



ORANGE COUNTY SANITATION DISTRICT **SPECIAL NOTICE REGARDING CORONAVIRUS (COVID-19)** **AND ATTENDANCE AT PUBLIC MEETINGS**

On March 4, 2020, Governor Newsom proclaimed a State of Emergency in California as a result of the threat of COVID-19. On March 12, 2020 and March 18, 2020, Governor Newsom issued Executive Order N-25-20 and Executive Order N-29-20, which temporarily suspend portions of the Brown Act which addresses the conduct of public meetings.

The General Manager and the Chairman of the Board of Directors have determined that due to the size of the Orange County Sanitation District's Board of Directors (25), and the health and safety of the members, the Board of Directors will be participating in meetings of the Board telephonically and via Internet accessibility.

PUBLIC PARTICIPATION

Your participation is always welcome. The Operations Committee meeting will be available to the public online at:

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

You may submit your comments and questions in writing for the Operations Committee's consideration in advance of the meeting by using the eComment feature available via the webpage above or sending them to OCSanClerk@ocsd.com with the subject line "PUBLIC COMMENT ITEM # (insert the item number relevant to your comment)" or "PUBLIC COMMENT NON-AGENDA ITEM". Submit your written comments by 5:00 p.m. on Tuesday, June 1, 2021.

You may also submit comments and questions for the Operations Committee's consideration during the meeting by using the eComment feature that will be available via the webpage above for the duration of the meeting.

All public comments will be provided to the Operations Committee and may be read into the record or compiled as part of the record.

Thank you.

May 26, 2021

NOTICE OF MEETING

OPERATIONS COMMITTEE ORANGE COUNTY SANITATION DISTRICT

Wednesday, June 2, 2021 – 5:00 P.M.

ACCESSIBILITY FOR THE GENERAL PUBLIC

Due to the spread of COVID-19, the Orange County Sanitation District will be holding all upcoming Board and Committee meetings by teleconferencing and Internet accessibility. This meeting will be available to the public online at:

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

A regular meeting of the Operations Committee of the Orange County Sanitation District will be held in the manner indicated herein on Wednesday, June 2, 2021 at 5:00 p.m.

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
06/02/21	06/23/21
07/07/21	07/28/21
AUGUST DARK	08/25/21
09/01/21	09/22/21
10/06/21	10/27/21
11/03/21	11/17/21 *
12/01/21	12/15/21 *
JANUARY DARK	01/26/22
02/02/22	02/23/22
03/02/22	03/23/22
04/06/22	04/27/22
05/04/22	05/25/22

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

ROLL CALL

OPERATIONS COMMITTEE Engineering and Operations & Maintenance

Meeting Date: June 2, 2021

Time: 5:00 p.m.

Adjourn: _____

COMMITTEE MEMBERS (14)

Stacy Berry (Chair)	
Brooke Jones (Vice-Chair)	
Doug Chaffee	
Stephen Faessel	
Ryan Gallagher	
Johnathan Ryan Hernandez	
Steve Jones	
Sandra Massa-Lavitt	
Kim Nichols	
Bob Ooten	
Jesus J. Silva	
Chad Zimmerman	
David Shawver (Board Chair)	
John Withers (Board Vice-Chair)	

OTHERS

Brad Hogin, General Counsel	

STAFF

Jim Herberg, General Manager	
Rob Thompson, Assistant General Manager	
Lorenzo Tyner, Assistant General Manager	
Celia Chandler, Director of Human Resources	
Kathy Millea, Director of Engineering	
Lan Wiborg, Director of Environmental Services	
Kelly Lore, Clerk of the Board	

ORANGE COUNTY SANITATION DISTRICT
BOARD OF DIRECTORS
Complete Roster

Effective 2/9/2021

AGENCY/CITIES	ACTIVE DIRECTOR	ALTERNATE DIRECTOR
Anaheim	Stephen Faessel	Jose Diaz
Brea	Glenn Parker	Steven Vargas
Buena Park	Art Brown	Connor Traut
Cypress	Stacy Berry	Anne Hertz
Fountain Valley	Patrick Harper	Glenn Grandis
Fullerton	Jesus J. Silva	Nick Dunlap
Garden Grove	Steve Jones	John O'Neill
Huntington Beach	Kim Carr	Dan Kalmick
Irvine	Anthony Kuo	Farrah N. Khan
La Habra	Rose Espinoza	Jose Medrano
La Palma	Marshall Goodman	Nitesh Patel
Los Alamitos	Mark A. Chirco	Ron Bates
Newport Beach	Brad Avery	Joy Brenner
Orange	Kim Nichols	Chip Monaco
Placentia	Chad Wanke	Ward Smith
Santa Ana	Johnathan Ryan Hernandez	Nelida Mendoza
Seal Beach	Sandra Massa-Lavitt	Schelly Sustarsic
Stanton	David Shawver	Carol Warren
Tustin	Ryan Gallagher	Austin Lumbard
Villa Park	Chad Zimmerman	Robert Collacott

Sanitary/Water Districts

Costa Mesa Sanitary District	Bob Ooten	Art Perry
Midway City Sanitary District	Andrew Nguyen	Sergio Contreras
Irvine Ranch Water District	John Withers	Douglas Reinhart
Yorba Linda Water District	Brooke Jones	Phil Hawkins

County Areas

Board of Supervisors	Doug Chaffee	Donald P. Wagner
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OPERATIONS COMMITTEE
Regular Meeting Agenda
Wednesday, June 2, 2021 - 5:00 PM
Board Room
Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

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 Sanitation District's Administration Building located at 10844 Ellis Avenue, Fountain Valley, California, and on the Sanitation District's website at www.ocsd.com 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 AUDIO: An audio recording of this meeting is available within 24 hours after adjournment of the meeting. Please contact the Clerk of the Board's office at (714) 593-7433 to request the audio file.

