 M
P2-129 Digester P, Q, R, and S Replacement	\$16 M	\$187 M
7-65 Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation	\$11 M	\$56 M

Ref: FY 2022-23 & 23-24 Budget, Section 8

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Top Budget Decreases

Project	Proposed Decrease	Proposed Budget
3-60 Knott – Miller Holder Artesia Branch Rehabilitation	\$12 M	\$17 M
P2-119 Central Generation Rehabilitation at Plant No. 2	\$7 M	\$46 M
3-64 Rehabilitation of Western Regional Sewers	\$7 M	\$94 M
2-78 Santa Ana Canyon South River Trunk Rehabilitation	\$6 M	\$10 M
P1-141 Administrative Facilities Demolition	\$5 M	\$4 M

Ref: FY 2022-23 & 23-24 Budget, Section 8

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Potential Future Budget Risks

Cost Escalation & Market Volatility



Current Projects

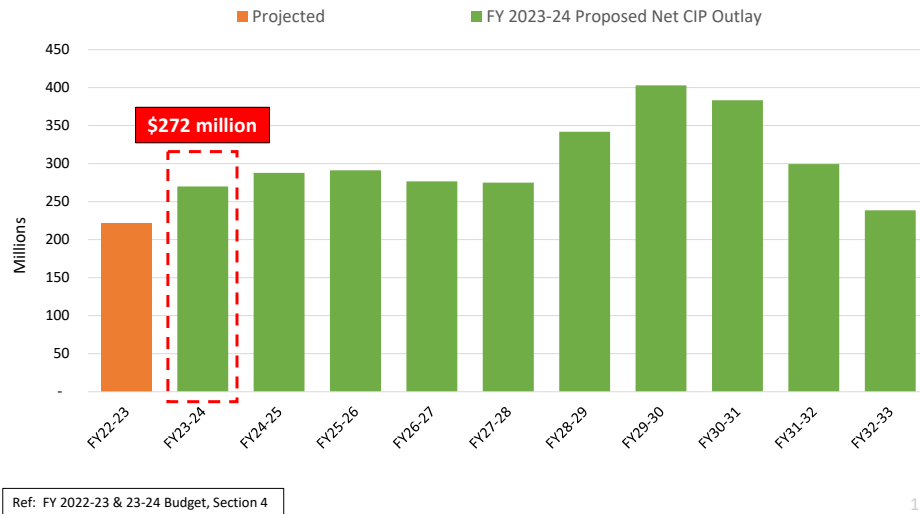
Project	Phase
P2-137 Digesters Rehabilitation at Plant No. 2	PDR
11-33 Edinger Pump Station Replacement	PDR
J-124 Digester Gas Facilities Replacement	Design
1-24 Greenville Trunk Improvements	PDR
P1-126 Primary Sedimentation Basins 3-5 Replacement at Plant No. 1	PDR
P1-140 Activated Sludge 1 and Secondary Clarifier Rehabilitation at Plant No. 1	PDR
Laboratory Replacement at Plant No. 1	To Start

PDR = Preliminary Design Review

14

14

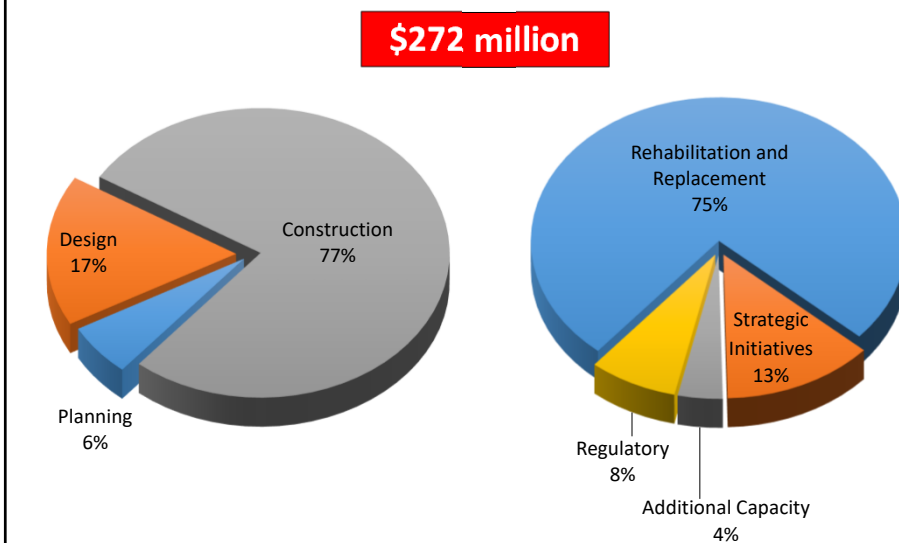
10-Year Net CIP Outlay: \$3.07B



15

15

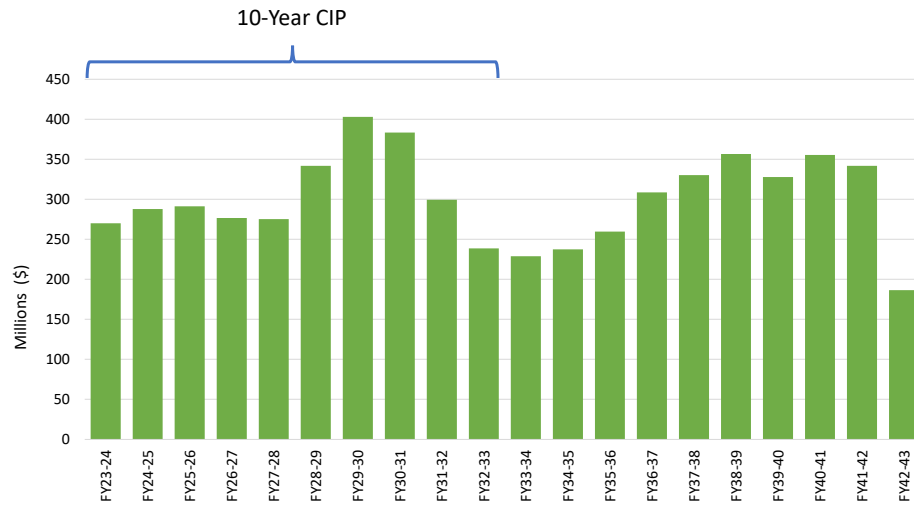
Projected FY 2023-24 Net CIP Outlay



16

16

20-Year Net CIP Outlay: \$6 Billion

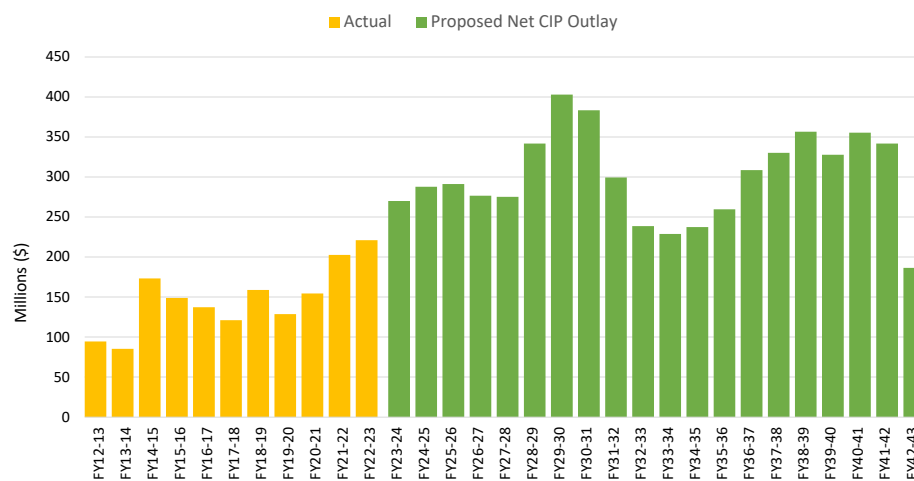


Ref: FY 2022-23 & 23-24 Budget, Section 4

17

17

Annual CIP Outlay – Next 20 Years



Ref: FY 2022-23 & 23-24 Budget, Section 4

18

18

Questions





OPERATIONS COMMITTEE

Agenda Report

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

File #: 2023-2890

Agenda Date: 5/3/2023

Agenda Item No: 13.

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

SUBJECT:

PROPOSED CHANGES TO THE PURCHASING ORDINANCE NO. OC SAN-56

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Item.

BACKGROUND

Staff will provide an informational presentation on options and recommendations for the proposed updates to Ordinance No. OC SAN-56.

The proposed Ordinance updates will be presented for consideration and adoption at the May and June 2023 Board of Directors meetings.

RELEVANT STANDARDS

- Build brand, trust, and support with policy makers and community leaders
- Ensure the public's money is wisely spent

ATTACHMENT

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

N/A



OPERATIONS COMMITTEE

Agenda Report

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

File #: 2023-2937

Agenda Date: 5/3/2023

Agenda Item No: 14.

FROM: Robert Thompson, General Manager

SUBJECT:

STRATEGIC PLANNING LEVELS OF SERVICE

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Item.

BACKGROUND

The Orange County Sanitation District's (OC San) Strategic Plan consists of various elements including the Levels of Service (LOS). OC San's LOS are the commitments made to our rate payers, regulators, employees, and the Board of Directors on our operational efforts. The LOS were updated in 2021 and were designed to better align with the Strategic Plan and showcase how the initiatives are being implemented and monitored. The LOS consist of four categories which coincide with the Strategic Plan policy areas: Environmental Stewardship, Wastewater Management, Business Principles, and Workplace Environment.

Environmental Stewardship	Levels of Service
OC San will protect public health and the environment.	
• Compliance with Ocean Discharge Permit	100%
• Dry weather urban runoff collected and treated	Up to 10 MGD
• Major non-conformance audit findings	<5 per permit per audit
• Respond to corrective actions within regulatory timeline for air, solids, and water compliance audits	100%
• Comply with Fleet Air Emission Regulations	100%
• Number of odor complaints under normal operations	< 5 per event per treatment plant < 12 per event for the collection system
• Sanitary Sewer Spills per 100 miles	<2.1
• Compliance with core industrial pretreatment requirements	100%
OC San's effluent, solids and biogas will be recycled.	
• Provide specification effluent to GWRS	100%
• Beneficially reuse biosolids during normal operations	100%

Wastewater Management	
OC San will be a good neighbor and will be responsive to its customers.	
• Respond to collection system spills within 1 hour of notification	100%
• Respond to odor complaints	Within 1 hour in plants Within 24 hours in collections
• Respond to public complaints or inquiries regarding construction within 24 hours	100%
• Respond to biosolids contractor violations within one week of violation notice	100%
• Respond to Public Records Act requests within the statutory requirements	<=10 days
• Dig alert response within 48 hours	100%
OC San will manage its assets to ensure reliability and security.	
• Cybersecurity event monitoring and incident handling, percent successful	>87%
• Annual real property assessments/inspections	25%
• Annual Inspection, documentation, and evaluation of collection system	70 miles of sewers 880 manholes

Business Principles	
OC San will exercise sound financial management.	
• Annual user fees sufficient to cover 100% of O&M Budget	100%
• Collection, treatment, and disposal costs per million gallons	Within 10% of budget
• Maintain Credit Rating (Moody's, Fitch, S&P)	AAA

Workplace Environment	
OC San will provide a safe, productive workplace.	
• Employee injury incident rate per 100 employees	<4.4
• Annual days away from work, restricted activity, or job transfer resulting from a work-related injury	<2.5
• Annual training hours per employee	45

Each quarter, a selection of the LOS's is reported in the General Manager's Monthly Report, providing a high-level overview of OC San's performance.

RELEVANT STANDARDS

- Build brand, trust, and support with policy makers and community leaders
- Make it easy for people to understand OC San's roles and value to the community

PROBLEM

The Strategic Plan needs to be updated to ensure its relevancy.

PROPOSED SOLUTION

Solicit and incorporate the Board of Directors' input in the development of the proposed Strategic Plan documents.

PRIOR COMMITTEE/BOARD ACTIONS

November 2021 - Adopted the OC San Strategic Plan 2021.

ADDITIONAL INFORMATION

The adopted Strategic Plan will be the basis of Fiscal Year 2024-25 and 2025-26 budget development and for the General Manager's Fiscal Year 2024-25 Work Plan. Attached to this report is the General Manager's Fiscal Year 2022-2023 Work Plan for illustration purposes.

CEQA

N/A

ATTACHMENT

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

- OC San Strategic Plan 2021
- General Manager's Fiscal Year 2022-2023 Work Plan
- Presentation

ORANGE COUNTY SANITATION DISTRICT

Strategic Plan '21





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Board of Directors

CITIES

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

AGENCIES

Costa Mesa Sanitary District
Midway City Sanitary District
Irvine Ranch Water District
Yorba Linda Water District
Member of the Board
of Supervisors

ACTIVE DIRECTOR

Stephen Faessel
Glenn Parker
Art Brown
Paulo Morales
Patrick Harper
Jesus J. Silva
Steve Jones
Kim Carr
Anthony Kuo
Rose Espinoza
Marshall Goodman
Mark Chirco
Brad Avery
Kim Nichols
Chad Wanke
Johnathan Ryan Hernandez
Sandra Massa-Lavitt
David Shawver
Ryan Gallagher
Chad Zimmerman

Robert Ooten
Andrew Nguyen
John Withers
Brooke Jones

Doug Chaffee

ALTERNATE DIRECTOR

Jose Diaz
Steven Vargas
Connor Traut
Anne Hertz
Glenn Grandis
Nick Dunlap
John O'Neill
Dan Kalmick
Farrah N. Khan
Jose Medrano
Nitesh Patel
Ron Bates
Joy Brenner
Chip Monaco
Ward Smith
Nelida Mendoza
Schelly Sustarsic
Carol Warren
Austin Lumbard
Robert Collacott

Art Perry
Sergio Contreras
Douglas Reinhart
Phil Hawkins

Donald P. Wagner

Message from the GM

The Orange County Sanitation District's (OC San) resilience and preparedness have been clearly demonstrated over the past year and a half as we continued to deliver our mission to protect public health and the environment, while also planning for the future.

Working through the COVID-19 pandemic, we continued to move forward, making progress on the strategies set by our Board of Directors in our previous Strategic Plans. We even adopted a new logo and name that is reflective of our innovation and culture, changing from OCSD to OC San.

This Strategic Plan, which sets the course for our agency for the next few years, is the result of a Board of Directors-driven planning process. The plan is reviewed and updated every two years to verify and validate whether the issues, policies, and initiatives are still relevant and appropriate. This year's update coincided with the addition of eleven new Board Members.

While it may have seemed like inopportune timing to update a plan of this nature, it was actually a great opportunity. The process allowed the new members to become engaged in the important strategic issues facing OC San. This fresh set of eyes created greater clarity and validated the issues and topics being addressed. The Board's direct input into the Strategic Plan has also created organizational alignment ensuring that staff's efforts are in line with the Board's priorities.

I would like to thank our former Board Members for their vision and guidance that set the course we are on today, and our current Board for their trust and confidence giving us the opportunity to grow and excel as we strive to provide industry leading service.

Sincerely,



James D. Herberg
General Manager



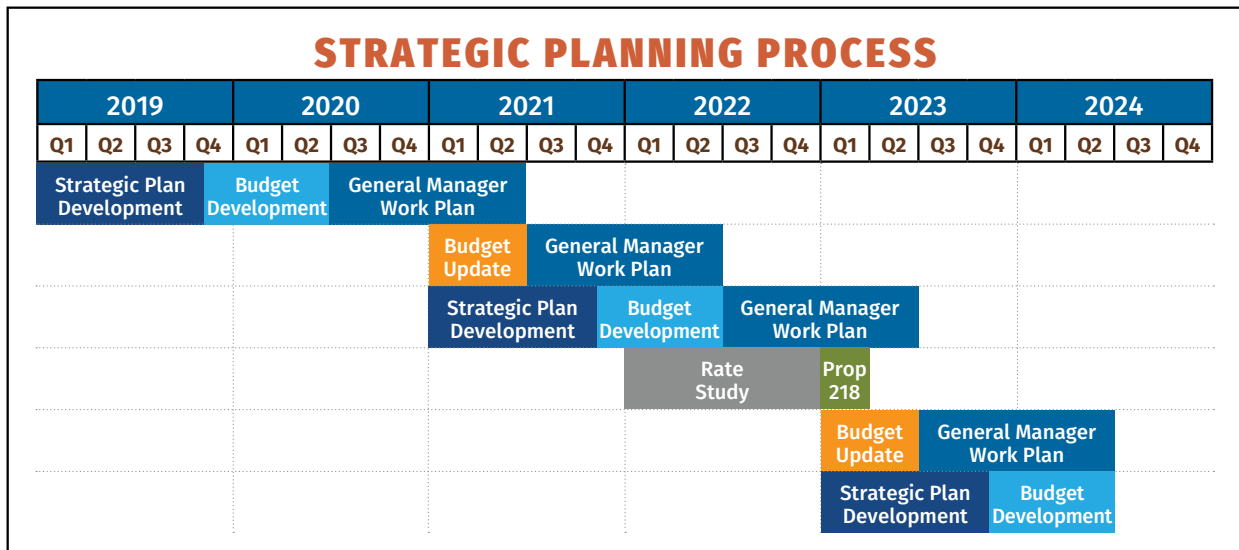
Strategic Plan Executive Summary

The Orange County Sanitation District (OC San) is a resource recovery agency focused on providing reliable and cost-effective public services. OC San uses a two-year, four-step management process that creates and maintains vision alignment between the Board of Directors, staff, and the public we serve. It all begins with a Strategic Plan developed by the Board and staff that provides guidance and direction for long-term financial, capital, and operational efforts.

Strategic planning is the first step to define OC San's ability to have people and assets in place to meet its agreed upon mission. The second step is budget development. The budget document lays out the tactical

planning and resource allocation based on the adopted Strategic Plan. The third step is budget execution which is the day in and day out delivery of services to the public we serve. The final step is reporting on our level of service delivery and goal attainment.

These four steps are repeated every two years to maintain alignment and adjust based on Board Member input, legal and regulatory changes, and the needs of the communities we serve. This management system is intended to carry on over the course of transitioning Board Members and staff to deliver resilient daily services and morph our facilities and systems over time to meet new challenges facing Orange County.



The policy areas from the 2019 Strategic Plan were evaluated and determined to be relevant today, slight modifications were made to address new findings or continue to advance the original goal with new initiatives. We are continuing with four broad categories with 15 policy areas that define our role in the wastewater environment for Orange County.

The areas are:

Business Principles

- Budget Control and Fiscal Discipline
- Asset Management
- Cybersecurity
- Property Management
- Organizational Advocacy and Outreach

Environmental Stewardship

- Energy Independence
- Climate and Catastrophic Event Resiliency
- Food Waste Treatment
- Water Reuse
- Environmental Water Quality, Stormwater Management and Urban Runoff

Wastewater Management

- Chemical Sustainability
- Biosolids Management
- Constituents of Emerging Concern

Workplace Environment

- Resilient Staffing
- Safety and Physical Security

Three workshops were held with the Board of Directors from February to April to introduce and present each area and the corresponding initiatives. Feedback and recommendations were made by the Board leading to revisions of some of the proposed initiatives for each area.

