



# Orange County Sanitation District

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## BOARD OF DIRECTORS

### Agenda Report

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**File #:** 2020-1188

**Agenda Date:** 8/26/2020

**Agenda Item No:** 3.

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**FROM:** James D. Herberg, General Manager  
Originator: Rob Thompson, Assistant General Manager

**SUBJECT:**

**REIMBURSEMENT AGREEMENT BETWEEN ORANGE COUNTY WATER DISTRICT AND ORANGE COUNTY SANITATION DISTRICT**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Approve Reimbursement Agreement with the Orange County Water District entitled "Agreement Between the Orange County Sanitation District and the Orange County Water District", in a form approved by General Counsel, for an estimated amount not to exceed \$72,435, to be reimbursed to the Orange County Sanitation District for Operator Qualified Inspection Services of the Interplant Digester Gas Pipeline.

**BACKGROUND**

The Interplant Digester Gas Pipeline (IDGP) was installed in 1993 to connect Plant No. 1 and Plant No. 2 with the dual purpose of providing both gas transmission between the plants and gas storage. The IDGP is approximately 20,160 linear feet in length and the original steel pipeline ranges from 12 to 18 inches in diameter. In 2013, the interplant gas line was permitted by the Department of Transportation for an operator ID with Pipeline and Hazardous Materials Safety Administration (PHMSA) as per 49 CFR 192 which requires Operator Qualified (OQ) staff to conduct or oversee all work such as operation, inspection, or construction.

The Orange County Water District (OCWD) is constructing water conveyance and storage in the northern section of the Orange County Sanitation District's (Sanitation District) Plant No. 2 for the Final Expansion of the Ground Water Replenishment System (GWRS). As part of the OCWD project, OQ inspection will be required for all excavation in the vicinity of the Interplant Digester Gas Pipeline. Planned work in the vicinity of the IDGP includes:

- Constructing a new weir box at Plant No. 2 that is located within 10 feet of the IDGP (Exhibit A-1 OCWD GWRS Contract 1 Work).
- Constructing a new 60-inch steel pipeline from the new OCWD pump station at Plant No. 2 to connect to the Sanitation District's existing 66-inch interplant effluent pipeline (Exhibit A-2 OCWD GWRS Contract 1 Work).

- Constructing a new 84-inch steel pipeline that feeds the new OCWD pump station at Plant No. 2 (Exhibit A-3 OCWD GWRS Contract 1 Work).
- Constructing a new 66-inch steel pipeline that will connect to the Sanitation District's existing 66-inch interplant effluent pipeline south of Garfield Avenue and the Sanitation District's effluent junction box (Exhibit A-4 OCWD GWRS Contract 1 Work).
- Rehabilitating approximately 15,700 linear feet of OCSD's existing 66-inch diameter interplant effluent pipeline that is leased to OCWD (Exhibit B OCWD Groundwater Replenishment System GWRS) for Final Expansion Contract 2 Work.

It is beneficial to both parties for the Sanitation District to coordinate Department of Transportation OQ inspections services for OCWD Projects with the Sanitation District's current gas line safety consultant Liberty Energy Services. Liberty Energy Services has seven years of experience assisting the Sanitation District in overseeing and operating the IDGP and serves as an independent third party whose primary interest is to protect the Sanitation District and the public. The Sanitation District and OCWD will work cooperatively so the IDGP inspection can occur in a manner that minimizes the costs and risk to the public.

#### **RELEVANT STANDARDS**

- Protect Orange County Sanitation District assets
- Comply with environmental permit requirements
- Commitment to safety & reducing risk in all operations

#### **PROBLEM**

If an Agreement is not established with OCWD to reimburse the Sanitation District for the IDGP Pipeline OQ inspections during the expansion project, the Sanitation District may be responsible to pay for oversight costs associated with OQ inspections. OQ inspections are necessary to prevent violation of the PHMSA article 49 CFR 192, which requires OQ staff to conduct or oversee all work such as operation, inspection, or construction.

#### **PROPOSED SOLUTION**

Approve the Reimbursement Agreement between OCWD and the Sanitation District.

#### **TIMING CONCERNS**

OCWD project commenced this fiscal year, FY 2020-21.

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

Not taking action will delay the OCWD expansion project.

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted FY 2020-21 (Line item: Section 5, Page 4, Contractual Services).

**ATTACHMENT**

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

- Reimbursement Agreement
- Exhibits A-1 - A-4
- Exhibit B