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@ocsd.com at least 14 days before the meeting.

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

General Manager: Jim Herberg, jherberg@ocsd.com / (714) 593-7300
Asst. General Manager: Lorenzo Tyner, lttyner@ocsd.com / (714) 593-7550
Asst. General Manager: Rob Thompson, rthompson@ocsd.com / (714) 593-7310
Director of Human Resources: Celia Chandler, cchandler@ocsd.com / (714) 593-7202
Director of Engineering: Kathy Millea, kmillea@ocsd.com / (714) 593-7365
Director of Environmental Services: Lan Wiborg, lwiborg@ocsd.com / (714) 593-7450

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

Clerk of the Board

PUBLIC COMMENTS:

Your participation is always welcome. The Operations Committee meeting will be available to the public online at: <https://ocsd.legistar.com/Calendar.aspx>.

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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**[2021-1651](#)****RECOMMENDATION:**

Approve Minutes of the Regular Meeting of the Operations Committee held May 5, 2021.

Originator: Kelly Lore

Attachments: [Agenda Report](#)
[05-05-2021 Operations Committee Minutes](#)

2. **COOPERATIVE PROCUREMENT WITH STATE OF CALIFORNIA, DEPARTMENT OF GENERAL SERVICES FOR FUEL PURCHASE PROGRAM** [2021-1667](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Authorize the use of the State of California, Department of General Services Master Service Agreement No. 5-19-99-19 with WEX Bank for Fleet Payment System Services for the period beginning July 1, 2021 through June 30, 2022, for a total not to exceed \$250,000, with four one-year renewal options; and
- B. Approve a \$50,000 (20%) contingency per year.

Originator: Rob Thompson

Attachments: [Agenda Report](#)

3. **AGREEMENT FOR NATURAL GAS, SPECIFICATION NO. C-2021-1227BD** [2021-1625](#)

RECOMMENDATION: Recommend to the Board of Directors to:

Approve the Master Retail Natural Gas Supply agreement with Constellation NewEnergy - Gas Division, LLC for the purchase of Natural Gas, Specification No. C-2021-1227BD, for the period August 1, 2021 through July 31, 2022 for \$0.035 per Million British Thermal Units (MMBtu) over the Natural Gas Intelligence Weekly Gas Price Index Monthly Bid for the SoCal Citygate for a total estimated annual cost of \$715,000 with four one-year renewal options.

Originator: Rob Thompson

Attachments: [Agenda Report](#)
[Master Retail Natural Gas Supply Agreement](#)

NON-CONSENT:

4. **MANHOLE FRAME AND COVER REPLACEMENT SERVICES, SPECIFICATION NO. S-2019-1055BD** [2021-1647](#)

RECOMMENDATION: Recommend to the Board of Directors to:

Approve a contingency increase of \$120,433 (approximately 31%) to the Service Contract with Ayala Engineering for Manhole Frame and Cover Replacement Services, Specification No. S-2019-1055BD, for the period November 1, 2020 through October 31, 2021, for a new total contingency amount not to exceed \$178,966 (approximately 46%).

Originator: Rob Thompson

Attachments: [Agenda Report](#)

5. OUTFALL LOW FLOW PUMP STATION, CONTRACT NO. J-117B [2021-1577](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Purchase Order to ConvergeOne for the purchase of IT Hardware (J-117B), Specification No. E-2021-1231BD (Base Bid), for Outfall Low Flow Pump Station, Contract No. J-117B, for a total amount of \$785,482, plus applicable sales tax and freight; and
- B. Approve an additional Purchase Order to ConvergeOne for the purchase of optional IT hardware items (J-117B), Specification No. E-2021-1234BD (Optional Bid), for Outfall Low Flow Pump Station, Contract No. J-117B, for a total amount not to exceed \$288,328, plus applicable sales tax and freight.

Originator: Kathy Millea

Attachments: [Agenda Report](#)

INFORMATION ITEMS:**6. FY 2021-22 BUDGET UPDATE PRESENTATION** [2021-1673](#)

RECOMMENDATION:

Information Item.

Originator: Lorenzo Tyner

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

7. ORANGE COUNTY SANITATION DISTRICT ENVIRONMENTAL SERVICES RESOURCE PROTECTION [2021-1672](#)

RECOMMENDATION:

Information Item.

Originator: Lan Wiborg

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

8. FOOD WASTE RECEIVING [2021-1682](#)

RECOMMENDATION:

Information Only.

Originator: Kathy Millea

Attachments: [Agenda Report](#)
[Presentation - Food Waste Receiving](#)

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:

The next Operations Committee meeting is scheduled for Wednesday, July 7, 2021 at 5:00 p.m.



OPERATIONS COMMITTEE

Agenda Report

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

File #: 2021-1651

Agenda Date: 6/2/2021

Agenda Item No: 1.

FROM: James D. Herberg, General Manager
Originator: Kelly A. Lore, Clerk of the Board

SUBJECT:

APPROVAL OF MINUTES

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Approve Minutes of the Regular Meeting of the Operations Committee held May 5, 2021.