During these workshops, a fifteenth topic was introduced to reinforce the importance of

transparency and communication with our public. Organizational Advocacy and Outreach was added under the category of Business Principles. While OC San already has active communication efforts and programs in place, including it in the Strategic Plan emphasizes to our stakeholders the importance we place on keeping our community informed and involved.

Based on direction from the Board, the Strategic Plan policy papers were finalized and included in the appendix of this report. Each paper includes a policy statement, background information, the current situation, and initiatives to reach the policy goal.

The topics covered in this report will trickle down to supporting documents such as the Budget and General Manager's Work Plan. The work plan is where we will note measurable results on each goal and the supporting initiatives.

As part of the Strategic Plan, the agency's Core Values, and Levels of Service (LOS) were also updated to be reflective of the current status of OC San. The Core Values are intended to reflect and guide the culture practiced at OC San. Our LOS are our commitment to our various stakeholders; that includes the public, regulators, our Board, and our employees. As regulations change, technology advances, expectations change, so must our service to the public. Our LOS were updated to more closely align with the Strategic Plan. They reflect our promise to the public to protect public health and the environment by providing them with state-of-the-art service. OC San's Risk Register was also reviewed and updated to capture the appropriate areas of concern as well as our action plan to mitigate those risks.



Our Mission

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

Our Vision

ORANGE COUNTY SANITATION DISTRICT WILL BE A LEADER IN:

- Providing reliable, responsive, and affordable services in line with customer needs and expectations.
- Protecting public health and the environment utilizing all practical and effective means for wastewater, energy, and solids resource recovery.
- Continually seeking efficiencies to ensure that the public's money is wisely spent.
- Communicating our mission and strategies with those we serve and all other stakeholders.
- Partnering with others to benefit our customers, this region, and our industry.
- Creating the best possible workforce in terms of safety, productivity, customer service, and training.



Core Values

OC San's Core Values support the Mission and Vision Statements by expressing the values, beliefs, and philosophy that guides the agency's daily actions. They help form the framework of the organization and reinforce a professional work ethic. The Core Values were updated this year as part of the overall Strategic Plan update to reflect the agency and workforce we are today. These Core Values more accurately express the philosophy and practice of OC San's workforce.

Integrity, Inclusion, Honesty, and Respect

We aspire to the highest degree of integrity, inclusion, honesty, and respect in our interaction with each other, our suppliers, our customers, and our community. We strive to demonstrate these values in our actions, commitments, and service.

Leadership, Teamwork, and Problem Solving

We lead by example, acknowledging the value of our resources and using them wisely to achieve our mission. We strive to reach OC San goals through cooperative efforts and collaboration with each other and our constituencies. We work to solve problems in a creative, cost-effective, and safe manner, and we acknowledge team and individual efforts.

Customer Service, Transparency, and Accountability

We are committed to acting in a timely, accurate, accessible, and transparent manner through excellent customer service. We are committed to act in the best interest of our internal and external stakeholders.

Resiliency, Innovation, and Learning

We continuously develop ourselves, enhancing our talents, skills, and abilities. We recognize that only through personal growth and development will we progress as an agency and as individuals.

Safety

We are committed to providing a safe work environment. We will demonstrate leadership, promote individual accountability, and participate actively in the advancement of our health and safety practices.





Levels of Service

OC San's Levels of Service (LOS) are the commitment made to our rate payers, regulators, employees, and the Board of Directors on our operational efforts. The LOS have been updated from last year to better align with the Strategic Plan and showcase how the initiatives are being implemented and monitored.

ENVIRONMENTAL STEWARDSHIP	LEVELS OF SERVICE
OC San will protect public health and the environment.	
• Compliance with Ocean Discharge Permit	100%
• Dry weather urban runoff collected and treated	Up to 10 MGD
• Major non-conformance audit findings	<5 per permit per audit
• Respond to corrective actions within regulatory timeline for air, solids, and water compliance audits	100%
• Comply with Fleet Air Emission Regulations	100%
• Number of odor complaints under normal operations	< 5 events per treatment plant < 12 events for collection system
• Sanitary Sewer Spills per 100 miles	<2.1
• Compliance with core industrial pretreatment requirements	100%
OC San's effluent, solids and biogas will be recycled.	
• Provide specification effluent to Groundwater Replenishment System	100%
• Beneficially reuse biosolids during normal operations	100%
WASTEWATER MANAGEMENT	
OC San will be a good neighbor and will be responsive to its customers.	
• Respond to collection system spills within one hour of notification	100%
• Respond to odor complaints	Within 1 hour in plants Within 24 hours in collection system
• Respond to public complaints or inquiries regarding construction within 24 hours	100%
• Respond to biosolids contractor violations within one week of violation notice	100%
• Respond to Public Records Act requests within the statutory requirements	Within 10 days
• Dig alert response within 48 hours	100%

OC San will manage its assets to ensure reliability and security.	
• Cybersecurity event monitoring and incident handling, percent successful	>87%
• Annual real property assessments/inspections	25% of properties
• Annual Inspection, documentation, and evaluation of collection system	70 miles of sewers 880 manholes
BUSINESS PRINCIPLES	
OC San will exercise sound financial management.	
• Annual user fees sufficient to cover 100% of O&M Budget	100%
• Collection, treatment, and disposal costs per million gallons	Within 10% of budget
• Maintain Credit Rating* (Moody's, Fitch, S&P)	AAA
WORKPLACE ENVIRONMENT	
OC San will provide a safe, productive workplace.	
• Employee injury incident rate per 100 employees	<4.4
• Annual days away from work, restricted activity, or job transfer resulting from a work-related injury	<2.5
• Annual training hours per employee	45 hours

*As of 2021

Risk Register

The Risk Register is a biennial report that is prepared for management to use as a reference in the daily activities of OC San and in the preparation and support of the Strategic Plan and General Manager's Work Plan. It provides an overview, from an internal perspective, of OC San's risks as identified by the Executive Management Team and Managers.

The 2021 Risk Register was developed by conducting two types of analysis:

- Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis focusing on internal areas that OC San actions can directly impact.
- Political, Economic, Social, and Technology (PEST) Analysis recognizing outside influences that OC San needs to be aware of and may affect OC San operations.

The results from the analysis were further explored to identify possible solutions and level of priority and concern. Due to the nature of the information, specific details are limited to reduce OC San risk.

The risks fell across the board with many of the top concerns having to do with staffing and succession management, cybersecurity, supply chain issues, and operating concerns.

The opportunities included asset management, staffing and succession management, working with other agencies, and technology.

The information included in the 2021 Risk Register is a resource for management. It is part of an effort to maintain and improve the operation and status of OC San going forward.



Policy Areas

The Strategic Plan is broken down into four categories with 15 topic areas. Below are the policy statements and corresponding initiatives to achieve the goals of the plan. The complete policy papers can be found in the appendix.

BUSINESS PRINCIPLES

Budget Control and Fiscal Discipline **POLICY STATEMENT**

OC San will prudently manage the public funds that it collects. It will take a long-term planning approach to its facilities and rate setting that provides a stable setting program, prudent reserves, and pay-as-you-go philosophy for operating and replacement capital expenses.

Initiatives

- Maintain a stable and fiscally responsible financial plan that is based on long-term planning which supports stable rate setting and a pay-as-you-go philosophy for operating and replacement capital expenses.
- Maintain the current investment policy that prioritizes safety, liquidity and return on investment, in that order.
- Maintain a long-term debt program that will pay off all existing debt issuances by 2044 and avoid new debt to support existing facilities.
- Maintain all Post Employment Benefit funding levels between 95% and 105% while minimizing and/or eliminating Unfunded Actuarially Accrued Liabilities.

Asset Management **POLICY STATEMENT**

OC San will assess and manage the collection system and treatment plant systems and assets to improve resilience and reliability while lowering lifecycle costs. This will be accomplished through adaptive operation, coordinated maintenance and condition assessment, and planned capital

investment. Staff will balance maintenance, refurbishment, and replacement strategies to maximize useful life, system availability and efficiency.

Initiatives

- Create an annual Asset Management Plan documenting the condition of the collection system and treatment plants, and upcoming maintenance or capital projects.
- Coordinate the efforts of operations, collections, mechanical maintenance, electrical maintenance, instrument maintenance and engineering through process teams to assure OC San's resources are focused on the high priority work functions.
- Maintain a 20-year forecast of all CIP projects needed to maintain or upgrade OC San's nearly \$11 billion in assets on a prioritized risk basis to establish rate structures.

Cybersecurity **POLICY STATEMENT**

OC San must maintain adequate cybersecurity (information technology security) techniques that protect computer assets, networks, programs, data, and industrial control equipment from unauthorized access or attacks that are aimed for exploitation.

Initiatives

- Conduct various tabletop exercises to determine the organization's ability to respond to a targeted cyberattack and to improve the quality of the response, should an attack occur.
- Evaluate, enhance, and monitor network security including activities to protect the usability, reliability, integrity, and safety of the network by developing Security Operations Center capabilities that support continuous monitoring and is responsible for the continuous threat protection process.

- Conduct a comprehensive third-party cybersecurity operations assessment (Red Team). A thorough Red Team engagement will expose vulnerabilities and risks regarding:

Technology — Networks, applications, routers, switches, appliances, etc.

People — Staff, independent contractors, departments, business partners, etc.

Physical — Offices, warehouses, substations, data centers, buildings, etc.

Property Management POLICY STATEMENT

OC San owns and operates assets throughout its service area located in property owned in fee, through easements, and in the public right-of-way. OC San will identify and protect all of its property rights to assure assets are not encumbered or encroached upon so that the facilities may be properly operated, maintained, upgraded, and replaced.

Initiatives

- Review property rights to identify encroachments or encumbrances that restrict operation, maintenance, inspection, or emergency repair access.
- Work with identified parties to remove encroachments or encumbrances.
- Consolidate real estate and property management activities to maximize its resources and effectiveness.
- Augment OC San resources with contracted specialized real estate services to limit the need for additional staffing.

Organizational Advocacy and Outreach POLICY STATEMENT

OC San will create and disseminate information to our stakeholders with an end goal to educate, inform, and garner support for the services provided thus allowing us to operate in a more efficient and effective manner. OC San will deliver messages that are accurate, transparent, and designed to foster

public trust and confidence. Additionally, following legislative oversight will ensure OC San's interests are explained and protected.

Initiatives

- Relaunch the Vendor Outreach Program with a focus on Orange County firms to enhance the competitive bidding opportunities for OC San. This effort will increase the number of vendor and contractors soliciting OC San projects thus expanding the pool and providing a greater variety of partners.
- Develop an outreach program for member agencies regarding inflow and infiltration issues within their sewer system. The program will aim to educate, inform, and reduce inflow and infiltration affecting the local and regional sewer system.
- Develop an educational display in the Headquarters building to illustrate OC San's reuse and recycling efforts in support of the environment and public health. Display to be revealed when new building is unveiled.
- Commemorate OC San's achievement of reusing 100 percent of the reclaimable flow upon completion of the Groundwater Replenishment System's Final Expansion. Celebrate the milestone and acknowledge the accomplishment with staff and stakeholders.
- Actively monitor and engage regulatory and legislative activity across California and Washington, D.C. And take appropriate action in support of or opposition to, legislative and regulatory initiatives affecting OC San and the wastewater industry. This includes using Monitoring and Analysis, Advocacy Days, Position letters and Funding Requests (as deemed suitable).

ENVIRONMENTAL STEWARDSHIP

Energy Independence **POLICY STATEMENT**

OC San will strive to be a net energy exporter. Electrical, thermal, and methane gas generation will be maximized. Energy utilization will be minimized using sound engineering and financial principles.

Initiatives

- Maximize the anaerobic digestion conversion of organics to methane through receipt of food waste and operational techniques.
- Investigate and install energy storage and photovoltaic systems where practical to achieve energy independence/resilience.
- Continue to support the conversion of biomethane into electricity and heat for process use. Improve systems as necessary to comply with air regulations.
- Pursue technology innovation to reduce energy use, reduce transportation energy impacts, and reduce greenhouse gas impacts.

Climate and Catastrophic Event Resilience Policy **POLICY STATEMENT**

OC San aims to design, maintain, and operate valuable wastewater assets that withstand or adapt to adverse conditions in a reasonable manner that is both cost-effective and sustainable for present and future generations. These adverse conditions include drought, heavy rains, flooding, sea level rise, earthquakes, tsunamis, extreme heat, wildfires, pandemic, and electrical grid interruptions.

Initiatives

- Complete an engineering study of the seismic vulnerabilities of the treatment plants. Incorporate necessary upgrades into future capital improvement projects.
- Complete the biannual high flow exercise to assure readiness for a high flow event.

Maintain a higher level of readiness October 15 through March 15 and in advance of predicted significant rain events.

Food Waste Treatment **POLICY STATEMENT**

The State of California limits the volume of organic waste that may be diverted to landfills. OC San will collaborate with the County of Orange, other local agencies, and waste haulers to find ways to beneficially reuse food waste, a type of organic waste, to assist cities in our service area in meeting their diversion requirements while increasing OC San's energy production.

Initiatives

- OC San will accept a preprocessed food waste slurry from contracted waste haulers that will be fed to existing anaerobic digesters. OC San will charge a tipping fee to offset its costs for capital construction, operations, handling, maintenance, and biosolids disposal.
- Design, build, and operate a food waste receiving station. Create a specification for food waste slurry and contract with solid waste haulers to receive and process food waste.

Water Reuse **POLICY STATEMENT**

OC San will seek to beneficially reuse all reclaimable water for potable, industrial, irrigation, and environmental uses.

Initiatives

- Support the completion of the final phase of the Groundwater Replenishment System and maximize reclaimable wastewater availability to the Orange County Water District.
- Support Green Acres project water production to provide reclaimed water for industrial and irrigation uses.

Environmental Water Quality, Stormwater Management and Urban Runoff

POLICY STATEMENT

OC San will collaborate with regional stakeholders to accept up to ten million gallons per day of dry weather urban runoff at no cost to the dischargers through its permit-based Dry Weather Urban Runoff Diversion Program (DWURD Program). The primary objective of the DWURD Program is to improve water quality in streams, rivers, and beaches in OC San's service area without adversely impacting OC San's occupational safety, collection and treatment systems, reuse initiatives, or permit compliance. Unauthorized discharge of urban runoff to OC San is strictly prohibited.

Initiatives

- Issue dry weather urban runoff connection permits to accept up to a total of ten million gallons per day of controlled discharge of dry weather urban runoff where existing conveyance capacity exists,

and the constituents within the flow will not adversely impact OC San.

- Safeguard OC San's sanitary sewer system against uncontrolled and unregulated discharge by supporting responsible industry practices for flow management and urban runoff pollutant reduction at the source. Utilize OC San's pretreatment expertise to support effective urban runoff best management practices and special purpose discharge requests among OC San's regional stakeholders.
- Conduct a comprehensive study of the feasible opportunities for cooperative projects for urban runoff diversions to OC San to improve water quality and increase water recycling by maximizing the useful capacity of local collection systems, OC San treatment systems, and OCWD recycling and recharge systems.
- Support responsible and practicable urban runoff management and reuse legislations and regulations.



WASTEWATER MANAGEMENT

Chemical Sustainability **POLICY STATEMENT**

OC San has a need to use chemicals in its treatment process to improve plant performance, reduce odor and corrosion potential, and meet its regulatory requirements. These commodity chemicals are provided by outside vendors through the purchasing process. Some of these chemicals are subject to price swings due to market condition changes such as energy cost impacts, raw material cost changes, commercial competition changes, and transportation cost volatility. OC San will identify chemicals key to its operation, investigate the market risks for those chemicals and devise strategies to mitigate identified risks to availability and pricing.

Initiative

- Reduce the exclusive reliance on particular chemicals and individual vendors to establish flexibility to utilize other chemicals/processes to accomplish operational objectives.

Biosolids Management **POLICY STATEMENT**

OC San will remain committed to a sustainable biosolids program and will beneficially reuse biosolids in accordance with Resolution No. OC San 13-03 and the 2017 Biosolids Master Plan.

Initiatives

- Proceed with implementation of new thermophilic biosolids facilities at Plant No. 2 to improve OC San's operational resiliency against seismic events while enhancing biosolids quality and marketability.
- Continue to explore biosolids thermal conversion technology for energy generation and destruction of persistent contaminants.
- Engage with local, state, and federal agencies to ensure that biosolids will continue to be safely and legally used as a soil amendment.
- Stay abreast of new biosolids management options, technologies, and biosolids recycling and renewable energy partnerships in Southern California, with



special emphasis on technologies that address the removal, sequestration, and destruction of contaminants of emerging concern.

Constituents of Emerging Concern **POLICY STATEMENT**

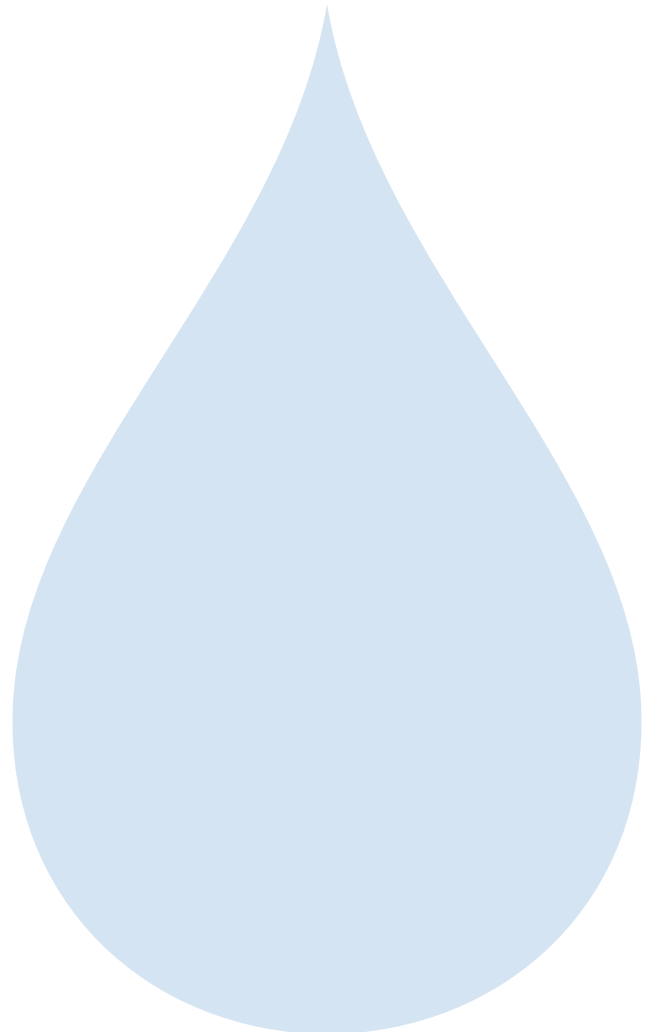
OC San will partner with other agencies, associations, and institutions to support the use of sound science to inform policy and regulatory decisions on constituents (or contaminants) of emerging concern (CECs) at the federal, state, and regional levels. Staff will obtain and maintain current knowledge on CECs under regulatory consideration, including occurrence, analytical methods, regulations, and treatment to support OC San's mission and regulatory compliance.

Initiatives

- Actively engage water and wastewater stakeholders to stay abreast of the scientific progress and any potential operational and financial impacts of CECs and provide timely briefings to OC San's Executive Management Team and Board of Directors to facilitate informed decision making.
- Develop capacity to identify, detect, quantify, and characterize CEC sources throughout the service area and treatment

process to promote source reduction, treatment effectiveness, communication of credible risks, and responsible reuse and disposal.

