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**CALL TO ORDER**

A regular meeting of the Administration Committee of the Orange County Sanitation District was called to order by Committee Chairman Chad Wanke on February 19, 2020 at 5:03 p.m. in the Administration Building of the Orange County Sanitation District. Director Glenn Parker led the Flag Salute.

**DECLARATION OF QUORUM:**

A quorum was declared present as follows:

**PRESENT:** Chad Wanke, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, David Shawver, Dean Grose (Alternate) and Anthony Kuo (Alternate)

**ABSENT:** Cecilia Iglesias and John Withers

**STAFF PRESENT:**

Jim Herberg, General Manager; Rob Thompson, Assistant General Manager; Lorenzo Tyner, Assistant General Manager; Kathy Millea, Director of Engineering; Lan Wiborg, Director of Environmental Services; Tina Knapp, Assistant Clerk of the Board; Jeff Armstrong; Jennifer Cabral; Rhea de Guzman; Brian Engeln; Al Garcia; Laura Maravilla; Josh Martinez; Jeff Mohr; Paula Zeller; and Ruth Zintzun.

**OTHERS PRESENT:**

Brad Hogin, General Counsel and Bill Dennehy, Chandler Asset Management.

**PUBLIC COMMENTS:**

None.

**REPORTS:**

Chair Wanke indicated that, if there were no objections, Item No. 6 would be presented before Item No. 5.

**CONSENT CALENDAR:**

**1. APPROVAL OF MINUTES**

[2020-885](#)

**Originator:** Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular Meeting of the Administration Committee held December 11, 2019.

**AYES:** Chad Wanke, James Ferryman, Peter Kim, Mark Murphy, Andrew Nguyen, Glenn Parker, David Shawver and Dean Grose (Alternate)

**NOES:** None

**ABSENT:** Cecilia Iglesias, Erik Peterson and John Withers

**ABSTENTIONS:** Steve Nagel and Anthony Kuo (Alternate)

**2. AWARD CONTRACT FOR MARINE VESSEL NERISSA ENGINE REBUILD**

[2020-883](#)

**Originator:** Lan Wiborg

MOVED, SECONDED, AND DULY CARRIED TO:

Approve a purchase order contract to Quinn Company to perform a rebuild on *M/V Nerissa's* Caterpillar diesel engines at a cost not to exceed \$130,000.

**AYES:** Chad Wanke, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, David Shawver, Dean Grose (Alternate) and Anthony Kuo (Alternate)

**NOES:** None

**ABSENT:** Cecilia Iglesias, Erik Peterson and John Withers

**ABSTENTIONS:** None

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

[2020-903](#)

**Originator:** Lorenzo Tyner

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

- A. Receive and file Orange County Sanitation District purchases made under the General Manager's authority for the period of October 1, 2019 to December 31, 2019; and
- B. Approve the following additions to the pre-approved OEM Sole Source List for the period of October 1, 2019 to December 31, 2019:
- ALFA LAVAL - Parts and Repairs for Centrifuge Rotating Assembly
  - CHEVRON - Chevron 5200 HDAX Low Ash 40 Lubricating Oil
  - EMERSON/CALTRON - Fisher Valve Training for Instrumentation Technicians
  - FLEXIM - Flow Meters
  - INTERSCAN/GAS DETECTION - 2 Point H2S Monitoring Systems
  - PATTERSON - Pumps and Parts
  - SOLAR TURBINES - Generator Parts and Repairs
  - TRANE COMPANY - Equipment, Parts, Maintenance, Repairs, and Training
  - TRIDENT - Actuator Parts and Repairs
  - TURVAC - Alignment Certification Training

**AYES:** Chad Wanke, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, David Shawver, Dean Grose (Alternate) and Anthony Kuo (Alternate)

**NOES:** None

**ABSENT:** Cecilia Iglesias, Erik Peterson and John Withers

**ABSTENTIONS:** None

**4. MID-YEAR CONSOLIDATED FINANCIAL REPORT FOR THE PERIOD ENDED DECEMBER 31, 2019** [2019-801](#)

**Originator:** Lorenzo Tyner

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

Receive and file the Orange County Sanitation District Mid-Year Financial Report for the period ended December 31, 2019.

**AYES:** Chad Wanke, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, David Shawver, Dean Grose (Alternate) and Anthony Kuo (Alternate)

**NOES:** None

**ABSENT:** Cecilia Iglesias, Erik Peterson and John Withers

**ABSTENTIONS:** None

*Director Peterson arrived at 5:05 p.m., just after the Consent Calendar vote.*

**NON-CONSENT:**

**5. CONSIDERATION OF BUDGET ASSUMPTIONS AND BUDGET CALENDAR FOR PREPARATION OF THE FISCAL YEARS 2020-21 AND 2021-22 BUDGET** [2020-891](#)

**Originator:** Lorenzo Tyner

Item No. 5 was heard after Item No. 6. Chair Wanke indicated that the recommendation for this item was to be revised to indicate the action of the Committee is to recommend approval to the Board of Directors.

Controller Wally Ritchie provided a PowerPoint presentation that reviewed budget development assumptions, comparison of single-family residential rates, operations, staffing, Capital Improvement Program (CIP), debt financing, budget summary, and budget development key meeting dates.

Staff responded to a question from the Committee regarding the staff salary increases that were incorporated into the recent Memorandums of Understanding. Chair Wanke indicated that he will be requesting staff to research agency participation in PARS in the near future.

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

Approve the FY 2020-21 budget assumptions and direct staff to incorporate these parameters in preparing the FY 2020-21 and 2021-22 budget.

**AYES:** Chad Wanke, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, David Shawver, Dean Grose (Alternate) and Anthony Kuo (Alternate)

**NOES:** None

**ABSENT:** Cecilia Iglesias and John Withers

**ABSTENTIONS:** None

**INFORMATION ITEMS:**

**6. INVESTMENT PERFORMANCE RESULTS** [2019-679](#)

**Originator:** Lorenzo Tyner

Item No. 6 was presented prior to Item No. 5.

Mr. Ritchie provided a PowerPoint presentation that reviewed OCSD's seven reserve criteria, non-discretionary criteria, discretionary reserve criteria, investment objectives, and the investment long-term and short-term portfolios.

Mr. Ritchie introduced Bill Dennehy from Chadler Asset Management who provided a PowerPoint presentation that gave an overview of the Chandler Asset Management firm, an economic update, and account profile.

ITEM RECEIVED AS AN:

Information Item.

**DEPARTMENT HEAD REPORTS:**

None.

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

None.

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

None.

**ADJOURNMENT:**

Chair Wanke declared the meeting adjourned at 5:30 p.m. to the Regular meeting to be held on Wednesday, March 11, 2020 at 5:00 p.m.

Submitted by:

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Tina Knapp, MMC  
Assistant Clerk of the Board