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 21-04

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 May 5, 2021



CALL TO ORDER

A regular meeting of the Operations Committee was called to order by Committee Chair Stacy Berry on Wednesday, May 5, 2021 at 5:00 p.m. in the Administration Building of the Orange County Sanitation District. Chair Berry stated that the meeting was being held telephonically and via audio/video teleconferencing in accordance with the Governor's Executive Order No. N-29-20, due to the Coronavirus Pandemic (COVID-19). Director Sandra Massa-Lavitt led the Flag Salute.

ROLL CALL AND DECLARATION OF QUORUM:

Roll call was taken and a quorum was declared present, as follows:

PRESENT: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

ABSENT: Kim Nichols

STAFF PRESENT: Kelly Lore, Clerk of the Board, and Josh Martinez were present in the Board Room. Jim Herberg, General Manager; Rob Thompson, Assistant General Manager; Lorenzo Tyner, Assistant General Manager; Celia Chandler, Director of Human Resources; Kathy Millea, Director of Engineering; Lan Wiborg, Director of Environmental Services; Jennifer Cabral; Mortimer Caparas; Raul Cuellar; Tanya Chong; Brian Engeln; Tina Knapp; Jeff Mohr; Shahrzad Namini; Adam Nazaroff; Thomas Vu; and Eros Yong were in attendance telephonically.

OTHERS PRESENT: Brad Hogin, General Counsel, was in attendance telephonically.

PUBLIC COMMENTS:

No public comments were provided. Clerk of the Board Kelly Lore announced late communication regarding minor changes to Item No. 9 and Item No. 16. She also announced that correspondence not related to tonight's agenda was received from the International Brotherhood of Electrical Workers, Local 441 Orange County regarding Contract No. P1-128A Headquarters Complex at Plant No. 1 which was distributed to the Committee and Board of Directors and made available to the public.

REPORTS:

Chair Berry and General Manager Jim Herberg did not provide reports. Director of Engineering Kathy Millea provided a brief explanation of the bidding process of Project No. P1-128A.

CONSENT CALENDAR:**1. APPROVAL OF MINUTES**[2021-1592](#)**Originator:** Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular Meeting of the Operations Committee held April 7, 2021.

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

2. QUARTERLY ODOR COMPLAINT REPORT[2021-1442](#)**Originator:** Rob Thompson

MOVED, SECONDED, AND DULY CARRIED TO:

Receive and file the Fiscal Year 2020-21 Third Quarter Odor Complaint Report.

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

3. REGIONAL ODOR AND CORROSION CONTROL SERVICES (ROCCS) PROGRAM, SPECIFICATION NO. C-2017-899BD CONTINGENCY INCREASE[2021-1579](#)**Originator:** Rob Thompson

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

- A. Approve a unit price contingency increase of \$0.74/gallon to the calcium nitrate contract with US Peroxide, LLC dba USP Technologies for the Regional Odor and Corrosion Control Services, Specification No. C-2017-899BD (PO 106291-OB), for July 1, 2021 through June 30, 2022, for a new total amount of \$3.21/gal; for a total estimated usage of \$1,071,339; and
- B. Approve Amendment No. 2 to the contract with Hill Brothers Chemical Company for Regional Odor and Corrosion Control Services, Specification No. C-2017-899BD (PO 106264-OB), for the period beginning July 1, 2021 through June 30, 2022, to approve an additional application service rate of \$80/site per day, a field service rate of \$80/site per day, and a flat surcharge delivery fee of \$400 for small truck deliveries (under 2,500 gallons) for low dosage sites of ferrous chloride only, including but not limited to Crystal Cove Pump Station and Tiffany Lift Station.

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

**4. LIQUID FERRIC CHLORIDE SPECIFICATION NO. C-2019-1037BD
CONTINGENCY INCREASE**

[2021-1569](#)

Originator: Rob Thompson

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

Approve a unit price contingency of \$78.70 per dry ton (13.18%) which is a \$19 per dry ton (3.18%) contingency increase to the liquid Ferric Chloride Agreement with Pencco, Inc., Specification No. C-2019-1037BD, for the period beginning July 1, 2021 through June 30, 2022. New dry ton unit cost not to exceed \$675.70 per dry ton. New contract estimated total is \$2,027,100 plus applicable sales tax.

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

5. ENGINEERING PROGRAM CONTRACT PERFORMANCE REPORT

[2021-1582](#)

Originator: Kathy Millea

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

Receive and file the Engineering Program Contract Performance Report for the period ending March 31, 2021.

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

6. ORANGE-WESTERN SUB-TRUNK AND LOS ALAMITOS TRUNK SEWER REHABILITATION, CONTRACT NOS. 3-64A AND 3-64B [2020-1140](#)

Originator: Kathy Millea

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

A. Approve a Professional Construction Services Agreement with AECOM Technical Services, Inc. to provide construction support services for Orange-Western Sub-Trunk and Los Alamitos Trunk Sewer Rehabilitation, Contract Nos. 3-64A and 3-64B for a total amount not to exceed \$610,000; and

B. Approve a contingency of \$61,000 (10%).

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

7. ORANGE-WESTERN SUB-TRUNK AND LOS ALAMITOS TRUNK SEWER REHABILITATION, CONTRACT NOS. 3-64A AND 3-64B [2020-1238](#)

Originator: Kathy Millea

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

Approve a Cooperative Reimbursement Agreement between the Orange County Sanitation District and the City of Cypress for Pavement Slurry Seal Construction in conjunction with the Orange-Western Sub-Trunk and Los Alamitos Trunk Sewer Rehabilitation, Contract Nos. 3-64A and 3-64B, for an amount not to exceed \$83,000.