- Proactively establish internal expertise and develop laboratory capability to research the potential impact of CECs on beneficial reuse of water and biosolids.
OC San will use science-based knowledge to help shape CEC legislation and regulations to protect the public health and environment.
- In the absence of promulgated regulatory limits for specific CECs, OC San will work with regulatory agencies to establish interim source control measures to safeguard its water and biosolids reuse initiatives and ocean discharge against potential adverse impacts.



WORKPLACE ENVIRONMENT

Resilient Staffing **POLICY STATEMENT**

OC San will attract and retain high-quality talent to support its mission and continue to be an industry leader. It will safeguard leadership continuity and support effective performance of the organization by proactively monitoring the changing work environment and requirements to ensure employee development programs are relevant and facilitate building a skilled bench of readily available successors for key leadership and mission-critical positions.

Initiatives

- Maintain and enhance current employee development programs that are in place to provide the direction to identify, develop and select the next generation of prepared, capable, and engaged leaders, which include:
 - Vocational/Professional Student Internship Programs
 - Employee Development Programs
 - Workforce Vulnerability Assessments
 - Talent Readiness Assessments
 - Orange County Sanitation District University (OC San “U”)
- Continue to build the OC San “U” program and evaluate various options to partner with member agencies to share content and interactive development opportunities.
- Continue to build on the employee development opportunities to enhance organizational awareness and strengthening knowledge, skills, and abilities in the areas of OC San business systems, leadership, technology, and communication. Additionally, Human Resources will partner with other member agencies to provide and host training and development programs to foster collaboration and innovation.
- Conduct a Classification & Compensation study to ensure job classifications accurately depict the work being performed, to set

compensation levels accordingly, and stay abreast of market benefit and salary data.

Human Resources and the Board-approved Consultant will work with stakeholders to complete an organization-wide Classification & Compensation Study. It will incorporate feedback on survey agencies solicited from the Board over the past year and union feedback through meet and confer in upcoming labor negotiations.

Safety and Physical Security **POLICY STATEMENT**

OC San will ensure the safety and security of employees, contractors and visitors through standard practices, policies, and procedures that support a safe and secure environment, provide an appropriate level of security and safeguard OC San’s property and physical assets.

Initiatives

Safety

- Complete outstanding safety projects, improvements, and corrective actions to apply and obtain Cal/OSHA Voluntary Protection Program (VPP) status; and continue to foster a culture where employees are accountable for their safety as well as the safety of others.

Emergency Management

- Support facility and countywide emergency preparedness, response, and recovery efforts by partnering with entities, such as the Water Emergency Response Organization of Orange County (WEROC), Orange County Sheriff’s Department, and local fire departments to plan and continue to conduct disaster preparedness training and exercises.

Security

- Continually identify and assess vulnerabilities and implement solutions through the Security Committee and third-party assessments. Prevent/mitigate security breaches using physical security systems such as video monitoring, access control, and armed security patrols.



APPENDIX



Business Principles

Budget Control and Fiscal Discipline Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) will prudently manage the public funds that it collects. It will take a long-term planning approach to its facilities and rate setting that provides a stable setting program, prudent reserves, and pay-as-you-go philosophy for operating and replacement capital expenses.

Background

OC San's annual budget is approximately \$500 million. These funds support OC San's Operating, Capital, and Debt expenditures. OC San focuses its fiscal policy around three distinct areas, (1) Revenues, (2) Portfolio Management and (3) Debt Management and these areas are described in the Budget, Investment Policy and Debt Policy, all of which are updated annually.

Current Situation

1) Revenues

Most of OC San's revenue is generated by user fees and charges. Currently, OC San fees are in the lower third of its comparison agencies.

OC San's revenues come from three general areas: Fees and Charges (74%), Property Taxes (21%) and other smaller revenue sources (5%).

Fees and Charges: User fees are ongoing fees for services paid by Single Family and Multifamily customers connected to the sewer system. Also included in this category are Permit Fees (User fees paid by large industrial and commercial business owners connected to the sewer system and Capital Facility Capacity Charges (CFCC) (a one-time charge imposed at the time a newly constructed building or structure is connected to the OC San system. The OC San policy has been to focus on cost recovery while keeping fees as low as possible.

Property Taxes: OC San receives a share of the basic property tax levy proportionate to what was received in the 1976 to 1978 period less \$3.5 million allocated to school districts. These funds are dedicated to the payment of debt service.

Other Revenue: Other Revenue includes Interest Earnings, Intra-District Transfers, and small revenue sources.

2) Portfolio Management

The OC San Investment Policy is governed by three tenets:

- A. **Safety:** The safety and preservation of principal is the foremost objective of the investment program. Investments shall be selected in a manner that seeks to ensure the preservation of capital in the overall portfolio. This will be accomplished through a program of diversification and maturity limitations.
- B. **Liquidity:** The investment program will be administered in a manner that will ensure that sufficient funds are available for OC San to meet its reasonably anticipated operating expenditure needs.
- C. **Return on Investments:** OC San's investment portfolio will be structured and managed with the objective of achieving a rate of return throughout budgetary and economic cycles, commensurate with legal, safety, and liquidity considerations.

OC San's investments are separated into two distinct portfolios, Long-term and Short-term, with a primary focus on the Long-term portfolio.

The Long-term portfolio always focuses on four elements: duration, sector allocation, term structure, and security selection.

Duration

- Typically, OC San keeps the duration of a portfolio 'close' to the benchmark duration as we feel the benchmark duration is consistent with the risk tolerance of the strategy.
- The investment policy of OC San stipulates the average duration must not exceed 60 months and be within 80-120% of the benchmark.
- Historically, the deviation of the long-term portfolio versus the benchmark is close to 5%. Large deviations in the duration of the portfolio compared to the benchmark are an anomaly.

Sector Allocation

- OC San takes an active approach to asset allocation, differentiating our holdings versus the benchmark, with typically a modestly higher risk exposure compared to the benchmark.
- Some of the asset classes we find more attractive in the current investing environment include Corporate notes, Asset Backed Securities, and Treasury notes relative to the Agency and Supranational sectors.
- The sector allocation of the portfolio will evolve over time as our outlook for the various eligible investment options changes.

Term Structure

- OC San manages the term structure of the portfolio by focusing on either a bullet, ladder, or barbell structure, relative to the benchmark.
- For most of 2019, the structure was gravitating towards more of a bullet structure in light of the change in the yield curve, with short-term interest rates moving higher at a greater velocity than longer maturity securities.
- Currently, with the yield curve very flat, we are migrating back towards more of a barbell structure, with new purchases focused at the short and long end of the eligible maturity distribution. We also find the middle of the maturity distribution, near the three-year maturity point, to be the most expensive from an absolute and relative value perspective, further supporting the barbell structure.

Security Selection

- Within the Corporate and Asset Backed sector, the Chandler team focuses on adding stable to improving credits to be consistent with the overall investment objective of safety, liquidity, and return.
 - As a Corporate holding becomes more seasoned with a short maturity, it is often utilized as a 'source of funds' to facilitate new holdings in the portfolio.
 - Typically, Asset Backed securities are held to maturity, but in the event of a liquidity need and/or a deteriorating credit situation, we would look to reduce the exposure.

- OC San allocates to the Agency and Supranational asset classes when we find the spread over like maturity Treasury notes to be attractive.
 - Considering the lack of issuance in the Agency sector since the financial crisis, the relative value of the sector has become more challenging.
 - OC San has a core view that the Supranational Asset class should offer a modest spread concession to the Agency sector, and the team is typically active in the sector when the additional spread pick-up is compelling.
- Across all asset classes, OC San will remove exposure to a security that is faced with a deteriorating credit situation and/or trading at an irrational valuation where a swap into an alternative security will be beneficial to the portfolio over a reasonable investment time horizon.

3) Debt Management

Due to the magnitude of the capital improvement program, OC San has utilized a combination of user fees, property taxes and debt to meet its total obligations and maintain generational equity.

It is OC San's policy not to issue any new additional debt for any existing obligations. However, OC San will actively review opportunities to refinance existing debt where possible, provided the new refinancing results in a lower total cost and/or shortens the length of the obligations.

The primary debt financing mechanism used is Certificates of Participation (COP). COPs are a repayment obligation based on lease or installment sale agreements. As of July 1, 2020, the total outstanding COP indebtedness was \$940 million with a blended interest rate of 3.05%. It is anticipated that the debt will be paid off by 2044.

Initiatives to Support Progress Toward the Policy Goal

- Maintain a stable and fiscally responsible financial plan that is based on long-term planning which supports stable rate setting and a "pay-as-you-go" philosophy for operating and replacement capital expenses.
- Maintain the current investment policy that prioritizes safety, liquidity and return on investment, in that order.
- Maintain a long-term debt program that will pay off all existing debt issuances by 2044 and avoid new debt to support existing facilities.
- Maintain all Post Employment Benefit funding levels between 95% and 105% while minimizing and/or eliminating and Unfunded Actuarially Accrued Liabilities.



Asset Management Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) will assess and manage the collection system and treatment plant systems and assets to improve resilience and reliability while lowering lifecycle costs. This will be accomplished through adaptive operation, coordinated maintenance and condition assessment, and planned capital investment. Staff will balance maintenance, refurbishment, and replacement strategies to maximize useful life, system availability and efficiency.

Background

OC San is a regional governmental agency principally chartered to protect the public health through collection and treatment of wastewater. The governing Board of Directors has defined this role to include the recovery and utilization of resources from wastewater for the public good as a part of that mission. The environmental impact mitigation of the human activity of 2.6 million people and the natural drainage of the 471 square miles OC San serves is our principal concern.

OC San owns and operates extensive facilities to achieve its mission. OC San estimates the replacement value of the civil, mechanical, and electrical assets in its collection system, Plant No. 1 in Fountain Valley, and Plant No. 2 in Huntington Beach to be nearly \$11 billion. OC San has been building the piping, pumping, and treatment infrastructure it utilizes for more than 65 years. It is necessary to expand, renew, replace, demolish, and rebuild components of the system to deal with wear and tear and meet new challenges.

The early years for OC San were characterized mostly by capacity expansion to meet the challenges of increased flows as the county grew. The late 1970s to the 2000s were more defined by improved levels of treatment. The last ten years have been focused on increasing the level of resource reuse. One of the key success factors for OC San has been the ability to upgrade and repurpose its operating facilities to accomplish high levels of treatment and reuse.

Current Situation

OC San is a highly planned, forward-looking organization. The collection system and each of the treatment plants are broken down into granular functional parts. Each part is well defined and future requirements are estimated. OC San has a detailed understanding of what is owned, what condition it is in, and how it is capable of performing.

The collection system is made up of independent pipe networks that were installed by the former independent sanitation districts to deliver flow to the joint treatment works. Generally speaking, the natural watershed drainages in the service area are served by major trunk sewer systems. OC San has worked with member city and agency staff to understand future development plans, flow estimates, and has collected historical inflow and infiltration rates during wet weather events to assure adequate flow carrying capability exists in each trunk sewer system. OC San also factors in the effects of drought and lower domestic water usage rates to make sure the sewers operate properly at low-flow rates.

The treatment plants are broken down into the discrete process units that make up the whole. Each plant has a headworks unit that brings in flow and does preliminary treatment, a primary treatment unit which does gravity settling, multiple biological secondary treatment systems, solids handling and dewatering, power generation and distribution utilities, water and air

system utilities, and an outfall system to release treated water to the ocean. Each plant can treat 320 million gallons per day of wet weather flow, but only 185 million gallons total on average is treated. OC San must always maintain the ability to treat both the average flow and peak wet weather flow.

OC San understands that every asset has an expected life. Electrical systems are generally limited by component obsolescence to 20 years of life. Mechanical and coating systems are also generally limited by erosion, corrosion, and wear to 20 years of life. Civil structures and pipes are generally limited to 60 to 80 years of life if maintained on a regular basis.

With this in mind, OC San has created a Facilities Master Plan that plans to renew or replace facilities on this regular basis. Collection system projects are driven by growth projections or condition findings. Pipes are upsized or renewed based on flow projections, corrosion observation, coating system failure, or the ability to increase reclamation. The 15 regional pump stations are renewed on a more frequent basis due to the mechanical wear and tear and electrical component obsolescence needs, about every 25 years.

The master plan for the treatment plants is much more dynamic. In addition to the electrical, mechanical, and civil asset considerations, there is also the need to meet new requirements. The new requirements are driven by regulatory agencies or by the Board of Directors to change a discretionary level of service. Examples include: capacity demands (more water, more solids), lower discharge requirements (lower BOD/TSS to the outfall, lower nutrients to the ocean), more water for reclamation, better energy conversion of solids, and many more. The 2017 Facilities Master Plan took a snapshot in time looking at the anticipated needs and levels of service to lay out a detailed project plan to morph OC San infrastructure over time to meet the expectation. Renewal or replacement projects with costs and schedules were laid out for each individual unit of the treatment plants to address capacity, condition, level of service, and anticipated new regulatory drivers.

Future Policy Statement

OC San will continue to invest in the infrastructure necessary to meet its mission. OC San will seek to provide its required level of service at the minimum lifecycle cost for its collection and treatment systems. The 2017 Master Plan was the snapshot basis of the Capital Improvement Plan, but the Asset Management Plan is the means to update and modify the Capital Improvement Plan to meet new requirements and conditions as time goes by.

OC San will understand in a transparent way: what it owns, the condition of those assets, the capacity of collections and treatment required, the level of service required by its regulators and Board of Directors and will anticipate new regulations that may require system improvement. This understanding will drive coherent operations, targeted maintenance, and capital investment strategies to assure resilient, lowest lifecycle cost compliance with the requirements.

Operations is committed to optimizing the operation of the systems to extend equipment life and minimize energy and chemical utilization, while meeting all regulatory and level-of-service requirement. Maintenance is committed to maintain the installed assets in a ready state for operations. Maintenance will seek to balance individual component preventive maintenance, repair, and renewal in harmony with the Capital Improvement Program. The Capital Improvement Program is based on the Master Plan, modified by the annual Asset Management Plan, and will execute the projects to install, renew, or replace trunk sewers or treatment plant units on a scheduled basis.

Asset Management at OC San is the living management of the operation strategies, maintenance plans, and implementation of the Capital Improvement Program. OC San will find creative ways to maximize asset life or meet new capacity or level of service goals through operations and maintenance. OC San will annually reassess its condition, capacity, level of service, and regulatory conditions to drive operations and maintenance practices and modify the Capital Improvement Program projects.

Initiatives to Support Progress Toward the Policy Goal

- Create an annual Asset Management Plan documenting the condition of the collection system and treatment plants, and upcoming maintenance or capital projects.
- Coordinate the efforts of operations, collections, mechanical maintenance, electrical maintenance, instrument maintenance and engineering through process teams to assure OC San's resources are focused on the high priority work functions.
- Maintain a 20-year forecast of all CIP projects needed to maintain or upgrade OC San's nearly \$11 billion in assets on a prioritized risk basis to establish rate structures.



Cybersecurity Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) must maintain adequate cybersecurity (information technology security) techniques that protect computer assets, networks, programs, data, and industrial control equipment from unauthorized access or attacks that are aimed for exploitation.

Background

Developing an effective, sustainable cybersecurity program is a pressing challenge for organizations of all sizes. The reasons behind the scope of the challenge are many. Cyber risk continues to grow at an exponential rate with routine attacks from nation states, criminal elements, hacktivists, and insider threats. The bottom line is cybercrime pays. The booming cybercrime economy is productizing malware and making cybercrime as easy as shopping at Amazon. With this easy access to cybercriminal tools and services, enterprises are experiencing rapid increases in the volume, scale, and sophistication of cyberattacks. Complex and dynamic information security disciplines are subject to continuous changes in the business, technology, and threat environments. Many organizations will struggle to implement security programs that support continuous improvements in this challenging environment.

Current Situation

OC San has evolved over recent years from dedicating less than half of a position towards cybersecurity, to one position, to currently two full-time positions. OC San's cybersecurity portfolio consists of strategic policy management, defense in depth practices, periodic risk assessments, ongoing awareness communication and operational (e.g., security monitoring and incident response, threat and vulnerability management, user provisioning) processes. For example:

- **Cybersecurity Awareness and Training Program** - OC San understands that our employees are our best line of defense in protecting and defending our enterprise from attack. We have built a comprehensive security awareness program by focusing on four critical functions: phishing attack simulations and reporting, quarterly education requirements, targeted training for IT developers and SCADA engineers, and pervasive communications utilizing internal communication tools.
- **Vulnerability Management** - IT staff subscribe to and monitor security advisories and threat bulletins from Microsoft, US-CERT, ICS-CERT, KnowBe4, Cisco, and other vendors to understand and manage new vulnerabilities. All internet accessible servers and applications are scanned weekly for vulnerabilities and remediated, as necessary. Microsoft operating system and application patches are deployed monthly while third party updates are deployed weekly. We use a vulnerability platform for continuous assessment of our security and compliance posture.
- **Intrusion Detection and Response** - We have implemented several security solutions to be able to detect, prevent and respond to malicious network activity. These include firewalls, intrusion prevent systems, web security gateway, and next-generation anti-malware. In addition, we also have user behavior analysis tools to identify insider threats and ransomware activity.
- **Privileged Access Management Program** - We use a privileged access management solution to remove and manage local administrative rights on workstations/servers to prevent lateral

movement. The solution is also used to protect, control, and monitor privileged access across files and systems.

- **Backup and Restore Capabilities** — IT practices a 3-2-1 backup strategy:

- 3 – Keep three copies of critical data
- 2 – Have your data on two types of media
- 1 – One copy must be offsite and offline

Restores are performed on at least a weekly basis in response to customer incidents. Disaster Recovery Testing is performed monthly by selecting a major system and testing restore capabilities of that system to our secondary treatment facility, as well as our remote site. We sandbox the restores and provide access to our application subject matter experts to conduct application specific testing. These tests are logged and kept for auditing and management purposes.

- **Security Incident Response** — A security incident response plan is an organized approach to handle a cyberattack. We have developed an incident response plan, playbooks, and procedures for various attacks as well as trained IT security staff. In addition, there are external contacts we can call for assistance including the FBI, Department of Homeland Security and organizations that specialize in incident response like Mandiant, Cylance, and Microsoft.
- **Security Assessments** — The purpose of a security assessment is to identify the current security posture of a system, network, or organization. The assessment provides recommendations to improve the security posture by mitigating identified risks. Our goal is to do one or two security assessments per year.

Future Policy Statement

The main objective of our information security program is the establishment of a continuous, iterative regimen of planning, building, running, and governing security capabilities that are derived from business requirements. Our security program cannot be a static entity. It must be adapted and continuously refined to keep pace with the ever-changing threat environment and changes in how OC San adopts digital business practices. Cybersecurity incidents are inevitable. Mistakes and/or a lack of preparation in the response can have serious repercussions. The ability of an organization to respond effectively to a security incident is a direct result of the time spent preparing for such an eventuality. If you fail to prepare, then you effectively prepare to fail. OC San will be prepared. This will be accomplished by the following proposed initiatives.