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

**8. CONTROL CENTER OFFICES AND DAY TRAINING ROOM
REMODELING AT PLANT NO. 1, PROJECT NO. FR1-0007**

[2021-1432](#)

Originator: Kathy Millea

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

- A. Receive and File Bid Tabulation and Recommendation for Control Center Offices and Day Training Room Remodeling at Plant No. 1, Project No. FR1-0007;
- B. Award a Construction Contract to Thomas Solar Energy for Control Center Offices and Day Training Room Remodeling at Plant No. 1, Project No. FR1-0007, for an amount not to exceed \$256,790; and
- C. Approve a contingency of \$25,679 (10%).

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

9. MACARTHUR FORCE MAIN IMPROVEMENTS, PROJECT NO. 7-68

[2021-1534](#)

Originator: Kathy Millea

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

- A. Approve a Professional Design Services Agreement with Michael Baker International, Inc. to provide engineering services for MacArthur Force Main Improvements, Project No. 7-68, for an amount not to exceed \$500,000; and
- B. Approve a contingency of \$50,000 (10%).

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

**10. ANNUAL PROFESSIONAL DESIGN SERVICES AGREEMENTS, [2021-1574](#)
CONTRACT NO. FE21-00-XX**

Originator: Kathy Millea

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

- A. Approve Annual Professional Design Services Agreements (PDSA) with the following firms for professional engineering design and construction support services commencing July 1, 2021 with a maximum annual fiscal year contract limitation not to exceed \$600,000 for each Annual Professional Design Services Agreement; and

	FIRM	CONTRACT NO.
1	AECOM Technical Services, Inc. (AECOM)	FE21-00-01
2	Arcadis U.S., Inc. (Arcadis)	FE21-00-02
3	Black & Veatch Corporation (Black & Veatch)	FE21-00-03
4	Brown & Caldwell	FE21-00-04
5	CDM Smith, Inc. (CDM Smith)	FE21-00-05
6	CIVILTEC Engineering, Inc. (CIVILTEC)	FE21-00-06
7	Dudek	FE21-00-07
8	GHD, Inc. (GHD)	FE21-00-08
9	HDR Engineering, Inc. (HDR)	FE21-00-09
10	Infrastructure Engineering Corporation (IEC)	FE21-00-10
11	Kennedy Jenks Consultants, Inc. (Kennedy Jenks)	FE21-00-11
12	Kleinfelder, Inc. (Kleinfelder)	FE21-00-12
13	Michael Baker International, Inc. (Michael Baker)	FE21-00-13
14	ProjectLine Technical Services, Inc. (ProjectLine)	FE21-00-14
15	SPEC Services, Inc. (SPEC Services)	FE21-00-15
16	SVA Architects, Inc. (SVA Architects)	FE21-00-16
17	Tetra Tech	FE21-00-17
18	Woodard & Curran, Inc. (Woodard & Curran)	FE21-00-18

- B. Approve two additional one-year optional extensions for each PDSA.

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

11. NEWHOPE-PLACENTIA TRUNK REPLACEMENT, SEGMENT B AND SEGMENT C, CONTRACT NOS. 2-72B AND 2-72C [2021-1583](#)

Originator: Kathy Millea

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

Approve the First Amendment to Agreement between the Orange County Sanitation District and the City of Anaheim for Construction of Water Facilities in Conjunction with the State College Boulevard Sewer Project, which increases by \$513,439 the maximum reimbursement by the City of Anaheim to a new total of \$1,813,439.

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

NON-CONSENT:

12. HEADQUARTERS COMPLEX AT PLANT NO. 1, CONTRACT NO. P1-128A [2021-1527](#)

Originator: Kathy Millea

Ms. Millea provided a brief introduction to the item.

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

A. Approve a Professional Construction Services Agreement with HDR Engineering, Inc. to provide construction support services for Headquarters Complex at Plant No. 1, Contract No. P1-128A, for an amount not to exceed \$4,900,000; and

B. Approve a contingency of \$490,000 (10%).

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

Chair Berry stated that Item No. 15 would be heard prior to Item Nos. 13 and 14 at the request of staff.

**15. A-SIDE PRIMARY CLARIFIERS REPLACEMENT AT PLANT NO. 2, [2021-1530](#)
CONTRACT NO. P2-98A**

Originator: Kathy Millea

Engineering Manager Jeff Mohr provided a PowerPoint presentation which described the project site plan at Plant No. 2 including: clarifier primary treatment, existing clarifier mechanism, primary treatment rehabilitation, project elements, needed improvements, risk management process, construction dewatering risk, work sequencing, and bid results.

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

- A. Receive and file Bid Tabulation and Recommendation for A-Side Primary Clarifiers Replacement at Plant No. 2, Project No. P2-98A;
- B. Award a Construction Contract to PCL Construction, Inc. for A-Side Primary Clarifiers Replacement at Plant No. 2, Contract No. P2-98A, for an amount not to exceed \$111,405,880; and
- C. Approve a contingency of \$6,684,353 (6%).

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

**14. A-SIDE PRIMARY CLARIFIERS REPLACEMENT AT PLANT NO. 2, [2021-1529](#)
CONTRACT NO. P2-98A**

Originator: Kathy Millea

Jeff Mohr provided a PowerPoint presentation which described information as to the necessity of the requested professional construction services.

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

A. Approve a Professional Construction Services Agreement with Black & Veatch Corporation to provide construction support services for A-Side Primary Clarifiers Replacement at Plant No. 2, Contract No. P2-98A, for an amount not to exceed \$8,400,000; and

B. Approve a contingency of \$840,000 (10%)

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

**13. ORANGE-WESTERN SUB-TRUNK AND LOS ALAMITOS TRUNK [2021-1429](#)
SEWER REHABILITATION, CONTRACT NOS. 3-64A AND 3-64B**

Jeff Mohr provided a PowerPoint presentation which provided information as to the project scope and location, unknown utility and sewage spill risks, and the close coordination with the affected local agencies.

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

A. Receive and file Bid Tabulation and Recommendation for Orange-Western Sub-Trunk and Los Alamitos Trunk Sewer Rehabilitation, Contract Nos. 3-64A and 3-64B;

B. Award a Construction Contract to Steve P. Rados, Inc. for Orange-Western Sub-Trunk and Los Alamitos Trunk Sewer Rehabilitation, Contract Nos. 3-64A and 3-64B, for a total amount not to exceed \$17,775,000; and

C. Approve a construction contract contingency of \$1,777,500 (10%).

AYES: Stacy Berry, Brooke Jones, Doug Chaffee, Stephen Faessel, Ryan Gallagher, Johnathan Ryan Hernandez, Steve Jones, Sandra Massa-Lavitt, Robert Ooten, Jesus Silva, David Shawver, John Withers and Chad Zimmerman

NOES: None

ABSENT: Kim Nichols

ABSTENTIONS: None

INFORMATION ITEMS:**16. CAPITAL IMPROVEMENT PROGRAM PROPOSED BUDGET FOR [2021-1406](#)
FY2021-22**

Originator: Kathy Millea

Engineering Manager Eros Yong provided a PowerPoint presentation regarding the Capital Improvement Program (CIP) FY 2021-22 Budget update including: performance overview, 10-year net and total CIP outlay, CIP budget authority, new projects, top budget increases and decreases, project closures, projected FY 2021-22 net CIP outlay, and 20-year net CIP outlay.

ITEM WAS RECEIVED AS AN:

Information Item.

DEPARTMENT HEAD REPORTS:

None.

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 Berry declared the meeting adjourned at 6:17 p.m. to the meeting to be held on Wednesday, June 2, 2021 at 5:00 p.m.

Submitted by:

Kelly A. Lore, MMC
Clerk of the Board

OPERATIONS COMMITTEE

Agenda Report

File #: 2021-1667

Agenda Date: 6/2/2021

Agenda Item No: 2.

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

SUBJECT:

COOPERATIVE PROCUREMENT WITH STATE OF CALIFORNIA, DEPARTMENT OF GENERAL SERVICES FOR FUEL PURCHASE PROGRAM

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Authorize the use of the State of California, Department of General Services Master Service Agreement No. 5-19-99-19 with WEX Bank for Fleet Payment System Services for the period beginning July 1, 2021 through June 30, 2022, for a total not to exceed \$250,000, with four one-year renewal options; and
- B. Approve a \$50,000 (20%) contingency per year.

BACKGROUND

Approval of this action allows the Orange County Sanitation District (OC San) to continue participating in the State of California Fleet Card Program. Under this program, OC San purchases fuel from fueling stations at a discounted rate. OC San has purchased fuel for vehicles and the ocean monitoring vessel through the state program since 2009, which provides lower unit fuel costs resulting from larger fuel volumes associated with the cooperative procurement.

The State of California, Department of General Services (DGS), and WEX Bank have recently entered into a new Agreement for the fuel card payment service. This Agreement with WEX Bank provides OC San a fuel card service. Local political subdivisions are allowed and encouraged to participate under this Cooperative Agreement. Every OC San vehicle and ocean monitoring vessel has a charge card to purchase gasoline or diesel fuel from local fueling stations.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Participate in local, state, and national cooperative purchasing programs

PROBLEM

The current Agreement between the State of California and the US Bank National Association dba Voyager Fleet Systems (Voyager) for the services of a fuel card payment system expires on June 30, 2021. The State of California went through a new procurement process with WEX Bank being awarded a new Agreement for these services.

PROPOSED SOLUTION

Approve participation in the State of California, DGS Master Service Agreement with WEX Bank.

TIMING CONCERNS

The current fuel card agreement between DGS and US Bank (Voyager) expires on June 30, 2021.

RAMIFICATIONS OF NOT TAKING ACTION

OC San would purchase fuel at increased prices and be required to find other alternatives to fit this need.

PRIOR COMMITTEE/BOARD ACTIONS

December 2016 - Board approved a purchase order with US Bank (Voyager) for a total amount not to exceed \$250,000 with four one-year optional renewals; and approved a \$50,000 (20%) contingency per year.

ADDITIONAL INFORMATION

The new Master Services Agreement is a State of California, DGS competitive procurement led by DGS. WEX Bank was the lowest bidder and received award of the DGS Master Services Agreement. A 20% contingency is requested to allow for variances in market fuel prices and usage rates.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item is budgeted in the fiscal year 2020-21 & 2021-22 budget, Operations and Maintenance Department line item: Section 6, Page 80.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
06/23/2021	\$250,000	\$50,000 (20%)

ATTACHMENT

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

N/A

DS:bb:sr:qc

File #: 2021-1625

Agenda Date: 6/2/2021

Agenda Item No: 3.