Initiatives to Support Progress Toward the Policy Goal

- Conduct various tabletop exercises to determine the organization's ability to respond to a targeted cyberattack and to improve the quality of the response, should an attack occur.
- Evaluate, enhance, and monitor network security including activities to protect the usability, reliability, integrity, and safety of the network by developing Security Operations Center capabilities that support continuous monitoring and is responsible for the continuous threat protection process.
- Conduct a comprehensive third-party cybersecurity operations assessment (Red Team). A thorough Red Team engagement will expose vulnerabilities and risks regarding:
 - Technology — Networks, applications, routers, switches, appliances, etc.
 - People — Staff, independent contractors, departments, business partners, etc.
 - Physical — Offices, warehouses, substations, data centers, buildings, etc.



Property Management Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) owns and operates assets throughout our service area located in property owned in fee, through easements, and in the public right-of-way. OC San will identify and protect all of its property rights to assure that our assets are not encumbered or encroached upon so that the facilities may be properly operated, maintained, upgraded, and replaced.

Background

OC San owns and operates more than \$11 billion in assets. A portion of those assets include buildings, easements, rights-of-way, and other encroachments. OC San has recently sold and purchased property to support its efforts. OC San does not maintain expertise in the real estate discipline. Since these transactions are limited and not core to OC San, it has been determined that it is more cost effective to augment OC San resources with contracted specialized real estate services.

Current Situation

OC San manages its physical property and property rights. Additionally, it manages landscaping, building maintenance, security and building maintenance. OC San staff primarily manages these activities.

Future Policy Statement

OC San will effectively manage its assets and proactively research and maintain all encroachments, encumbrances, and easements. Many of these activities are not core to OC San's mission. When prudent, OC San will augment resources with contracted specialized real estate and property management services. Although OC San is not in the business of managing property as a revenue enhancement or core activity, it does own and operate millions in physical property and property rights.

Initiatives to Support Progress Toward the Policy Goal

- Review property rights to identify encroachments or encumbrances that restrict operation, maintenance, inspection, or emergency repair access.
- Work with identified parties to remove encroachments or encumbrances.
- Consolidate real estate and property management activities to maximize resources and effectiveness.
- Augment OC San resources with contracted specialized real estate services to limit the need for additional staffing.



Organizational Advocacy and Outreach Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) will create and disseminate information to our stakeholders with an end goal to educate, inform, and garner support for the services provided, thus allowing us to operate in a more efficient and effective manner. OC San will deliver messages that are accurate, transparent, and designed to foster public trust and confidence. Additionally, following legislative activity will ensure OC San's interests are explained and considered.

Background

OC San provides regional sewer service for 2.6 million people living, working, and commuting in central and northwest Orange County. The various stakeholders include over 600 employees, 50 local elected officials appointed to our Board of Directors, regulators, policy makers, and the public. It is critical for OC San to have a multi-pronged outreach program to reach the intended audiences and to gain support for OC San's mission.

OC San provides services and tools to effectively communicate about the various programs that help achieve its mission. These programs include:

- **Student Educational Outreach**

Promoting and educating the youth within our service area on OC San's mission and the essential services provided. Reaching out to students allows for future generations to be aware of the environmental impact we each make and what we can accomplish working together. This knowledge will help our future generations to take action and make positive changes. It also introduces them to an industry they may be unaware of as a career choice. We do this through programs such as Inside the Outdoors which goes directly into classrooms to teach the wastewater treatment process; school-based plant tours that give them an inside view into a treatment plant and how the system works; events such as the Youth Environmental Summit (YES) which provides an opportunity to reach thousands of local children in a short amount of time with clear and direct messaging; and contests such as the Public Service Announcement, which is an incentive for students to get involved in developing messages for environmental issues.

- **Infrastructure Outreach**

OC San has \$11 billion in infrastructure that must be designed, operated, maintained, replaced, and enhanced to continue providing the essential service of protecting public health and the environment. Forming a positive presence in the community prior to the start of construction projects or maintenance activities is imperative to build trust, understanding, and support for the necessary construction. This is done through an extensive outreach program that develops and implements communication tools, such as dedicated Community Liaisons, construction webpages, collateral material, and presentations, to engage the communities affected by OC San Construction projects. Over the next fiscal year about two dozen projects will be in construction with various degrees of public impacts.

- **Employee Engagement**

Open and honest communication with our employees creates a positive and trusting environment, thus resulting in a more engaged workforce and ambassadors for our

agency. OC San creates employee engagement by utilizing various communication methods to share agency-wide messages. A diverse toolkit of communication pieces allows messages to be delivered to over 600 staff with various professional backgrounds, work shifts, work locations, and access to online materials. This toolkit of communication pieces includes The San Box (intranet), *Pipeline* Newsletter, Digester (messaging piece), Three Things to Know email, etc.

- **Brand Recognition**

As an industry leader, OC San must ensure its brand and image are portrayed accurately and positively. A cohesive voice, message, look, and feel are critical to maintaining a positive public perception and the trust granted to us by the community we serve and the stakeholders we work with. To build and maintain a positive image, we engage in general outreach efforts such as plant tours; community newsletters; a Speakers Bureau Program (which allows us to go into the community and meet with various groups to inform them of who we are and what we do); an informative and educational website, an active social media presence; and the development of programs such as Wastewater 101 Academy which provides an opportunity to showcase OC San's operations and initiatives for our ratepayers, fellow agencies, and influential public.

- **Regulatory and Legislative Advocacy**

OC San also recognizes the need for an active regulatory and legislative advocacy program at the local, state, and federal levels to ensure that the interests of the rate payers and the Board of Directors are communicated, understood, and supported. Towards this end, the legislative and regulatory team actively monitors and engages officials across California and in Washington, D.C., and takes appropriate action in support of, or opposition to, legislative and regulatory initiatives.

Current Situation

OC San is an industry leader involved in innovative and significant programs. However, it is most often seen as a silent utility due to its consistent attainment of its mission. News coverage for a wastewater resource recovery agency is most often about a mission failure. People tend not to think about their wastewater or where it goes until a beach is closed or a spill occurs.

In addition, OC San has no direct connection to its rate payers. User fees are paid via property tax bills thus eliminating an opportunity to reach our customers directly. This ultimately results in a limited understanding of OC San, what we do, and the important service provided to the community.

To that extent, OC San's outreach efforts are imperative to positively inform and educate the public we serve about the value we provide, including policy makers and regulators.

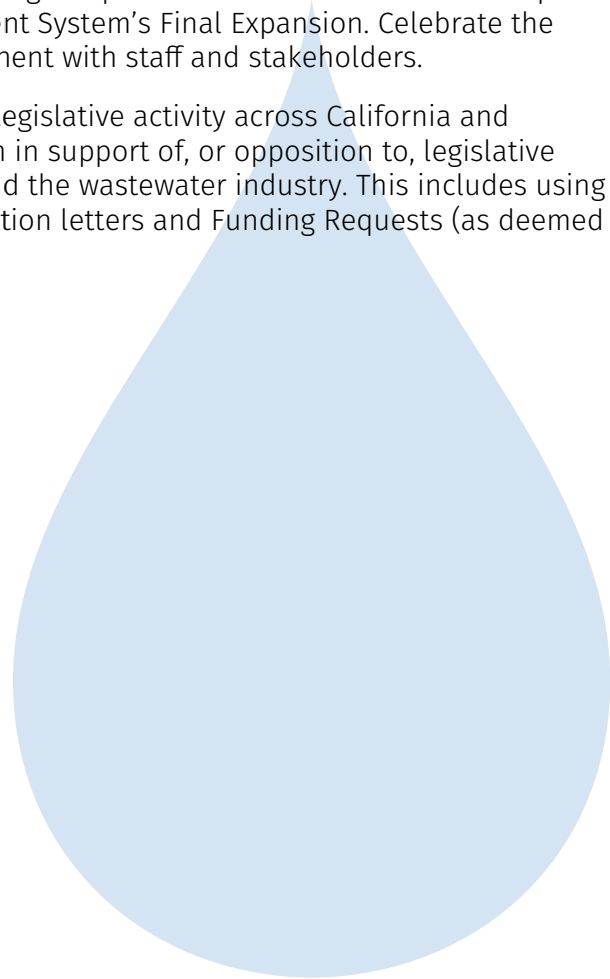
Future Policy Statement

OC San will creatively and effectively develop communication tools and tactics to inform and educate our various stakeholders. As a silent utility, it is imperative that OC San connect with the public we serve in a clear and transparent way to create a bank of trust, and garner support for the programs that allow us to continue protecting the public health and the environment.

OC San will maintain an active legislative and regulatory outreach program to help inform and guide leaders to ensure the wastewater industry is able to protect the public health and environment in a cost-effective way.

Initiatives to Support Progress Toward the Policy Goal

- Relaunch the Vendor Outreach Program with a focus on Orange County firms to enhance the competitive bidding opportunities for OC San. This effort will increase the number of vendors and contractors soliciting OC San projects, thus expanding the pool of service providers thus generating a greater variety of partners.
- Develop an outreach program for member agencies regarding inflow and infiltration issues within their sewer systems. The program will aim to educate, inform, and reduce inflow and infiltration affecting the local and regional sewer system.
- Develop an educational display in the Headquarters building to illustrate OC San's reuse and recycling efforts in support of the environment and public health. Display to be revealed when new building is unveiled.
- Commemorate OC San's achievement of reusing 100 percent of the reclaimable flow upon completion of the Groundwater Replenishment System's Final Expansion. Celebrate the milestone and acknowledge the accomplishment with staff and stakeholders.
- Actively monitor and engage regulatory and legislative activity across California and Washington, D.C., and take appropriate action in support of, or opposition to, legislative and regulatory initiatives affecting OC San and the wastewater industry. This includes using Monitoring and Analysis, Advocacy Days, Position letters and Funding Requests (as deemed suitable).







Environmental Stewardship

Energy Independence Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) will strive to be a net energy exporter. Electrical, thermal, and methane gas generation will be maximized. Energy utilization will be minimized using sound engineering and financial principles.

Background

OC San must balance the impacts of its operation between land, air, and water. For example, as a water focused utility, OC San seeks to produce the cleanest water possible to minimize the impacts of human activity on the ocean, as well as to renew freshwater resources for further domestic and commercial use. A natural result of cleaning this water is the separation and concentration of constituent solid and gaseous materials. These solid and gaseous products can impact land and air. The balance of impact on land, air, and water are shifted by application or creation of energy through chemical, biological, or thermal conversion techniques.

OC San is also committed to being a good neighbor. As such, significant amounts of energy are spent capturing and converting odorous air and vapor streams. OC San has pursued a comprehensive program to cover and seal its liquid and solid processes. Air streams are ducted to large fans which move thousands of cubic feet of foul air per minute through chemical, biological, and activated carbon beds to scrub the air of odorants that are regulated or may be perceived as a nuisance by the community.

OC San has utilized an anaerobic digestion process that relies on biological conversion of solid organic material to methane and carbon dioxide gas or Biogas. The Biogas is converted to electrical and heat energy in power plants for internal use. OC San's secondary treatment system is another example of using energy to convert water impacts to air emissions. Approximately 23% of OC San's energy usage within the treatment process is devoted to aerating water so biological agents can convert soluble organic material to nitrogen and carbon dioxide. The generation of energy itself creates an impact on the environment in air and thermal emissions.

Current Situation

The potential exists to further shift environmental impacts between land, air, and water through the utilization of energy. OC San is an environmental steward that seeks to balance and minimize overall impact by efficiently utilizing the energy inputs to its processes and maximizing the harvesting of energy available in the incoming wastewater.

On the energy use side of the ledger, OC San invests prudently in lifecycle energy efficiency to minimize the use of energy to achieve its mission. Pumping systems to lift water and move material are premium efficiency. Thermal energy is harvested from power production for use in the process and to heat and cool occupied buildings. Aeration compressors and diffusers are selected by overall efficiency. Lighting systems are upgraded over time to more efficient technologies and lighting levels are balanced between safety and security needs versus energy utilization and light pollution concerns. Facility designers and operators make careful choices regarding the utilization of every watt of electricity, British Thermal Unit of heat, and therm of gas consumed.

On the energy generation side of the ledger, OC San seeks to maximize the internal creation of energy. The primary source of energy creation is in Biogas. Organic solids collected and concentrated in the water treatment processes are converted biologically to Biogas composed of 65% methane, 34% carbon dioxide, and other trace constituents. OC San has been using this technology since the 1950s. Research has been ongoing since that time to maximize the production of digester gas. Some of the areas of research include improved mixing and

heating; improved feeding; chemical addition to limit trace pollutant production; introduction of food waste; injection of fats, oils, and grease; and cell lysing.

OC San cleans the Biogas and converts this Biogas into electricity, heat, and exhaust gas. The exhaust gas is regulated even more tightly for nitrogen compounds, carbon monoxide, particulates, and volatile organic compounds which require costly and performance degrading engine control technologies. This is another example of an air impact/energy trade off. These internal systems of energy harvesting provide roughly 66% of OC San's electrical demand and 92% of OC San's thermal demand in the treatment plants. OC San can shift the digester gas between treatment plants via an interplant pipeline and has roughly eight megawatts of additional generation capacity if more gas is produced.

In addition, OC San has installed electrical battery storage capacity. This system is primarily in place to lower operating cost by importing electricity for charging during low-cost nighttime hours and discharging that energy for process use during peak-cost hours. The slight energy loss due to system inefficiencies is outweighed by the cost savings and benefit to the region by lowering the peak demand of OC San by up to five megawatts.

Future Policy Statement

OC San seeks to be energy independent by self-generating all the electrical and thermal energy necessary to sustain its operations. This will be accomplished by economically minimizing its utilization requirements and maximizing energy harvested from the wastewater it receives. Energy independence will improve OC San's environmental impact and improve its operational reliability and resiliency.

OC San will also study and use photovoltaic cells in non-process areas where it makes economic sense. For example, the new Administration Building will include photovoltaic panels linked to the treatment plant. Staff will also investigate the installation of photovoltaic arrays over OC San owned property between the treatment plants with additional battery storage systems.

OC San also plans to investigate the treatment and sale of Biogas to external users. The State of California has set goals for renewable energy utilization for electrical production and hydrogen transportation fuels. OC San's Biogas is viewed favorably in these industries to meet the State of California targets. OC San is working very diligently and creatively to maximize the production of gas and reduce its own energy needs, but energy independence is the first goal which has not yet been met.

Staff recommends that innovative research continue to maximize energy harvesting and to minimize energy usage to make OC San energy independent in the most basic mission of protecting the public health and the environment. Super Critical Water Oxidation and other biosolids thermal conversion technologies offer some exciting opportunities to cut power use, reduce diesel fueled transportation, and create useful energy.

Initiatives to Support Progress Toward the Policy Goal

- Maximize the anaerobic digestion conversion of organics to methane through receipt of food waste and operational techniques.
- Investigate and install energy storage and photovoltaic systems where practical to achieve energy independence/resilience.
- Continue to support the conversion of biomethane into electricity and heat for process use. Improve systems as necessary to comply with air regulations.
- Pursue technology innovation to reduce energy use, reduce transportation energy impacts, and reduce greenhouse gas impacts.



Climate and Catastrophic Event Resilience Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) aims to design, maintain, and operate valuable wastewater assets that withstand or adapt to adverse conditions in a reasonable manner that is both cost-effective and sustainable for present and future generations. These adverse conditions include drought, heavy rains, flooding, sea level rise, earthquakes, tsunamis, extreme heat, wildfires, pandemic, and electrical grid interruptions.

Background

OC San owns and operates extensive wastewater collection and treatment facilities valued at nearly \$11 billion. The OC San service area faces special challenges because of the geographic location of its facilities. These challenges include: its position on and near seismic risk factors, its proximity to the Pacific Coast, adjacency of its treatment facilities to the Santa Ana River, and being served by increasingly fragile energy utilities.

OC San's facilities are situated on or near several seismic risk factors. Plant No. 2 is located directly on top of the Newport-Inglewood fault. Both plants and the collection system are influenced by many adjacent major and minor faults capable of delivering damaging energy. Both of our treatment plants and the majority of our collection system sit on top of silty, alluvial soils that can have the effect of amplifying the earth motion and risk liquefaction during a seismic event. OC San has invested significantly over the last 50 years to improve the soils, foundations, and structures to mitigate these seismic risks. As geotechnical and structural knowledge and building codes progress, upgrades and facility replacements will be necessary.

Another seismic risk associated with having a treatment plant and several pump stations located on the Pacific Coast is the risk of tsunami inundation. OC San has been working with and reviewing the plans of the City of Huntington Beach and the City of Newport Beach to understand and quantify this risk. The American Society of Civil Engineers (ASCE) has created a new standard, ASCE 7-16, to layout design parameters for lateral forces an inundation zone associated with potential tsunamis.

OC San understands that climactic factors we face change widely over time. OC San's systems must perform in extreme wet weather situations (atmospheric rivers), extreme dry weather conditions (drought), extreme tidal conditions (king tides, rising sea levels), as well



as high and low temperature extremes. OC San generally designs for historical and expected “average conditions” for optimal performance but must also assure operations for extreme weather events.

OC San serves a critical public health role. Its operations must be reliable 24-hours per day, 365 days a year. Electricity, and to a lesser extent natural gas, are necessary for pumping and treatment operations. Both electricity and natural gas supplies have become increasingly vulnerable to interruption. Electricity deliveries are more vulnerable due to wildfire outage criteria, loss of local generation assets, aging infrastructure, and extreme weather events. Natural gas supplies are more vulnerable due to the loss of local storage capacity, aging infrastructure, line corrosion, and more stringent regulatory requirements. OC San has significant capacity to self-supply critical energy requirement for extended periods.

Current Situation

OC San has spent considerable effort quantifying its seismic, climate, and utility supply risks. Several key studies have been initiated and will be completed in the next two years. The most acute risk factor faced by OC San is seismic risk. Climate and utility supply risks are more accurately described as chronic risks.

Seismic risk factors include ground shaking, liquefaction, lateral spreading, and fault rupture. Both treatment plants are situated in a historic riverbed with poor soil conditions. The collection system is vulnerable to failures during seismic events. The state of the art for seismic design has changed greatly over OC San’s history and will continue to do so. Many of our critical structures were designed or installed prior to the advancements that occurred as a result of the various earthquakes of the 1990s. Significant effort has been expended to better characterize the soil conditions under our treatment plants and pump stations. Projects to refurbish or replace existing unit processes are, or soon will be, scoped and budgeted to provide enhanced seismic resilience. These measures include soil mixing to stiffen the soil, various foundation designs and building structure improvements.

Tsunami resilience and flooding protection can go hand in hand. To a great extent, these two risk factors can be mitigated in the same way. The Tsunami guidelines for inundation in ASCE 7-16 are a reasonable peer reviewed standard. By complying with this standard for Huntington Beach and Newport Beach, OC San will be reasonably prepared for flooding caused by extreme storm events and conservative sea level rise estimates at Plant No. 2 and pump stations in the City of Newport Beach.

OC San has also expended significant effort to prepare for the effects of weather extremes on its operations. Extreme wet weather impacts operations. Inflow and infiltration during intense storm activity have multiplied average dry weather flow rate by up to three times in recent years. OC San has significant wet weather capacity and will continue to maintain a 640 million gallon per day influent and outfall capacity which is roughly 3.5 times our average dry weather flow. Historically, high rains as seen in 1863 and 1938 will push our systems to the limit.