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

SUBJECT:

AGREEMENT FOR NATURAL GAS, SPECIFICATION NO. C-2021-1227BD

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve the Master Retail Natural Gas Supply agreement with Constellation NewEnergy - Gas Division, LLC for the purchase of Natural Gas, Specification No. C-2021-1227BD, for the period August 1, 2021 through July 31, 2022 for \$0.035 per Million British Thermal Units (MMBtu) over the Natural Gas Intelligence Weekly Gas Price Index Monthly Bid for the SoCal Citygate for a total estimated annual cost of \$715,000 with four one-year renewal options.

BACKGROUND

Orange County Sanitation District (OC San) Central Generation (CenGen) facilities at Plant Nos. 1 and 2 are vital to OC San's resource recovery and resilient operation. CenGen engines utilize all process digester gas to generate electricity and heat which are utilized in the treatment plants and support buildings. Natural gas is used as a supplemental fuel in the CenGen engines during routine operations and peak power months to reduce electrical demand.

Natural gas is purchased as a bulk commodity from a third-party energy marketing firm and is delivered through regional pipelines owned by Southern California Gas Company. OC San buys natural gas on the open market with pricing set relative to a published index price, the Natural Gas Intelligence Weekly Gas Price Index Monthly Bid for the SoCal Citygate region. OC San has utilized gas marketing firms for over 21 years to effectively manage the cost of natural gas required for CenGen operation. This strategy results in the lowest cost over the long term.

RELEVANT STANDARDS

- Use all practical and effective means for resource recovery
- 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

PROBLEM

Present purchase order for procurement and management of natural gas is due to expire on July 31, 2021.

PROPOSED SOLUTION

Award a new agreement with Constellation NewEnergy - Gas Division, LLC for the purchase of natural gas tied to a market index rate.

TIMING CONCERNS

The current purchase order is due to expire July 31, 2021.

RAMIFICATIONS OF NOT TAKING ACTION

If a new agreement is not awarded before the existing contract expires, a short-term emergency supply arrangement would have to be made with Southern California Gas which could result in increased gas costs.

ADDITIONAL INFORMATION

A competitive bid was advertised on April 1, 2021. Two bids were received on April 27, 2021; one from Direct Energy Services and the other from Constellation NewEnergy - Gas Division, LLC. Direct Energy Service offered a unit price of \$0.149/MMBtu over the index price and Constellation NewEnergy - Gas Division, LLC offered a unit price of \$0.035/MMBtu over the index price.

The bids were evaluated in accordance with OC San policies and procedures. Staff recommends awarding a new purchase order contract to Constellation NewEnergy - Gas Division, LLC for supply of natural gas. The premium unit price charge of \$0.035/MMBtu is a decrease from the current premium rate of \$0.039/MMBtu.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San Purchasing Ordinance. This item has been included in the Fiscal Years 2020-2021 and 2021-2022 Budget, Division 830 Utilities (Section 6, p. 84) and Division 840, Utilities (Section 6, Page 88).

ATTACHMENT

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

- Master Retail Natural Gas Supply Agreement

MPV:JS:cf

MASTER RETAIL NATURAL GAS SUPPLY AGREEMENT

This Master Retail Natural Gas Supply Agreement ("**Master Agreement**") is entered into as of June ____, 2021, but effective August 1, 2021 ("**Effective Date**") by and between Orange County Sanitation District ("**Customer**") and Constellation NewEnergy – Gas Division, LLC ("**CNEG**"). CNEG and Customer are sometimes referred to individually as a "**Party**" and collectively as the "**Parties**."

This Master Agreement sets forth the general terms and conditions governing transactions for the purchase and sale of natural gas and related products and services (each a "**Transaction**") to one or more of Customer's accounts or facilities (each a "**Facility**") as agreed to from time to time. Each Transaction may be evidenced by a transaction confirmation (each a "**TC**"). The Parties may further agree to implement certain strategies or related services, the specifics of which will be set forth in a rider executed by the Parties (each a "**Rider**"). Each TC and Rider shall constitute part of and shall be subject to this Master Agreement. This Master Agreement and each TC and Rider shall constitute a single integrated agreement between the Parties (collectively referred to as the "**Agreement**"). In the event of a conflict between (i) a TC, (ii) a Rider, (iii) the terms and conditions of this Master Agreement, and (iv) any oral agreement of the Parties as to a Transaction, the terms shall govern in the priority listed in this sentence.

The Parties intend that they are legally bound by the terms of each Transaction from the moment each Party agrees to those terms, whether (i) via electronic transmission, (ii) written record, or (iii) orally. Nothing in this Agreement obligates either Party to enter into a Transaction at any time. Any applicable requirement that a Transaction be "in writing" and "signed" shall be deemed to have been satisfied by this Master Agreement, by the Parties' signatures below and their express agreement to these procedures. CNEG shall have the exclusive right to confirm any Transaction by sending Customer a written TC, substantially in the form attached hereto as Exhibit A or otherwise, by facsimile, e-mail or other means. Notwithstanding any provision to the contrary in this Master Agreement, failure to send a TC shall not invalidate a Transaction agreed to by the Parties. If CNEG sends a TC and Customer fails to object in writing to any term in the TC within two (2) Business Days, the TC shall constitute the definitive written expression of the Transaction. "**Business Day**" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday and shall open at 8:00 a.m. and close at 5:00 p.m. Eastern Prevailing Time.

1. CNEG and Customer Obligations.

Natural Gas Supply. CNEG shall sell and supply, and Customer shall purchase and receive, the Contract Quantity for each Facility identified in a TC or Rider. "**Contract Quantity**" means the quantity of gas to be delivered and received pursuant to a TC. Such deliveries and receipts of natural gas shall be on a Firm, Secondary Firm or Interruptible basis, or otherwise as described in a TC. "**Firm**" means deliveries and receipts may not be interrupted without liability except for reasons of Force Majeure. "**Secondary Firm**" means deliveries and receipts will be on a best-efforts basis up to Customer's maximum daily quantity and performance may be interrupted without liability to the extent that one or more of the following conditions are present: (i) Force Majeure; (ii) curtailment by the local distribution company owning and/or controlling and maintaining the distribution system required for delivery of gas to the Facility(ies) (the "**Utility**"); (iii) curtailment of supply by a natural gas supplier; (iv) curtailment of storage by a storage provider; (v) curtailment of transportation by a gas gathering or pipeline company, or Utility (each a "**Transporter**"), transporting gas for CNEG or Customer downstream or upstream of the Delivery Point(s), including, but not limited to, transportation between secondary firm points; (vi) recall of transportation capacity release by its releaser; or (vii) curtailment of gas production behind a specific meter. "**Interruptible**" means deliveries and receipts may be interrupted at any time for any reason except for Customer's obligation to take and pay for gas it nominates and CNEG's obligation to honor the price set forth in the TC. The terms of any Transaction between CNEG and Customer shall be as set forth on the applicable TC, but CNEG will procure gas from its suppliers on terms CNEG deems appropriate. CNEG holds title to the gas and has the sole responsibility to deliver, or cause to be delivered, the natural gas to the applicable Delivery Point. Title shall pass to Customer at the Delivery Point and Customer shall have the sole responsibility for transporting the gas from the Delivery Point. "**Delivery Point**" means the city gate interconnection between the Utility and the upstream Transporter or such other delivery point(s) as are agreed in a TC. However, to the extent that Customer owned transportation capacity is used to deliver natural gas to the Customer, the Delivery Point shall be the receipt point of such capacity.

Failure to Deliver or Receive. The sole and exclusive remedy of the Parties in the event of a breach of an obligation to deliver or receive gas shall be the following: (a) If CNEG fails to deliver gas (other than Interruptible) for a reason other than Customer's breach, CNEG shall pay Customer the "**Replacement Cost**," which is the amount Customer actually pays to replace the undelivered Contract Quantity less the amount Customer would have paid under this Agreement for such Contract Quantity. (b) If Customer fails to receive gas (other than Interruptible) for a reason other than CNEG's breach, Customer shall pay CNEG the "**Revenue Loss**," which is the amount that CNEG would have received for the sale of the unreceived Contract Quantity pursuant to this Agreement less (i) the amount actually received by CNEG in an alternate sale, plus any incremental costs, or (ii) if no alternate sale takes place, the amount CNEG would have received by reselling such Contract Quantity at spot market prices at or near the Delivery Point(s), as determined by CNEG in a commercially reasonable manner. CNEG and Customer shall exercise commercially reasonable efforts to mitigate any Revenue Loss or Replacement Cost, respectively. If the calculation of the Replacement Cost or Revenue Loss results in a negative number, then the amount shall be deemed to equal zero.

Nominations. The Parties shall coordinate nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). If Customer or the Utility fails to provide CNEG with a usage nomination for any month in a timely manner, CNEG (i) may establish a nomination for such month in a commercially reasonable manner based on Customer's historical usage data available to CNEG, and (ii) shall have the right to use and rely on such nomination unless notified otherwise by Customer or the Utility. If a Party becomes aware that actual deliveries are greater or lesser than the quantity of gas confirmed by a Transporter for movement, transportation or management, the Party shall promptly notify the other Party. Usage nominations may be made orally, in writing, by facsimile or by electronic means.

Imbalances. The Parties shall use commercially reasonable efforts to avoid imposition of any fees, penalties, cash-outs, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy balancing and/or nomination requirements ("**Imbalance Charges**"). If either Party receives an invoice from a Transporter that includes Imbalance Charges, the Parties shall determine the validity and cause of such Imbalance Charges. The Party causing the imposition of the Imbalance Charges will be responsible to pay such Imbalance Charges.

Transporter Restrictions. If either Party receives an operational flow order or any other usage or operating instructions, restrictions or similar notice (each an "**OFO**") from a Transporter requiring action to be taken in connection with the flow and/or consumption of gas covered by this Agreement, such party will use commercially reasonable efforts to notify the other party of such event in a timely manner. Such notice may be given by electronic means. Each Party will take all commercially reasonable actions required by the OFO within the time prescribed. If OFO penalties, charges, fees, costs or expenses result from the actions or inactions of one Party, then such Party shall be solely responsible for any such penalties, charges, fees, costs or expenses. Both parties agree that OFOs may require one or both parties to

buy or sell gas quantities in the then-current market conditions, which may be appreciably higher or lower than the original pricing. If CNEG is responsible for nominations and balancing on a Transporter imposing an OFO or similar restriction, CNEG may (but is not required to) increase or decrease nominations, as appropriate, to avoid penalties.