OC San has also adapted its systems to perform in extreme dry weather. OC San in cooperation with OCWD operates the largest potable water reuse system in the world. This is made possible by replumbing our treatment plants and adding new smaller pump stations to deal with extreme low outfall flow rates in the morning hours. OC San also continues to grow the ability to shift influent flow between its treatment plants which creates additional resilience for risk factors.

Finally, on the topic of utility supply, OC San built redundant supplies for its most critical needs: electricity, natural gas, and water. OC San has maintained three sources of electricity supply for more than 25 years. The treatment plants can be supplied with power from Southern California Edison, OC San's Central Generation Plants, or on-site diesel generation systems to maintain basic operation to protect public health. In terms of natural gas, OC San has been producing bio-methane through anaerobic digestion since the 1950s with enough capacity to provide electricity and necessary process heat.

Future Policy Statement

OC San will continue to build and improve its facilities to meet the seismic, climate and energy infrastructure risks that it faces with a long-term, planned approach. Acute life-safety risks that are identified or facilities that are damaged or fail in a catastrophic event will be addressed very quickly. However, it is not practical to update \$11 billion in facilities every time a code is updated, or a new climate change estimate is released. OC San will stay abreast of code and climate change estimates as they occur and will implement improvements or replacements to facilities on a long-term basis in line with its asset management practices. OC San generally plans to refurbish or replace its mechanical and electrical assets every 20 to 25 years with an average capital improvement investment of \$250 million per year.

OC San facilities are designed to meet industry codes. As time goes on and codes are updated, it is not required to upgrade existing facilities to meet those latest codes unless there is a mandate to do so, or an unacceptable risk in not doing so is recognized. OC San will accept some incremental risk in having some facilities that are not necessarily compliant with the latest building codes until a project to rehabilitate or replace these facilities is developed. All of OC San's facilities have a planned life span with two to three refurbishment cycles. Identified seismic or flooding vulnerabilities may drive a replacement versus refurbishment decision in the normal capital planning process.

OC San will continue to aspire to energy independence which will help mitigate vulnerabilities to loss of electrical and gas utilities. In addition, OC San will continue to maintain third level, diesel generator, electrical supply capability for critical loads. On-site diesel storage will provide up to three days of power to run the plants. Pump stations diesel generation will be site specific in its design based on flow risks, hydraulic storage capacity, and site constraints. Either on-site generation or quickly deployable mobile generators will provide emergency power for up to several days at a time.

Initiatives to Support Progress Toward the Policy Goal

- Complete an engineering study of the seismic vulnerabilities of the treatment plants. Incorporate necessary upgrades into future capital improvement projects.
- Complete the biannual high flow exercise to assure readiness for a high flow event. Maintain a higher level of readiness October 15 through March 15 and in advance of predicted significant rain events.



Food Waste Treatment Policy

Summary Policy Statement

The State of California limits the volume of organic waste that may be diverted to landfills. The Orange County Sanitation District (OC San) will collaborate with the County of Orange, other local agencies, and waste haulers to find ways to beneficially reuse food waste, a type of organic waste, to assist cities in our service area in meeting their diversion requirements while increasing OC San's energy production.

Background

Whether supplying secondary treated wastewater for the Groundwater Replenishment System, creating renewable energy in the form of biogas from anaerobic digestion to produce electricity, or benefiting from the use of biosolids as a soil amendment, OC San is a resource recovery agency committed to providing resilient and reliable wastewater treatment service while protecting the public health and the environment.

In recent years, there has been a significant change in the regulatory landscape in California related to the diversion of organics such as food, green material, wood, paper, biosolids, digestate, and sludges from landfills. Currently, much of the state's diverted organics are being composted or used as alternative daily cover on landfills. With the phaseout of organics as alternative daily cover, the regulatory shift is creating an organics market for the wastewater sector to provide a solution to manage organics such as food waste by way of co-digestion. There is an opportunity for OC San to produce additional biogas, reducing the need to purchase electricity from the local utility.

Anaerobic digestion is currently at the nexus of important State of California mandates, namely: (1) organics diversion from landfills (AB 1826 and SB 1383), and (2) increased renewable energy and fuels generation (SB 32 and SB 100). The primary alternatives for organics management are anaerobic digestion and composting – of which anaerobic digestion is the only process offering energy recovery potential. Over the next few years, California's cities and counties, along with municipal solid waste haulers, material recovery facilities, and landfills will need to develop collection, processing, and energy recovery infrastructure to address new state legislation and goals. Existing wastewater treatment plants such as OC San are uniquely positioned to play a role in the new organics marketplace since solid waste management facilities do not typically have anaerobic digesters, the energy recovery infrastructure in place, or experience regarding the management of biosolids for beneficial use.

In 2017, OC San completed a comprehensive Biosolids Master Plan (Plan) that provides a roadmap and framework for sustainable and cost-effective biosolids management options and future capital facilities improvement over a 20-year planning horizon. Considering the timeliness of the regulatory mandates requiring organic diversion from landfills and increased renewable energy, the Plan evaluated the feasibility of implementing a high strength organic waste receiving program involving the co-digestion of preprocessed food waste.

While food waste digestion appears to be feasible, OC San's existing infrastructure isn't well suited for receiving, handling, or digesting green waste. Current digester feed, mixing, heating, dewatering and truck loading facilities aren't designed to deal with cellulosic products in green waste. The highly fibrous material doesn't readily break down and clogs the various systems optimized for sewage sludge treatment. In addition, there are legal hurdles specified in the California Health and Safety Code, Section 4700, that must be addressed before OC San could operate a refuse transfer facility.

Current Situation

Project Viability

OC San's Plan concluded that the costs to construct and operate a food waste receiving facility could be offset by tipping fees charged to food waste processors/haulers and by additional power generated from the increased digester gas production. The Plan recommended that OC San build an interim food waste receiving station immediately to take advantage of existing digestion and power generation capacity of approximately 150-250 wet tons per day at Plant No. 2. OC San will construct a more permanent facility in the future to coincide with the planned construction of new digesters at Plant No. 2, allowing additional capacity to co-digest approximately 500 wet tons per day of food waste. OC San also has at least six megawatts of installed electrical generation capacity that can convert the produced digester gas to electricity and heat.

Based on these recommendations, in 2018, OC San's Board approved a project (P2-124) to construct an interim (10-15 year service life) food waste facility to receive, store, and feed preprocessed food waste slurry to the digester complex at Plant No. 2 to generate additional digester gas. This project will be designed to accept approximately 150 wet tons per day of preprocessed food waste and will produce approximately 15 percent more methane gas for onsite energy production. This results in a greenhouse gas reduction of approximately 10,800 metric tons of carbon dioxide, which is equivalent to the annual greenhouse gases generated by approximately 2,000 passenger vehicles. This is consistent with OC San's Energy Independence Policy, which is to strive to be energy independent by minimizing energy utilization and maximizing useful energy recovery from the sewage it receives.

The final biosolids product currently produced by OC San is anticipated to be largely unaffected by the addition of food waste slurry. Pilot testing conducted by OC San indicates that there will be increased gas production due to mixing sewage sludge and food waste feed stock, but the final biosolids product will remain largely unchanged.

A draft Preliminary Design Report was issued in June 2019 for the interim receiving facility which included a viability evaluation concluding that the project is economically justifiable based on project costs and anticipated tipping fees. Final design of the interim food waste receiving station is complete and ready to bid for construction. The tipping fee and food slurry specifications are complete, and OC San is soliciting waste hauling partners to contract deliveries of material. When contracts for food waste deliveries are signed, OC San will commence bidding and construction to be in a position to receive material within two years.

There are three large municipal solid waste haulers that have expressed interest in collaborating with OC San to provide preprocessed food waste for digestion. Of these, two haulers are located within the county, and one is located outside the county. Another important partner for OC San is Orange County Waste and Recycling (OCWR). OC San has met with OCWR, and they have expressed interest in partnering with OC San to find local solutions to meet SB 1383's organics diversion mandate including in-county biosolids management, composting, food waste co-digestion, and biogas production.

Future Policy Statement

Food Waste Slurry

OC San will only accept a preprocessed food waste slurry. We do not have available land or air permits to handle, sort, and process solid or green wastes. OC San will work with other public agencies and waste haulers to develop an industry standard for food waste slurry

that specifies water, organic, metal, plastic, and glass content requirements. A common specification for slurry will help all parties make investment decisions.

Food Waste Volume

OC San has identified available capacity within its infrastructure at Plant No. 2 to accommodate food waste conversion to energy. The processes impacted by food waste conversion are digestion, gas cleaning, gas compression, generation, process heating, biosolid dewatering, and biosolids loading. Each of these impacted systems at Plant No. 2 in Huntington Beach have the capacity to accept 150 to 250 wet tons per day for the next ten years. Beyond ten years, OC San plans on upgrading its digestion, gas compression, and gas treatment systems. Based on the lessons learned from the interim system and the development of the food waste market, OC San plans to be able to accept up to 500 wet tons per day when the new digestion, gas compression, and gas treatment systems are completed.

OC San believes that the full implementation of the current regulations will create a food waste slurry market significantly greater than 500 wet tons per day in Southern California.

Tipping Fee Basis

The acceptance of food waste has the opportunity to more fully utilize the system capacity that already exists for the benefit of OC San's rate payers.

OC San staff will develop a base tipping fee rate schedule for Board of Directors' approval that meets the following criteria:

- Recover all capital costs to construct facilities within ten years (this will allow OC San and waste haulers to properly invest in processing facilities);
- Recover all on-going costs including operating cost, maintenance cost, electricity usage, biosolids dewatering, and reuse costs;
- Food Waste will not be operated "for profit" but rather a cost recovered service with tipping fees offsetting costs to not impact OC San's wastewater service fee structure.

Food waste generated and processed within the service area will be charged the base rate and will be prioritized over food waste from outside the service area. This is justified by the fact that the underlying infrastructure of OC San is already owned by service area rate payers. OC San contracts with service area waste haulers must provide for a pass-through savings to OC San rate payers. That means waste haulers may charge for collection and processing of food waste but must disclose to their City or Special District franchise partner OC San's tipping fees and negotiate pricing adjustments as necessary with City or Special District franchise partners.

If additional capacity exists, but isn't utilized by in-service area users, then that capacity may be contracted by out-of-service area users at a premium to help offset the cost of the underlying infrastructure necessary to process the food waste.

OC San will pursue grant opportunities to the extent possible to reduce the overall capital and operating cost basis for the program to reduce the tipping fee base rate.

Initiatives to Support Progress Toward the Policy Goal

- OC San will accept a preprocessed food waste slurry from contracted waste haulers that will be fed to existing anaerobic digesters. OC San will charge a tipping fee to offset its costs for capital construction, operations, handling, maintenance, and biosolids disposal.
- Design, build, and operate a food waste receiving station. Create a specification for food waste slurry and contract with solid waste haulers to receive and process food waste.



Water Reuse Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) will seek to beneficially reuse all reclaimable water for potable, industrial, irrigation, and environmental uses.

Background

For over 40 years, OC San and the Orange County Water District (OCWD) have partnered to beneficially reuse treated wastewater from OC San. OCWD, which serves roughly the same service area as OC San, manages and replenishes the groundwater basin in northern and central Orange County, ensures water reliability and quality, prevents seawater intrusion, and protects Orange County's rights to Santa Ana River water.

Beginning in 1975, OC San contributed treated wastewater from its Plant No. 1 to OCWD for the operation of Water Factory 21, which reclaimed the treated wastewater and injected it along with deep well water into the groundwater basin to prevent seawater intrusion. In the mid-1990s, OCWD needed to expand Water Factory 21. At the same time, OC San faced the challenge of having to build a second ocean outfall pipe to discharge treated wastewater into the Pacific Ocean. Both agencies collaborated to build an advanced water purification facility to resolve these challenges. This state-of-the-art facility, known as the Groundwater Replenishment System (GWRS), took the place of Water Factory 21, and began operation in 2008.

The GWRS treats secondary treated wastewater from OC San Plant No. 1 to drinking water standards and uses the purified water for both injection and percolation, through injection wells and recharge basins, as source water to replenish the groundwater basin's drinking water supplies. With approximately 75 percent of the water demand in northern and central Orange County cities coming from the groundwater basin, GWRS supplements existing water supplies by providing a new, reliable, high-quality source of water. OC San made a considerable investment to improve its level of treatment and source control to support the GWRS partnership. The upgrade to full secondary treatment and shifting the source control regulations, testing, and enforcement from a focus on ocean discharge to drinking water supply was very significant.

While the original GWRS facility was initially constructed to supply up to 70 million gallons per day (MGD) of purified water, the facility was designed for an ultimate treatment and conveyance capacity of 130 MGD. The original GWRS design intent was to expand the GWRS facility in two phases – an initial and a final expansion of an additional 30 MGD of treatment capacity with each expansion. The GWRS Initial Expansion Project was completed in June 2015 and has been producing up to 100 MGD of purified water for groundwater injection and recharge. The Final Expansion of GWRS is scheduled to be completed in 2023 and will produce the maximum capacity of 130 MGD.

In addition to providing treated wastewater to the GWRS, OC San also provides treated water to OCWD's Green Acres Project and OC San uses treated effluent within the treatment plants to offset potable water use. The Green Acres Project provides recycled water for landscape irrigation at parks, schools, and golf courses; and industrial uses, such as carpet dying; toilet flushing; and power generation cooling. OC San uses nearly 10 MGD of treated effluent, called Plant Water, within the treatment plants for engine and equipment cooling, polymer make-down, equipment flushing and washdown, and other uses.

Current Situation

The GWRS currently produces 100 million gallons per day of purified water – enough water for about 850,000 people. All of OC San’s Plant No. 1 secondary effluent, between 120-130 MGD, is made available to OCWD for the GWRS and Green Acres Project. However, secondary effluent from OC San’s Plant No. 2 and other non-reclaimable flows, such as brine from inland desalters and GWRS’s reverse osmosis process, and OC San’s process sidestreams, continue to be released into the ocean.

In 2016, OC San and OCWD jointly conducted the Effluent Reuse Study, which evaluated the feasibility of recycling OC San’s secondary effluent from Plant No. 2 and identified projects required to achieve the final expansion of the GWRS. The GWRS final expansion effort will include implementation of projects to construct new, modified or rehabilitated facilities at Plant No. 2 to separate reclaimable flows from non-reclaimable flows; to equalize, pump, and convey secondary effluent from OC San’s Plant No. 2 to the GWRS facility; and to treat the additional source water to produce 130 MGD of purified water.

Reverse Osmosis brine generated at the GWRS is currently discharged into the ocean. The 2016 Effluent Reuse Study identified alternative brine management strategies such as evaporation ponds, deep well injection, and engineered wetlands. Evaporation ponds are land intensive and are also energy intensive when combined with a brine crystallizer to remove solids from highly concentrated brine system using heat and pressure. While the areas around both OC San treatment plants have the appropriate geology for brine injection, there are concerns with contamination of drinking water aquifers, and seismic risks due to the Newport-Inglewood zones near Plant No. 2. At this time, it does not appear economically feasible to provide alternative management strategies for the brine discharge.

In November 2016, OC San Board of Directors adopted the Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and Green Acres Project, which committed the agency to continue supporting the GWRS and the Green Acres Project, and specifically, the final expansion of the GWRS. The implementation of the final phase of the expansion will be executed by multiple projects, some executed by OC San while the others executed by OCWD. Project costs related to the GWRS are funded by OCWD, including up to \$50 million in reimbursements to OC San for its costs incurred to execute related projects.

By supporting the GWRS Final Expansion, OC San will be able to recycle all reclaimable wastewater generated in its service area and treated at its two treatment plants, and OCWD will have sufficient water to run the GWRS facility to full capacity.

Future Policy Statement

The treated effluent produced from OC San’s Plant Nos. 1 and 2 is a valuable resource that can help boost local water resources and reduce dependence on imported water, while reducing the effluent discharged to the ocean. OC San will continue to seek opportunities for beneficial reuse of all reclaimable wastewater collected and treated at its facilities.

OC San will continue to support the completion of the final expansion of the GWRS in accordance with the adopted Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and Green Acres Project. This includes providing secondary effluent as source water for the GWRS free of charge; allowing OCWD to discharge brine via OC San’s ocean outfall free of charge; leasing approximately 10 acres of land to OCWD at \$1 per year for GWRS;

allowing OCWD to discharge North and South Basin extraction well flows to OC San sewers; managing the design and construction efforts of the Plant No. 2 Headworks Modifications Project and the Plant Water Pump Station Replacement Project (OCWD will reimburse up to \$50 million of project cost); managing and financing the construction of the Ocean Outfall Low Flow Pump Station at Plant No. 2, and the construction of Plant No. 2 primary and secondary facilities to allow segregation of non-reclaimable flows.

OC San will continue to maximize the delivery of secondary effluent available to GWRS and the Green Acres Project in order to maximize full production of purified recycled water for indirect potable reuse, and industrial and irrigational uses. OC San has been operating the Steve Anderson Lift Station to divert more flows to Plant No. 1. The two agencies regularly communicate and coordinate OC San operations and construction projects that may have impacts on GWRS operation and will continue this collaboration effort.

OC San has adequate flow to maximize the production of the GWRS through final expansion. Diversion of additional non-wastewater into the sewer system is unnecessary. Non-wastewater diversions create high flow risks during wet weather conditions and can introduce constituents of concern to existing water and biosolid reuse programs.

Initiatives to Support Progress Toward the Policy Goal

- Support the completion of the final phase of the Groundwater Replenishment System and maximize reclaimable wastewater availability to OCWD.
- Support Green Acres project water production to provide reclaimed water for industrial and irrigation uses.



Environmental Water Quality, Stormwater Management, and Urban Runoff Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) will collaborate with regional stakeholders to accept up to ten million gallons per day (MGD) of dry weather urban runoff at no cost to the dischargers through its permit-based Dry Weather Urban Runoff Diversion Program. The primary objective of the Dry Weather Urban Runoff Diversion Program is to improve water quality in streams, rivers, and beaches in OC San's service area without adversely impacting OC San's occupational safety, collection and treatment systems, reuse initiatives, or permit compliance. Unauthorized discharge of urban runoff to OC San is strictly prohibited.

Background

OC San is a regional governmental agency principally chartered to protect public health and the environment through an extensive regional sanitary sewer system and a highly effective wastewater treatment operation. The governing Board of Directors (Board) has refined this role to include the recovery and utilization of resources from wastewater for the public good. In addition to beneficial reuse of biosolids and responsible ocean discharge, OC San delivers high-quality treated wastewater to Orange County Water District's (OCWD) Groundwater Replenishment System (GWRS) for advance treatment and purification followed by storage in the Orange County groundwater basin.

OC San operates its regional wastewater collection system in accordance with its Sewer System Management Plan, which was developed in compliance with the California Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, Water Quality Order No. 2006-0003-DWQ. The Board periodically updates OC San's Wastewater Discharge Regulations Ordinance (Ordinance) to set uniform requirements for all users of OC San's system and enable OC San to comply with all applicable state and federal regulations. The Ordinance establishes limits on all wastewater discharges which may adversely affect OC San's system and includes language that prohibits sewer users from discharging groundwater, stormwater, surface runoff, or subsurface drainage to the sewer without written authorization or a valid permit. Uncontrolled discharge of any type is strictly prohibited and any person who violates any provision of the Ordinance is subject to administrative, civil and criminal penalties.

Most of the local sanitary sewer systems within OC San's highly urbanized service area are owned and operated by cities, water districts, or sanitary districts. These local systems are designed to transport wastewater from homes and businesses to OC San's regional sewers. These local and regional wastewater systems are designed to be wholly separate from Orange County's Municipal Separate Stormwater Sewer System (MS4), which is a system of conveyances that includes roads, streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains that carry surface runoff into receiving waters and is regulated by the Santa Ana Regional Water Quality Control Board. Throughout the year, dry and wet weather urban runoff are collected through the MS4 and discharged along the coastline.

During wet weather, the vast majority of urban runoff is comprised of stormwater from rainfall that either travels at a flow rate that does not allow enough time to soak into the ground or whose volume has exceeded the ability of the soil to hold any more moisture. In communities with a high percentage of covered or impervious surfaces, the runoff volume and velocity can be considerably greater when compared to rural areas. Additionally, sheets of runoff in these communities can pick up pollutants and debris from transportation, construction, industrial, and residential sources as they travel by gravity toward storm drains or other low points. Stormwater runoff carries trash, debris, bacteria, chemicals, oil, silt, sediments, microplastics,

and other common and emerging contaminants, and is the responsibility of MS4 permittees, who typically have jurisdiction over land use practices and flood control.

During wet weather, the volume of surface runoff is well beyond the capacity of OC San's conveyance and treatment systems. Inflow and infiltration into the sanitary sewer system during storm events can strain the hydraulic capacity of OC San to its limit of under 1,000 cubic feet per second. In addition, storm flow runoff also contains a much greater debris load that would compromise the sanitary sewer system.

During dry weather, OC San has the capacity normally reserved for inflow and infiltration to accept urban runoff. The Best Management Practices (BMPs) required of MS4 permit holders such as screening, street sweeping, spill prevention, and waste reduction campaigns help to effectively remove trash, silt, and other debris which help make these relatively small flows more compatible with the sanitary sewer. However, pollutants and pathogens that are not removed by the BMPs are carried by runoff from sources such as excess outdoor irrigation into storm drains which is discharged along the coastline.

In response to the significant and persistent adverse impacts from urban runoff to coastal beaches and waters, OC San sought support from the California legislature to accept controlled discharge of surface urban runoff into its wastewater system and was authorized in April 2000 to initiate a permit-based Dry Weather Urban Runoff Diversion Program to accept up to three million gallons of dry weather flow per day. OC San Board Resolution No. 00-04 allowed local agencies to apply for a Dry Weather Urban Runoff Permit where there was not an economically or practically feasible alternative and permittees are subject to requirements of the Ordinance.

Since its inception, the Dry Weather Urban Runoff Diversion Program has significantly improved beach water quality throughout OC San's service area as evidenced by excellent ratings in Heal the Bay's Annual Beach Report Cards and a notable decrease in water quality-based beach closures. In June 2013, OC San modified the Dry Weather Urban Runoff Policy (Resolution No. 13-09) to cap discharges received to 10 million MGD and waived fees associated with the program until discharges exceeded 10 MGD, or until the policy is revised. The Board established an action threshold of nine MGD to trigger revisiting the policy.

In addition to Dry Weather Urban Runoff Permits, OC San's Ordinance allows for normally prohibited wastes such as groundwater, stormwater, surface runoff, and subsurface drainage to be discharged to OC San through a Special Purpose Discharge Permit or written authorization from OC San when no alternate method of disposal is reasonably available to mitigate an environmental risk or health hazard.

Both Dry Weather Urban Runoff and Special Purpose Discharge permits carry strict wet weather shut-off and debris limiting provisions to protect the sanitary sewer system from hydraulic overload and the associated sewer spills. These permits also require flow monitoring and constituent sampling so that OC San can assure that water reused, water discharged to the ocean, and biosolids reused for agriculture are safe and fit for their greater environmental and resource recovery programs.

Current Situation

As of April 2021, OC San has issued 21 Dry Weather Urban Runoff Permits for diversions owned and operated by the City of Huntington Beach, the City of Newport Beach, OC Public Works, Irvine Ranch Water District, and an LLC responsible for the areas in and around Pelican Point community. For the July to December 2020 reporting period, OC San received on average 1.4 MGD from these facilities, which is well below the current 10 MGD policy cap and nine

MGD action threshold. Since the program's inception in 2000, the Dry Weather Urban Runoff Program has treated over 10 billion gallons of urban runoff.

Under special circumstances, OC San may also accept runoff on a limited-term and limited-volume basis through the SPDP or direct authorization process if there is adequate capacity, the runoff/wastewater meets applicable effluent discharge standards, there is no practical alternative method of disposal, and the runoff/wastewater is captured and held until it can be safely discharged to OC San.

In combination, these practices have enabled responsible management of persistent urban runoff challenges in OC San's service area and support a thriving and healthy local economy.

Future Policy Statement

Since the inception of OC San's Dry Weather Urban Runoff Diversion Program, the program success has depended on collaboration among stakeholders to improve beach water quality, urban runoff diversion water quality, coordinate flow management, and minimize any potential adverse impact on OC San's ocean discharge, biosolids management, and potable reuse.

OC San's enhanced source control program and vigilant operations provide a solid foundation for GWRS water's safety and reliability. Much of the current urban runoff diversion is attributable to Plant No. 2 in Huntington Beach which does not provide source water for OCWD. However, as OC San and OCWD progress toward maximizing potable reuse at GWRS to 130 MGD in 2023, OC San is keenly aware of the critical role of source water quality and the need for a region-wide commitment to prevent Constituents of Emerging Concern from entering OC San's system.

Although OC San will continue to accept controlled discharge from Dry Weather Urban Runoff Diversion Program in accordance with Resolution No. 13-09, which supports long-term integrated regional water management, OC San recognizes that urban runoff is a source of Contaminants of Emerging Concern such as microplastics which were measured at levels many times higher than raw wastewater in a 2020 study by the San Francisco Estuary Institute. Contaminants in urban runoff will continue to be studied in the future, and the results of these scientific studies will be of utmost importance when considering the viability of future diversions to OC San's system.

There is continuing interest in maximizing urban runoff diversions to OC San's wastewater system to help improve water quality in streams, estuaries, and beaches; and to potentially increase water available for recycling. One potential driver of additional urban runoff diversions is assumed reductions in future wastewater flows due to enhanced indoor water conservation. Reduced wastewater flows may free up system capacity for increased urban runoff diversions.

However, the future available capacity in OC San's system to handle additional urban runoff flows, and the OCWD's need for additional effluent for recycling have not been the subject of a comprehensive engineering study that identifies the opportunities and costs of increasing diversions. Such a study is being jointly planned by OC San, OCWD and the Orange County Flood Control District.

Initiatives to Support Progress Toward the Policy Goal

- Issue dry weather urban runoff connection permits to accept up to a total of ten million gallons per day of controlled discharge of dry weather urban runoff where existing conveyance capacity exists, and the constituents within the flow will not adversely impact OC San.

- Safeguard OC San’s sanitary sewer system against uncontrolled and unregulated discharge by supporting responsible industry practices for flow management and urban runoff pollutant reduction at the source. Utilize OC San’s pretreatment expertise to support effective urban runoff best management practices and special purpose discharge requests among OC San’s regional stakeholders.
- Conduct a comprehensive study of the feasible opportunities for cooperative projects for urban runoff diversions to OC San to improve water quality and increase water recycling by maximizing the useful capacity of local collection systems , OC San treatment systems, and OCWD recycling and recharge systems.
- Support responsible and practicable urban runoff management and reuse legislations and regulations.





Wastewater Management

Chemical Sustainability Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) has a need to use chemicals in its treatment process to improve plant performance, reduce odor and corrosion potential, and meet its regulatory requirements. These commodity chemicals are provided by outside vendors through the purchasing process. Some of these chemicals are subject to price swings due to market condition changes such as energy cost impacts, raw material cost changes, commercial competition changes, and transportation cost volatility. OC San will identify chemicals key to its operation, investigate the market risks for those chemicals and devise strategies to mitigate identified risks to availability and pricing.

Background

OC San's treatment plants and collection system use several bulk chemicals. A sustainable supply of these chemicals is critical to maintaining an acceptable level of treatment and for ensuring compliance with all regulatory requirements. OC San spends about \$13 million annually on the procurement of eight key chemicals which generally can be broken down into four categories: coagulants, odor/corrosion control, disinfection, and boiler water treatment. Boiler water treatment chemicals are low volume and readily available and will not be considered here.

Coagulant Chemicals

Coagulant chemicals include ferric chloride, anionic polymer, and cationic polymer. These chemicals are the workhorses of the sewage treatment process. Coagulant chemicals work to clump together organic material so it can more readily be separated from water. Ferric chloride is the first chemical added in the treatment process. It is a powerful settling agent that causes organics to clump together and settle to the bottom of primary basins. It is a double-duty chemical in that it also controls the formation of hydrogen sulfide gas, which is a major odorant, by binding to suspended sulphur compounds and causing them to settle before they can be converted by natural bacterial processes to hydrogen sulfide.

Ferric chloride is an iron salt that is produced by reacting iron with hydrochloric acid. It is generally a byproduct of steel treatment, a leftover pickling agent. Ferric chloride is commonly used in the water and wastewater industries. Historically, this chemical has been the subject of a limited supplier base in Southern California. OC San has been actively splitting supply contracts to multiple vendors to ensure multiple vendors are available. On-site generation of the chemical is impractical due to the hazardous nature of the manufacturing process and acid handling, the bulk steel handling logistics, and waste products disposal.

Anionic polymer works with ferric chloride to further aid in the coagulation or settling of organic compounds in the primary treatment process. These long-chain molecules are designed to be negatively charged to attract or collect positively charged ferric chloride induced organic clumps or flocculant. The use of ferric chloride and anionic polymer is called Chemically Enhanced Primary Treatment or CEPT. OC San has been using CEPT for more than thirty years.

Anionic polymers are specially designed chains with many potential variants and multiple vendors. Part of the purchasing process for polymers involves polymer trials to document the efficacy of different products from different vendors to get the best cost-performance balance.

Cationic polymer is generally used to thicken sludge or biosolids in centrifuges or dissolved air floatation thickeners (DAFT). These long-chained, positively charged molecules are essential to

the proper operation of centrifuges and DAFT units. Part of the purchasing process for these polymers also involves polymer trials to document the efficacy of different products from different vendors to get the best cost-performance balance. It is important to note that it is entirely possible that four different cationic polymers will be used to optimize the performance of Plant No. 1 dewatering centrifuges, Plant No. 1 thickening centrifuges, Plant No. 2 dewatering centrifuges, and Plant No. 2 DAFTs, because the performance can vary greatly depending on the equipment or process. Each process will have its own polymer trial to determine the cost-performance balance for each application.

Odor Control Chemicals

OC San uses several chemicals in the collection system and the treatment plant to reduce the odors normally attributed to sewage and sewage treatment. These chemicals can either prevent the formation of odor causing compounds, called odorants, or they can destroy odorants that already exist. Chemicals that prevent the formation of odorants include ferrous chloride, calcium nitrate, magnesium hydroxide, and caustic.

Chemicals used in the collection systems tend to be more benign than chemicals used in the treatment plants due to their proximity to the public. Ferrous chloride is closely related to Ferric chloride as described above. It is a powerful settling agent that prevents the formation of hydrogen sulfide by tying up and settling sulfide compounds in the collection system. It is a preferred chemical because of its dual role, but it is not as benign as other choices.

Calcium nitrate is another choice for collection system odor control. It works in a different way. Calcium nitrate alters the biological equilibrium in sewage. Generally, bacteria that live by respirating oxygen are the most robust organisms, followed by nitrogen respiring bacteria, and finally sulfur respiring bacteria. Adding calcium nitrate to sewage creates an environment where sulfur loving bacteria do not thrive or create hydrogen sulfide.

Magnesium hydroxide is a third choice for collection system odor control. It works primarily by raising the pH of sewage to a point that is not conducive for odor causing bacteria to thrive. Magnesium hydroxide is the most benign of the chemical choices as it is the main ingredient in Milk of Magnesia.

All three of these chemicals are continuously fed into sewer systems at different points to consistently control the formation of odorants in the system. Where OC San does not have the ability to site a chemical dosing station and persistent odors are being experienced, there is the option to utilize caustic slug dosing. Caustic slug dosing involves using tanker trucks to discharge up to 6,000 gallons of sodium hydroxide into a sewer manhole structure. The very high pH has the effect of killing the bioslime layer on sewer pipes that creates hydrogen sulfide. This treatment has an instant benefit that reduces hydrogen sulfide production for days to weeks depending on system conditions.

The final major odor fighting chemical is bleach. Bleach is used in treatment plant chemical scrubbers to oxidize odorants in air scrubber units. Bleach is an effective neutralizer of hydrogen sulfide, methyl mercaptan, methyl disulfide, dimethyl disulfide, and many others.

Disinfection

OC San successfully discontinued disinfection of its effluent to the long outfall. This means that thousands of gallons of bleach and sodium bisulfate are no longer required to be purchased or discharged to the ocean. However, in the event of a discharge to the short outfall or river overflow, disinfection by bleach will be required. Significant on-site storage of bleach and dechlorination chemical, sodium bisulfite, is necessary for this emergency contingency. Bleach does have a shelf life of about six months. OC San rotates its disinfection supply to its odor control and plant water treatment systems to prevent product waste.

Process Specific Chemicals

OC San uses pure oxygen to support its activated sludge secondary treatment process for Plant No. 2. OC San previously self-generated pure oxygen using a cryogenic oxygen plant rated at 70 tons per day. This plant was removed because it was inefficient at the current average utilization of 35 tons per day and was at the end of its useful life. OC San contracts for delivery of liquid oxygen and uses a vaporization system to deliver pure gaseous oxygen to the activated sludge process.

Chemical Supply — Purchase vs. Make

OC San has relied on purchasing bulk commodity chemicals for its treatment plants and collection system. This has proven to be an effective strategy for operational flexibility and to allow concentration on core business. Operationally, the types and volume of chemicals change over time. Over time the types of polymers that are most efficient change. There is a need for more or less volume of chemicals based on sewage flow rates, sewage composition, and flow splits between plants. Managing the generation of specialized chemicals using hazardous materials imposes a significant training burden on staff, increases the regulatory oversight and requirements, and increases overall risk to the organization.

OC San maintains a policy to split the volume of orders between two vendors to assure competition exists in the marketplace for ferric chloride. While OC San generally cooperates with other public agencies to pool purchasing power to secure the lowest possible cost through high volume purchasing, some specialty chemicals like ferric chloride require split orders to maintain competitive market forces.

Current Situation

OC San is constantly changing and improving its facilities to meet new challenges. Each of the facility changes offer new opportunities to reconsider how OC San operates its processes and how chemicals are used. The best chemical stability outcome is to cost-effectively eliminate the use of the chemical. This is the strategy behind cessation of bleach disinfection of the outfall effluent.

Staff is studying the potential to operate the treatment plants differently to minimize or eliminate use of selected chemicals. Facilities like centrifuge sludge thickening provide new opportunities to adjust ferric chloride and anionic polymer usage. Opportunities for substitute chemicals will be explored to understand overall cost and efficiency savings potential. This includes iron vs. aluminum coagulant studies, anionic polymer trials, and cationic polymer trials. Staff also evaluate operating parameters such as in-basin sludge co-thickening, primary basin sludge blanket level parameters, as well as the greater loading of the secondary treatment systems.

Future Policy Statement

OC San will thoroughly understand its treatment processes, the potential modes of operation, and the benefit and cost of chemicals to improve or stabilize its process. OC San will maintain a list of necessary chemicals for optimal treatment operations which will consider chemical cost, chemical availability, treatment stability, energy utilization, energy creation, nuisance odor control, biosolids generation/cost, and regulatory permit compliance risks.

Chemicals that are deemed most beneficial will be procured at the lowest overall cost from market providers to the extent possible. Where there are market stability concerns, the purchasing division will devise procurement strategies to mitigate procurement risks. Where

procurement risk cannot be satisfactorily mitigated, technical staff will evaluate alternatives such as alternate operating methods, substitute chemical usage, or on-site generation of a chemical if feasible.

Initiatives to Support Progress Toward the Policy Goal

- Reduce the exclusive reliance on particular chemicals and individual vendors to establish flexibility to utilize other chemicals/processes to accomplish operational objectives.



Biosolids Management Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) will remain committed to a sustainable biosolids program and will beneficially reuse biosolids in accordance with Resolution No. OC San 13-03 and the 2017 Biosolids Master Plan.

Background

Wastewater solids at both our treatment plants are separated, thickened, digested, and dewatered before being recycled offsite by contractors for composting and land application. Biogas created from the digesters is used to generate electricity to offset the need to purchase power from a local utility. Although OC San currently receives sewage sludge from the Irvine Ranch Water District (IRWD) at Plant No. 1, IRWD is currently commissioning its own solids treatment facility and is anticipated to discontinue the sludge transfer to OC San by the second half of 2021.

Prior to 2019, OC San produced an average of 800 wet tons per day (~20 percent solids) of Class B biosolids that were dewatered by belt presses. Following the commissioning of the co-thickening sludge and dewatering centrifuge system in 2019, OC San has been producing approximately 500-600 wet tons per day (23-28 percent solids), which resulted in an approximately \$4 million per year reduction of biosolids hauling costs.

OC San's biosolids program is developed in compliance with federal, state, and local regulations, OC San's biosolids policy (Board Resolution 13-03), biosolids management system, and the 2017 Biosolids Master Plan (Plan). OC San's adaptive and highly effective biosolids program emphasizes diversification of beneficial reuse options and markets for biosolids. Although cost is a key consideration, the incorporation of failsafe options is considered paramount. These principles align with the policy and Plan and provide a framework for identifying and adopting reliable and sustainable biosolids management options while minimizing cost. Moreover, through innovation and continuous improvements in its biosolids management practice, OC San has been well-positioned to sustain regulatory compliance and its commitment to beneficially reuse biosolids. Currently, about 20 percent of the annual biosolids production is going to a bioenergy facility in California to create pellets and biochar while producing renewable energy, about 50 percent is used to produce Class A compost in California, and about 30 percent is used for Class B land application in Arizona.

The Plan forecasted future capital improvements projects needed to sustain responsible and cost-effective biosolids management over a 20-year planning horizon. As an example, OC San has initiated a project at Plant No. 2 to construct new thermophilic digesters and batch holding tanks that will generate Class A biosolids beginning in 2030. These new digesters are needed to increase operational resiliency against seismic events and biosolids reuse options. Plant No. 1 will continue to produce Class B biosolids.

According to the Plan, upon commissioning the new thermophilic digesters, future biosolids management options may include:

- Emerging markets: Management options and technologies that become available following the adoption of the Plan, such as mine and fire reclamation, gasification, pyrolysis, supercritical water oxidation, fluidized bed combustion, and cement kiln drying.

- Soil blending: Partner with local soil blenders to deliver and blend Class A biosolids with soil to produce a high-quality soil amendment that can be used in a larger variety of markets than current Class A compost such as construction back-fill.
- California land application: While Class A compost and granules are currently land-applied in California, land application of Class A biosolids is still restricted in most counties. However, with the recent implementation of California's organics diversion regulations and planned enforcement in 2022, stringent local ordinances that unreasonably restrict land application of biosolids are prohibited.
- Arizona land application: Land application in Arizona will continue to be a part of OC San's overall biosolids program and serves as a large-capacity outlet for biosolids management.

Current Situation

The legislative and regulatory landscapes in California are changing regarding organics management. Since 2003, direct land application of Class B biosolids in Southern California has largely been prohibited due to strict ordinances and conditional use requirements that preempted state recycling laws. However, in recent years there has been a greater focus on healthy soils, renewable energy, organics diversion from landfills, and reduction of Greenhouse Gases (GHGs), which are reflected in several bills and initiatives that have been adopted:

- AB 1826 (2014) — Mandatory Organics Recycling for Businesses.
- SB 1383 (2016) — 50% organics diversion from landfill by 2020 and 75% by 2025, which includes biosolids and mandatory organics procurement (compost and biogas) for impacted jurisdiction.
- SB 32 (2016) — 40% Reduction GHG below 1990 levels by 2030
- SB 100 (2018) — 50% renewable resources (i.e., anaerobic co-digestion of food waste) target by December 31, 2026, and to achieve a 60% target by December 31, 2030
- Increasing soil carbon and carbon sequestration under the Healthy Soils Initiative and Forest Carbon Plan.

In combination, these measures are expanding the “organic waste markets”, thereby stimulating interest in siting more composting facilities and organic waste-to-energy projects and could also support soil blending and direct land application of biosolids and create opportunities for wastewater agencies to innovate. Agencies such as the State Water Resources Control Board (SWRCB), CalRecycle, California Department of Food and Agriculture, California Air Resources Board, and California Energy Commission are developing regulations to implement the new laws. Throughout the rulemaking process, OC San has been actively involved through the California Association of Sanitation Agencies (CASA) and the Southern California Alliance of POTWs (SCAP) to encourage regulators to open more biosolids management options in California. In particular, the recently adopted regulations for SB 1383 require jurisdictions such as cities and counties to procure recycled organics such as compost and biogas for localized beneficial reuse.

It is worth noting that while there is growing interest in California for enhanced organics management, there has also been a rising concern from the regulatory community regarding emerging contaminants such as polyfluoroalkyl substances (PFAS) and microplastics. These

ubiquitous, often household, compounds have been detected in the wastewater pathway and biosolids, and OC San has been actively monitoring the development of the science and regulations across all water, wastewater, air, and soil sectors. To date, PFAS regulations have been established for drinking water and a series of phased investigative orders were issued by the SWRCB to examine the fate and transport of PFAS. OC San was among 249 wastewater treatment plants that were included in Phase three of the investigative order, and OC San is on track to complete all required sampling, analysis, and reporting. Additionally, effective in Fall 2021, OC San is sending 100 tons per day to a state-of-the-technology bioenergy facility which will be sampled for PFAS to potentially demonstrate the destruction of PFAS in biosolids using pyrolysis while creating biochar for recycling and renewable energy for distribution.

Future Policy Statement

As environmental regulations continue to drive the organic waste markets in California, OC San will continue to leverage its memberships with various professional/industry associations to encourage local, state, and federal agencies to promote the beneficial reuse of biosolids. OC San will also continue to monitor the development of regulations for constituents of emerging concern that may impact the beneficial reuse of biosolids.

OC San's long-standing leadership role in key professional organizations will continue to ensure timely and meaningful engagement on key regional, state, and national biosolids management policies.

OC San will continue to stay abreast of new biosolids management options, technologies, and regional biosolids recycling and renewable energy partnerships within Southern California, especially those that address the removal, sequestration, and destruction of constituents of emerging concern.

Based on the findings from the abovementioned pyrolysis PFAS demonstration project and any regulation that are developed in the coming years, staff will update OC San's biosolids strategy to account for emerging contaminant management.

Consistent with the Plan, staff will work with OC Waste and Recycling (OCWR) to explore regional biosolids management opportunities as well as local solutions to meet SB 1383's organics diversion mandates, with emphasis on in-county biosolids utilization, composting, food waste co-digestion, and biogas production.

Initiatives to Support Progress Toward the Policy Goal

- Proceed with implementation of new thermophilic biosolids facilities at Plant No. 2 to improve OC San's operational resiliency against seismic events while enhancing biosolids quality and marketability.
- Continue to explore biosolids thermal conversion technology for energy generation and destruction of persistent contaminants.
- Engage with local, state, and federal agencies to ensure that biosolids will continue to be safely and legally used as a soil amendment.
- Stay abreast of new biosolids management options, technologies, and biosolids recycling and renewable energy partnerships in Southern California, with special emphasis on technologies that address the removal, sequestration, and destruction of contaminants of emerging concern.



Constituents of Emerging Concern Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) will partner with other agencies, associations, and institutions to support the use of sound science to inform policy and regulatory decisions on constituents (or contaminants) of emerging concern (CECs) at the federal, state, and regional levels. Staff will obtain and maintain current knowledge on CECs under regulatory consideration, including occurrence, analytical methods, regulations, and treatment to support OC San's mission and regulatory compliance.

Background

CECs are pollutants that are not necessarily subject to existing regulations but have the potential to pose significant risk to public health and/or the environment. Wastewater treatment systems are generally not designed to remove or destroy CECs but can serve as a pathway for persistent CECs such as per- and polyfluoroalkyl substances (commonly known as the Forever Compound, or PFAS) and microplastics that enter the system from sources such as residential dwellings, commercial establishments, industrial facilities, dry weather urban runoff diversions, and special purpose discharges. In fact, certain CECs have the potential to compromise wastewater treatment and reuse operations, if found at levels that impair OC San's biological treatment systems, digester gas utilization, or advance water purification at the Groundwater Replenishment System.

As with most pollutants, reduction of CECs at the source is by far the most effective means of safeguarding public health and the environment. However, since the full range of adverse effects associated with each CEC is often unknown until contamination has become widespread, OC San routinely coordinates with environmental regulators, industry partners, and community stakeholder to maintain up-to-date scientific knowledge, technological developments, and relevant regulatory and legislative initiatives.

It is worth noting that some of today's regulated pollutants were once considered CECs, such as 1,4-dioxane and polychlorinated biphenyls (PCBs), and OC San is engaged in multiple regional collaborations to continuously increase our collective understanding of pollutant fate and transport and develop integrated water quality improvement strategies.

With steadfast support from the OC San Board of Directors, multiple generations of staff have acquired and conveyed considerable institutional knowledge and experience with identifying, monitoring, and reducing CECs through a combination of source control, treatment optimization, analytical innovations, outreach, and responsible reuse and disposal.

A key takeaway from OC San's decades-long experience with CECs is that there is no such thing as 'away' for some pollutants. Thus, we must consider CEC management in every facet of OC San operation, with special emphasis on advance planning for source control, beneficial reuse, and responsible ocean discharge.

Current Situation

OC San has prioritized CEC source control to prevent potential adverse impacts to its mission of protecting public health and the environment. Industrial and certain non-domestic discharges are regulated by OC San's Pre-treatment Program through a permitting and source control inspection program that enforces OC San's Waste Discharge Ordinance and federal, state, and local mandates. For CECs that are undergoing regulatory development, OC San may choose to utilize interim guidelines and recommended thresholds from federal, state, and

local regulatory agencies to safeguard our ocean discharge and beneficial reuse of water and biosolids.

Specifically, OC San has worked with regulators at the federal, state, and local levels in advance of CEC regulations to develop special projects that can be incorporated into its National Pollutant Discharge Elimination System (NPDES) Permit to evaluate the presence and quantity of CECs in our final discharge to the ocean and the background levels in the receiving environment. OC San's current CEC monitoring program includes constituents in the following category: Hormones (8), Industrial Endocrine Disrupting Compounds (7), Pharmaceuticals and Personal Care Products (13), and Flame Retardants (9). Data from OC San's ongoing CEC program were reviewed by the regulatory and natural resource agencies during the recent NPDES permit renewal consultations, and additional CECs have been added to the 2021 NPDES permit.

Over time, OC San's source control program has been enhanced and updated to meet the needs of the Groundwater Replenishment System (GWRS) as it underwent expansion to increase water supply reliability for north-central Orange County. Through formal agreements and staff-level coordination, OC San and the Orange County Water District (OCWD) have forged a world-class partnership that currently produces 100 million gallons per day (MGD) of purified water and is on track to increase production to 130 MGD in 2023.

To safeguard this potable reuse effort against CECs and other pollutants that are not removed by conventional wastewater treatment systems, OC San and OCWD established a response plan that is activated whenever a pollutant or pollutant precursor becomes a concern to either agency. Where the source can be identified, the plan organizes responsive actions from OC San and OCWD for industrial and commercial facilities. A typical response could include source investigation by OC San that begins with data review, accelerated sampling, laboratory analysis, and result in inspections and enforcement actions. CECs from suspected domestic and residential sources are typically addressed by way of educational outreach to the public. However, OC San's Board of Directors have also authorized financial and in-kind services to support targeted research at academic institutions that investigate CECs from domestic and residential origins.

CECs that are not removed through the treatment process can also be found in biosolids. At high concentrations, CECs may preclude beneficial reuse of biosolids as soil amendments for non-food crop and force OC San to dispose of biosolids in landfills or pursue costly means of destruction.

Thus, responsible legislations and regulations that reduce the production and use CECs, encourage substitution with less toxic materials, and promote adaptive source control programs are essential for sustaining OC San's mission and commitments to the community.

If source control, education and outreach, or legislative and regulatory efforts are not successful, OC San may be required to implement a technological or operational process change/investment to address a CEC.

Future Policy Statement

OC San shall align its resources to manage CECs throughout its service area and treatment process to comply with existing and anticipated regulatory requirements and sustain beneficial reuse of treated effluent and biosolids.

OC San shall acquire and maintain a high level of subject matter expertise and engagement across the wastewater, water, water reuse, air quality, ocean monitoring, and biosolids sectors to monitor the environmental, operational, and financial threats posed by CECs.

OC San shall continue to work with other agencies and professional organizations to develop robust analytical methods and routinely monitor its local limits in order to shape and comply with regulation to protect public health and the environment.

OC San shall continue to implement and update the GWRS Response Plan to sustain effective water reuse and prepare for next-generation CECs and emerging regulatory obligations.

Initiatives to Support Progress Toward the Policy Goal

- Actively engage water and wastewater stakeholders to stay abreast of the scientific progress and any potential operational and financial impacts of CECs and provide timely briefings to OC San's Executive Management Team and Board of Directors to facilitate informed decision making.
- Develop capacity to identify, detect, quantify, and characterize CEC sources throughout the service area and treatment process to promote source reduction, treatment effectiveness, communication of credible risks, and responsible reuse and disposal.
- Proactively establish internal expertise and develop laboratory capability to research the potential impact of CECs on beneficial reuse of water and biosolids. OC San will use science-based knowledge to help shape CEC legislation and regulations to protect the public health and environment.
- In the absence of promulgated regulatory limits for specific CECs, OC San will work with regulatory agencies to establish interim source control measures to safeguard its water and biosolids reuse initiatives and ocean discharge against potential adverse impacts.





Workforce Environment

Resilient Staffing Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) will attract and retain high-quality talent to support its mission and continue to be an industry leader. It will safeguard leadership continuity and support effective performance of the organization by proactively monitoring the changing work environment and requirements to ensure employee development programs are relevant and facilitate building a skilled bench of readily available successors for key leadership and mission-critical positions.

Background

At OC San, employees are the organization's most valuable resource. With over 600 highly skilled and dedicated employees whose collective efforts make OC San an industry leader, resulting in national awards and recognition. OC San has a continuing commitment to providing educational and training opportunities to its employees, resulting in a prepared, highly skilled, and educated workforce to carry out the mission of protecting public health and the environment.

OC San has a diverse workforce and a wide range of expertise with approximately 70 percent of positions requiring a degree, certification, and/or license. Occupations include scientists, engineers, environmental and regulatory specialists, operators, mechanics, construction inspectors, as well as professionals in public affairs, finance, IT, safety, and human resources.

To cultivate a committed and engaged workforce in a competitive economy, OC San must promote initiatives to attract and retain talent and also prepare staff for both current and future key positions to ensure succession management of our most critical positions. Strategic succession management initiatives have been developed and adopted that support the design and implementation of comprehensive workforce planning and development tools accompanied by activities that facilitate the improvement of workforce capability, adaptability, efficiency, and accountability. Strategic workforce planning empowers management to project the loss of knowledge and experience caused by retirement and attrition and utilizes a variety of methods to ensure that OC San has adequate access to talent internally, and externally through the recruitment, promotion, and selection process.

OC San has a competitive recruitment process that ensures we hire the best person for the job based on qualifications and merit. Human Resources utilizes an objective multi-hurdle approach to hiring which includes, among other processes, assessment centers and skills testing, screening, and recommendation to the hiring authority of only those candidates that meet job specifications. The process also includes a second review by the subject matter expert in the department of those applications that have been forwarded, panel interviews (both for technical skills and fit), and full background and reference checks.

Programs that have proven effective in attracting, retaining, and developing highly skilled staff for key positions, include:

- **Vocational/Professional Student Internship Programs**

Vocational students from the Water Utility Science Program at Santiago Canyon College, and Los Angeles Trade Technical College work 28 hours a week and rotate through five technical trades for 53 weeks in our Operations and Maintenance Department. Furthermore, 23 of the program participants have been hired full-time since the program inception. OC San is piloting the program with other technical colleges in Southern California to include Cypress College.

In addition to the Vocational Internship Program, OC San also offers a Professional Student Internship Program that allows students at local Universities an opportunity to work at the professional ranks while attending college full-time for a two-year maximum duration. OC San partners with Cal State Fullerton, Long Beach, Cal Poly Pomona, and UC Irvine, among others.

- **Employee Development Program**

In addition to providing all legally mandated training, OC San provides training and development opportunities for the purpose of increasing job knowledge and to maximize skill sets in employees' current positions and to prepare them for future mission-critical positions. Comprehensive training programs include technical training through industry-specific associations or groups, local schools, and professional associations including informal on the job training. Employees are encouraged to obtain job-related training necessary to keep OC San current with recent industry best practices and developments in their respective fields of expertise and can be eligible to receive Development Pay in select categories that OC San deems mission critical. As 70 percent of OC San's positions require a degree, certificate and/or license, OC San also promotes professional development through its tuition and certification reimbursement programs for courses completed toward obtaining an associate's, bachelor's or master's degree at accredited colleges, universities, or other institutions or industry-specific certifications.

- **Workforce Vulnerability Assessments**

Each year, OC San management conducts an evaluation of their respective departments and identifies key and vulnerable positions based on three criteria: criticality, retention, and difficulty to fill. Vulnerability assessments provide a broader view into the areas of the agency that could potentially be facing a high risk in turnover and are essential to operations. Management is tasked with identifying positions based on the criteria above, then making recommendations on the level of action that is required, complete with proposed action plans. Human Resources staff facilitates the workforce vulnerability assessments and develops current and future staffing plans based on the management outcomes annually. It is essential that OC San continues its planning efforts in this area and to prioritize sufficient staffing to service the community we serve.

- **Talent Readiness Assessments**

The process includes departmental leadership evaluating staff preparedness for key positions as well as reviewing current and future development efforts. Key positions along with the positions that feed into those positions is identified with the expectation that talent pools are developed to align with agency goals and builds the talent pipeline.

- **Orange County Sanitation District University (OC San "U")**

In 2011, OC San began offering a comprehensive voluntary development program to employees. The program was designed to help address the potential loss of talent due to ongoing retirements and to develop employees from within the organization for succession management. The program is currently known as OC San "U" (Orange County Sanitation District University) and it is administered by volunteer employees from across the agency with oversight by the Human Resources Department. Under this program, employees can participate in various learning options to increase their knowledge, skills, abilities, and enhance organizational awareness. The focus of the program and the types of learning options offered have varied over the years to meet the evolving needs of OC San. Employees

may choose to attend on demand web-based courses and live instructor-led virtual trainings on various topics that pertain to OC San business systems, technology, leadership, communications, and more. Employees may also apply to participate in the Cal State Fullerton 14-week Leadership Academy and OC San “U” recently launched a mentoring program. Additionally, OC San U will expand its partnerships for success section of the program to include offerings to outside organizations. The intent is to promote and provide information on OC San as well as network and expand our offerings.

Additionally, OC San partnered with UC Irvine, Cal State University at Long Beach and California Polytechnic University at Pomona, which provided students an opportunity to job shadow Human Resources and Engineering staff to gain insight into the profession, employment in the public sector and the wastewater industry. OC San employees also serve on Advisory Councils that weigh in on course curriculum at various schools, both at the high school and college level, across Southern California.

Throughout the agency, we have several employees who are active members of various professional associations, serve on a Board, or volunteer in various capacities within the industry. OC San is regularly invited to present and teach others about resource recovery. Recruiters attend job fairs, and work closely with universities, professional organizations, and serve on advisory committees.

Education and workforce investment programs represent the most important preparation we can accomplish today to safeguard the agency’s future for tomorrow. Finding an adequate pool of applicants and retaining qualified workers is increasingly difficult, which we anticipate will continue. Retirements are disrupting employment within our industry and changes in technology have made work more complex.

Current Situation

Currently, the majority of OC San’s executives are eligible for retirement. Managers, our next level of leadership, closely follow with 43 percent of them eligible to retire now, and that number increases to 71 percent in five years. For trades and professional occupations, 48 percent are eligible to retire in the next five years. OC San has many long-term employees with vast knowledge in their respective areas of expertise. The average years of service is 10 years with some employees having been a part of the OC San family for over 35 years. Looking at OC San’s total attrition over the last five years, we have lost 2,980 years of knowledge and experience by 128 individuals leaving the agency since 2016.

In 2010, OC San proactively implemented a second retirement benefit formula (“classic open plan”) ahead of the Public Employee Pension Reform Act, which offered candidates moving from other public sector agencies to OC San with a retirement benefit of 2.43 percent at 65, with zero employer paid member contribution. Based on OC San’s classic open retirement plan, competing for experienced and highly skilled talent from surrounding municipalities, who offer a more attractive retirement benefit of 2.5 percent or 2.7 percent at 55 in addition to paying for a portion of the employees’ contribution has been challenging. Since implementation of the classic open plan in 2010, approximately 35 percent of new hires come from other public sector agencies which limits our ability to hire already trained and experienced staff which can be particularly difficult for technical, scientific, and management positions. OC San has had experience with public sector candidates withdrawing from the process or declining job offers once they learn of the impact to their retirement benefit formula. Given the legal restrictions which bind OC San to the classic open retirement formula, it is critical OC San focus its efforts on retaining current staff, attracting qualified and experienced candidates, and investing in

developing and growing employees' knowledge, skills, and abilities for the future, to address any potential talent shortages.

Future Policy Statement

Human Resources will continue to implement strategic initiatives that ensure workforce capabilities match the work required to meet OC San's mission and levels of service. Staff is dedicated to proactively monitoring the changing work environment and requirements to implement programs now that address future vulnerabilities. Assessments of changes in business needs, workforce composition, and legal requirements are necessary to ensure resilient staffing.

Initiatives to Support Progress Toward the Policy Goal

- Maintain and enhance current employee development programs that are in place to provide the direction to identify, develop and select the next generation of prepared, capable, and engaged leaders, which include:
 - Vocational/Professional Student Internship Programs
 - Employee Development Programs
 - Workforce Vulnerability Assessments
 - Talent Readiness Assessments
 - Orange County Sanitation District University (OC San "U")
- Continue to build the OC San "U" program and evaluate various options to partner with member agencies to share content and interactive development opportunities.
- Continue to build on the employee development opportunities to enhance organizational awareness and strengthening knowledge, skills, and abilities in the areas of OC San business systems, leadership, technology, and communication. Additionally, Human Resources will partner with other member agencies to provide and host training and development programs to foster collaboration and innovation.
- Conduct a Classification & Compensation study to ensure job classifications accurately depict the work being performed, to set compensation levels accordingly, and stay abreast of market benefit and salary data. Human Resources and the Board-approved Consultant will work with stakeholders to complete an organization-wide Classification & Compensation Study. It will incorporate feedback on survey agencies solicited from the Board over the past year and union feedback through meet and confer in upcoming labor negotiations.



Safety and Physical Security Policy

Summary Policy Statement

The Orange County Sanitation District (OC San) will ensure the safety and security of employees, contractors, and visitors through standard practices, policies, and procedures that support a safe and secure environment, provide an appropriate level of security, and safeguard OC San's property and physical assets.

Background

In California, employers must furnish employees with a place of employment free from recognized hazards that cause death or serious physical harm, that is compliant with all legal requirements, and aligns with industry best practices. The safety and wellness of the public and employees is our number one priority. OC San is committed to identifying all hazards through inspection and providing engineering controls, job specific safety training, and personal protective equipment.

Programs that have proved effective in ensuring the safety and wellness of OC San's workforce, visitors, and contractors include:

Safety Assessments and Engineering Controls

In 2014, OC San conducted a Facility-Wide Safety Assessment Project (SP-145-1) to identify process equipment design and configuration issues that may impact worker safety, and compliance with regulations. The main purpose of this effort was to enhance worker safety and ensure compliance with safety codes. At the same time, safety improvements allow for reliable and efficient operation, so that our facilities can meet regulatory, and process demands, while providing cost-effective operation. All the Project SP-145-1 recommendations to be implemented by OC San have either been addressed by Maintenance or have been incorporated into the Safety Improvement Project (J-126).

Emergency Management

OC San must be prepared to control risks to the organization, and routinely recognize, evaluate, and prepare for emergencies. An emergency can include a major explosion, fire, verified bomb threat, civil disorder, active shooter situation, or uncontrolled materials release which interrupts OC San's ability to provide safe and environmentally responsible wastewater treatment. The Sanitation District's protocol to control and respond to emergencies is contained within the Integrated Emergency Response Plan (IERP).

The IERP identifies and assesses hazards regarding emergency events which OC San may be confronted with and contains policies, plans, and procedures for preparing and responding to emergencies. The Sanitation District's emergency response organization, called the Incident Command System (ICS), is activated when an emergency condition cannot be effectively responded to under routine operations. Once the immediate emergency has been controlled, then OC San must resume normal operations. In the event of a prolonged emergency state, the return to normal operations is guided by a Continuity of Operations Plan (COOP). In May 2018, a COOP was completed with all divisions contributing to its development. Business continuity planning is an ongoing process for OC San with plans being updated as information changes.

OC San collaborates with local agencies to ensure available resources are identified and engaged in the event of an emergency. OC San has partnered with local agencies in the areas of emergency response for evacuation drills and resource sharing.

- 1) OC San participated in the 2019 Orange Crush Regional Emergency Preparedness and Training Exercise in January 2019. This county-wide exercise used a scenario of a magnitude 7.8 earthquake strike along the San Andreas Fault. A full Emergency Operations Center activation occurred for this functional exercise and gave OC San the opportunity to test the Integrated Emergency Response Plan.
- 2) The Orange County Sheriff's Department and the Orange County Health Care Agency established a Joint Information Center at Plant No. 2 on May 13-14, 2019, to host an enforcement event in Talbert Park. In addition, the operation was overseen by three federal judges who were present to ensure the rights of all citizens were not violated by law enforcement or The Health Care Agency. Officials utilized Plant No. 2 contractor gates for points of entry.
- 3) OC San is a member and funding agency of the Water Emergency Response of Orange County (WEROC), which is an organization that is administered by the Municipal Water District of Orange County (MWDOC). It supports and manages countywide emergency preparedness, planning, response and recovery efforts among Orange County water and wastewater utilities.

Security

The Department of Homeland Security has designated 16 critical infrastructure sectors, which includes water and wastewater systems. Wastewater systems are vulnerable to a variety of attacks, including acts of terrorism, contamination with deadly agents; physical attacks, such as the release of toxic gaseous chemicals, and cyberattacks. In addition, the Department of Homeland Security indicates that the average time it takes for a critical incident to take place is up to 12 minutes while the average police response time can be up to 11 minutes, and that time could increase should there be a natural disaster.

Additional security concerns include physical violence, vandalism, theft, and trespassers. With approximately 100 acres at each site, 600 employees, contractors, and members of the public on site for tours and meetings, it is essential to maintain a security force that can respond to security threats promptly.

OC San contracts with a security firm that supplies four armed and five unarmed guards to provide round the clock security monitoring of over 80 cameras, monitoring gate access, and patrolling the perimeter at both plants.

Current Situation

The Risk Management division has been given the responsibility and an adequate budget to assess and control the safety, security, and health risks that employees, contractors, and guests may be exposed to from OC San operations. Assessment and control of risks is achieved collaboratively between Risk Management staff and internal stakeholders. Risk Management, managers, and staff collaborate to develop written procedures (e.g., policies) that are used for controlling and eliminating hazards at OC San; thus, ensuring compliance with occupational health and safety standards and laws.

Safety

As the health and safety of employees, contractors, and visitors is the number one priority, OC San strives to achieve safety excellence. This is exemplified by our pursuit of the California Voluntary Protection Program (Cal/VPP). The Cal/VPP is a program created by Cal/OSHA to recognize organizations who have implemented safety and health programs that effectively

prevent and control occupational hazards. A Cal/VPP workplace is expected to continually improve its safety program, which means a safe workplace for all. A reduction in injuries and illness has been documented at sites that have committed to the VPP approach. Cal/VPP is recognized as a higher level of protection for the workplace, for this reason, OC San is pursuing this designation.

In preparation for application to the Cal/VPP program, OC San conducted a Cal/VPP readiness assessment in January 2019 and developed an implementation strategy. The assessment included interviews with various OC San subject matter experts and discussions with employees during facility tours. OC San procedures and records were reviewed, and limited visual inspection of work locations and facilities was conducted. The assessment considered basic Cal/OSHA regulatory compliance and additional best management practices that are expected to be implemented in VPP certified workplaces. Based on the results of the VPP assessment, OC San is working toward applying for VPP before the end of calendar year 2019. The timing coincides with the implementation of most of the Safety Improvement Project (J-126), which are critical for success in our VPP pursuit.

This Safety Improvement Project (J-126) is progressing on-schedule. Of the eleven J-126 projects, two have been completed, seven are in the construction phase, and two are pending contractor award. It is important to note that interim measures have been taken to ensure worker safety at the locations identified for safety improvements. Workers are not exposed to hazards while projects are completed.

Eliminating hazards through engineering projects is critical, along with a positive safety culture. In order to assess the safety culture at OC San, a survey was conducted from February to April 2019. The results of this survey indicated employees believe the safety culture is improving, desired an increase in communication on safety issues, and wanted less online and more hands-on customized safety training.

Emergency Management

OC San partners with local agencies to ensure available resources are identified and engaged in the event of an emergency. Collaborations currently scheduled include:

- 1) In conjunction with WEROC, OC San participated in the development of the Orange County Water and Wastewater Hazard Mitigation Plan (Plan) which will be submitted for approval to the State. The Plan provides a framework for participating water and wastewater utilities to plan for natural and man-made hazards in Orange County. OC San is an active participant in the Plan, and developed a hazard mitigation plan, which is Annex C of the Plan. The resources and information within the Plan will allow OC San, and participating jurisdictions to identify and prioritize future mitigation projects, meet the requirements of federal assistance programs and grant applications, and encourage coordination and collaboration in meeting mitigation goals.
- 2) On July 27, 2019, the Sanitation District partnered with the Fountain Valley Police Department Explorers during OC San's Open House event. The Police Explorers assisted Human Resources and Risk Management with crowd and traffic control. Their assistance was beneficial in the management of public during this important event.

Security

The designation of wastewater systems as critical infrastructure by the Department of Homeland Security requires OC San to be diligent in protecting people and property from security breaches. OC San seeks to continually improve the security program. On June 7, 2019,

OC San issued a Request for Proposal (RFP) for Security Services, which included a potential expansion of security services for OC San's new Headquarters Complex. As part of the RFP evaluation, OC San will review procedural and technical enhancements/innovations that may improve the existing program.

In addition, OC San has established a Security Committee, which includes stakeholders from a cross-section of the organization, to collect input and assess physical and cybersecurity concerns and suggestions. Responsibilities of the committee include, but are not limited to, development of a physical and cybersecurity plan, reviewing orders and policies, reviewing incident reports, and planning drills. The first meeting of the committee was held on June 6, 2019.

Future Policy Statement

Risk Management has and will continue to implement strategic initiatives that will ensure the safety, health, and security of its workforce, and proactively plan for emergencies to ensure continuity of operations. Staff is dedicated to proactively monitoring the changing work environment and requirements to implement programs now that address future vulnerabilities. Assessments of changes in business needs, plant processes, and legal requirements are necessary to ensure a safe and secure work environment. The results of improvement will be measured using leading metric indicators and reported to the workforce to foster employee engagement.

Initiatives to Support Progress Toward the Policy Goal

Safety

- Complete outstanding safety projects, improvements, and corrective actions to apply and obtain Cal/OSHA Voluntary Protection Program (VPP) status; and continue to foster a culture where employees are accountable for their safety, as well as the safety of others.

Emergency Management

- Support facility and countywide emergency preparedness, response, and recovery efforts by partnering with entities, such as, the Water Emergency Response Organization of Orange County (WEROC), Orange County Sheriff's Department, and local fire departments to plan and continue to conduct disaster preparedness training and exercises.

Security

- Continually identify and assess vulnerabilities and implement solutions through the Security Committee and third-party assessments. Prevent/mitigate security breaches using physical security systems such as video monitoring, access control, and armed security patrols.

Reclamation Plant No. 1

(Administration Offices)
10844 Ellis Avenue
Fountain Valley, California 92708
714.962.2411

Treatment Plant No. 2

22212 Brookhurst Street
Huntington Beach, California 92646

For more information

Email: ForInformation@ocsan.gov
Phone: 714.962.2411

www.ocsan.gov



June 15, 2022

TO: Chairman and Members of the Board of Directors

FROM: James D. Herberg, General Manager

SUBJECT: General Manager's Fiscal Year 2022-2023 Work Plan

I am pleased to present my work plan for Fiscal Year 2022-2023. This plan has been developed based on the 2021 Strategic Plan adopted by the Board of Directors on November 17, 2021 and is organized under the four Strategic Planning categories: Business Principles, Environmental Stewardship, Wastewater Management, and Workplace Environment. The 17 work plan goals that I am proposing for next year support our efforts to ensure that our operations are safe; we continue to attract, develop, and retain a capable workforce; that we enhance our sustainability by maximizing water recycling; and implement sound financial practices. This forward-looking work plan is designed to position our agency to continue providing our customers with a high level of service while seizing opportunities and meeting future challenges.

1. Business Principles

- **Rate Study** – In preparation for establishing a new five-year rate program, conduct a five-year rate study to determine customers' fair and equitable share of collection, treatment, and disposal costs. Develop an accurate rate model which ensures full cost recovery and provides support to the Proposition 218 notifications. This comprehensive rate study allocates costs to Flow, Biochemical Oxygen Demand, and Total Suspended Solids for the purpose of billing different customer classes including high flow and high strength dischargers and will be applicable to all fees and charges including annexation fees and urban runoff fees. Study to be completed by December 31, 2022.
- **Asset Management Plan** – Create an annual Asset Management Plan documenting the condition for the collection system, treatment plants, and upcoming maintenance or capital projects by December 31, 2022.
- **Interagency Agreements for Wastewater Service** – Conduct an analysis of consolidated agreements set to expire to determine affected agencies, potential risks, opportunities, and a path moving forward by June 30, 2023.

2. **Environmental Stewardship**

- **Food Waste Treatment** – Continue to meet on a quarterly basis with potential food waste pre-processors on the feasibility of potential food waste process technology and siting logistics. Collaborate with CASA to draft uniform standards for food waste slurry with an update to the Board of Directors by December 31, 2022.
- **Urban Runoff Optimization Study** – Advertise for a Request for Proposal for an interagency study among OC San, Orange County Water District, and Orange County Watersheds to study the feasibility of accepting additional dry weather urban runoff and potential stormwater harvesting by October 31, 2022.
- **Energy Resilience** – Investigate energy storage options to build resilience and offer potential cost savings. Work with the consultant as part of the Energy Master Plan Study and report to the Board of Directors by June 30, 2023.
- **Fleet Long-term Strategy** – The current fleet of vehicles is aging and will be subject to new regulations that will require a change in the way vehicles are fueled and will require significant new infrastructure facility changes. Staff will prepare a study based on probable adopted requirements outlining fleet procurements and infrastructure changes necessary to meet the new requirements by December 31, 2022.
- **Headquarters Educational Display** – Develop an educational display for the headquarters building to illustrate OC San's reuse and recycling efforts in support of the environment and public health. Have plan approved and in production by June 30, 2023, for installation by December 2023.
- **Member Agency Outreach Program** – Develop an outreach program for member agencies regarding inflow and infiltration, FOG, and saltwater issues within their sewer systems. The program will aim to educate, inform, and reduce these elements affecting the local and regional sewer system by June 2023.
- **Industrial Users Award Program** – Develop an award program with the qualifying criteria for an Industrial Users Award Program for consideration by the Board of Directors by December 31, 2022.

3. **Wastewater Management**

- **Supercritical Water Oxidization** – Complete the commissioning and begin demonstration of the pilot project by June 30, 2023, subject to regulatory permitting.
- **Chemical Sustainability Policy** – Utilize the recently produced Chemical Sustainability Study to perform testing for dosage reduction or chemical substitution and report back to the Board of Directors by June 30, 2023.
- **GWRS Final Expansion** – Headworks Modifications at Plant No. 2 for GWRS Final Expansion will be substantially completed by January 2023. OC San will host a celebration to commemorate OC San's achievement of reusing 100 percent of the reclaimable flow upon completion of the Groundwater Replenishment System's Final Expansion. Celebrate the milestone and acknowledge the accomplishment with staff and stakeholders by June 2023.

4. **Workplace Environment**

- **Scanning & Paper Reduction** – Continue implementation of the trusted system in the Contracts, Purchasing, and Finance divisions while incorporating a fully digital processes to reduce the use of paper by June 30, 2023.
- **Emergency Management** – Support countywide emergency preparedness, response, and recovery efforts by partnering with entities, such as the Water Emergency Response Organization of Orange County, Orange County Sheriff's Department, and local fire departments, to plan and continue to conduct two emergency preparedness exercises by June 30, 2023.
- **Warehouse Modernization** – Implement remote warehousing at Plant No. 2 to allow for the demolition of the current warehouse facility for construction of new digesters. Relocate the Plant No. 2 Warehouse staff and inventory to Plant No. 1 by June 2023. Advertise Warehouse Stations and Demolition at Plant No. 2, FE21-05, for construction bids by March 31, 2023.
- **Centralized Training Program** – Develop a Centralized Training Program with levels of service to be implemented by June 30, 2023.

OC San's Levels of Service

Presented by:

*Rob Thompson,
General Manager*

May 3, 2023

*Operations
Committee*



1

Our Commitment To...

- Rate payers
- Regulators
- Employees
- Board of Directors
- Stakeholders

2

2

Four Categories We Monitor

- Environmental Stewardship
- Wastewater Management
- Business Principles
- Workplace Environment

3

3

Environmental Stewardship

OC San will protect public health and the environment	LOS
Compliance with Ocean Discharge Permit	100%
Dry weather urban runoff collected and treated	Up to 10MGD
Major non-conformance audit findings	<5 per permit per audit
Respond to corrective actions within regulatory timeline for air, solids, and water compliance audits	100%
Comply with Fleet Air Emission Regulations	100%
Number of odor complaints under normal operations	<5 per event per treatment plant <12 per event for the collection system
Sanitary Sewer Spills per 100 miles	<2.1
Compliance with core industrial pretreatment requirements	100%

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Environmental Stewardship – cont.

OC San's effluent, solids, and biogas will be recycled	LOS
Provide specification effluent to Groundwater Replenishment System	100%
Beneficially reuse biosolids during normal operations	100%

5

5

Wastewater Management

OC San will be a good neighbor and will be responsive to its customers	LOS
Respond to collection system spills within 1 hour of notification	100%
Respond to odor complaints	Within 1 hour in plants Within 24 hours in collections
Respond to public complaints or inquiries regarding construction within 24 hours	100%
Respond to biosolids contractor violations within one week of violation notice	100%
Respond to Public Records Act requests within the statutory requirements	<=10 days
Dig alert response within 48 hours	100%

6

6

Wastewater Management – cont.

OC San will manage its assets to ensure reliability and security	LOS
Cybersecurity event monitoring and incident handling, percent successful	>87%
Annual real property assessments/inspections	25%
Annual inspection, documentation, and evaluation of collection system	70 miles of sewers 880 manholes

7

7

Business Principles

OC San will exercise sound financial management	LOS
Annual user fees sufficient to cover 100% of O&M Budget	100%
Collection, treatment, and disposal costs per million gallons	within 10% of budget
Maintain Credit Rating (Moody's, Fitch, S&P)	AAA

8

8

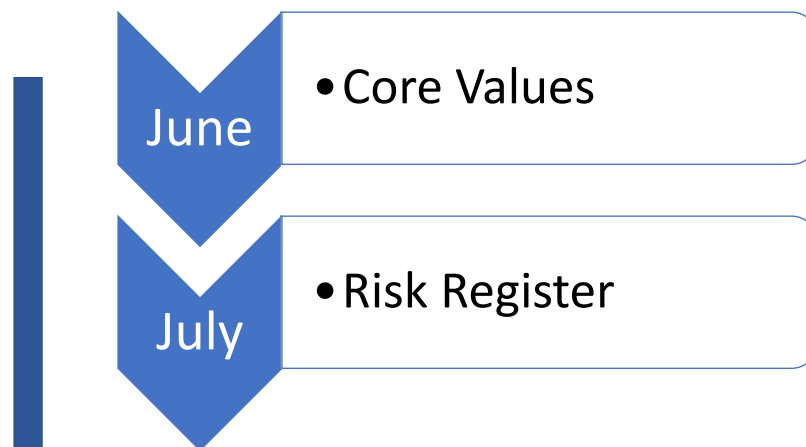
Workplace Environment

OC San will provide a safe, productive workplace	LOS
Employee injury incident rate per 100 employees	<4.4
Annual days away from work, restricted activity, or job transfer resulting from a work-related injury	<2.5
Annual training hours per employee	45

9

9

Committee Meetings



10

10

ORANGE COUNTY SANITATION DISTRICT COMMON ACRONYMS

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

ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS

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

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

WASTEWATER – Any water that enters the sanitary sewer.

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