2. **Contract Term and Renewal.** The term of this Master Agreement will commence on the Effective Date and shall remain in effect for a period of one (1) year. Customer may exercise the option to renew this Master Agreement for up to four (4) additional one year terms upon mutual agreement of the Parties. Any TC or Rider will continue to be governed by this Master Agreement until the TC or Rider has been separately terminated or expired.

Term of TC. Each TC or Rider shall set forth the applicable “**Delivery Period**” or term during which deliveries of natural gas are to be made and/or services are to be provided. CNEG shall not be liable for any failure to enroll or drop a Facility by any applicable start and end date(s) set forth in the TC or Rider due to circumstances beyond its control.

3. **Information and Authorization.** Customer hereby authorizes CNEG to take such actions CNEG deems necessary to enroll each Facility with the Utility and to be served by CNEG and to otherwise meet CNEG’s obligations under the Agreement, including executing on Customer’s behalf any documents necessary to effectuate any Facility enrollment or election, undertaking the management of any storage or transportation capacity allocated to Customer by the Utility or other transporters, disposing of storage balances, adding or deleting Facility(ies) as necessary, receiving usage nominations from the Utility relating to Customer’s natural gas requirements, and other similar documents. Customer’s signature on this Master Agreement constitutes Customer’s written authorization for CNEG to obtain from time to time from the applicable Utility all current and historical natural gas billing, usage data and other related information. Customer shall take any actions, execute any documents and shall provide to CNEG any information as CNEG may reasonably require.

4. **Billing and Payment.**

Billing. Customer will be billed for natural gas usage and related products and services supplied under the Agreement in one of the following ways based on availability and eligibility of each Facility, which may change from time to time: (a) Dual Billing: Customer will receive two invoices, one from CNEG for the natural gas supply and one from the Utility for the amounts payable by Customer for services provided by the Utility (“**Delivery Charges**”); (b) CNEG Consolidated Billing: Customer will receive one invoice from CNEG that includes both the natural gas supply charges and the Delivery Charges. In the case of CNEG Consolidated Billing, Customer agrees that (i) Customer remains exclusively liable to the Utility for all Delivery Charges, (ii) CNEG has no obligation to review Delivery Charges for accuracy, (iii) should Customer dispute Delivery Charges, that is a matter for Customer and the Utility to resolve without any involvement or obligation on the part of CNEG, and (iv) CNEG may withhold any payments due to the Utility if Customer fails to pay CNEG invoices in accordance with this Master Agreement.

Taxes. Customer shall pay all federal, state, municipal and local taxes, duties, fees, levies, premiums or other charges imposed by any governmental authority, directly or indirectly, on or with respect to the natural gas and related products and services provided under the Agreement, including without limitation any production, severance or ad valorem taxes, and including any taxes enacted after the Effective Date (collectively, “**Taxes**”). The term “**Taxes**” shall include any amounts imposed on Customer directly or on CNEG in its function as Customer’s supplier, and that are associated with the supply of gas to Customer (in which case the Customer shall be responsible to reimburse CNEG for such amounts). If Customer is exempt from any Taxes, Customer shall provide CNEG with any state and/or local exemption certificate prior to the issue date of Customer’s first invoice. All Taxes invoiced to Customer under this Agreement will be included on the invoice or in the applicable fixed price as allowed by Law.

Estimates. CNEG’s ability to invoice Customer is dependent on the Transporter’s ability to furnish CNEG with all necessary information, including Customer’s metered usage. When there is a delay in receiving information from the Transporter, CNEG will, to the extent necessary, estimate charges and credits for a billing period and reconcile such estimates against actual charges and credits in a future invoice(s). Each invoice is also subject to adjustment for errors in arithmetic, computation, meter readings or other errors. Interest shall not accrue on such adjustments.

Payment. All amounts set forth in an invoice are payable to the Party issuing the invoice and will include, in addition to the natural gas supply charges, Delivery Charges, and Taxes, all other amounts related to the purchase and delivery of natural gas. CNEG’s invoices will be sent to Customer in accordance with CNEG’s normal billing cycle, as adjusted from time to time. CNEG’s invoices are due and payable on the thirtieth (30th) day after the date of invoice or such other date as set forth in a Rider (the “**Payment Date**”) without offset or reduction of any kind, to the address set forth on the invoice. Invoices not paid on or before the Payment Date will accrue interest daily on outstanding amounts from the Payment Date until paid in full, at the lesser of 1.5% per month or the highest rate permitted by law.

Pricing Structures. “**Contract Price**” means the price for gas as set forth in the applicable TC or Rider. To the extent (a) there are beginning of the month nominated volumes where the price is not fixed, (b) a Facility requires additional natural gas quantities in excess of the nominated or fixed quantities set forth in a TC or Rider, or (c) a Facility continues to receive natural gas from CNEG beyond the Delivery Period (where such deliveries will be considered month to month), all such natural gas will be priced at Market Price unless otherwise set forth in a TC or Rider. “**Market Price**” means a price comprised of (i) the spot commodity cost of gas as determined by CNEG in its reasonable discretion, (ii) all related interstate and intrastate pipeline charges required to deliver gas to the Delivery Point, and (iii) a reasonable market based margin. Market Price does not include any applicable Utility charges, including but not limited to Utility or pipeline balancing charges, unless otherwise agreed upon.

Market Disruption. If the Contract Price is based in whole or in part upon a specified index and a Market Disruption Event occurs on a day on which the relevant source published or was to publish the relevant price, then the Parties shall negotiate in good faith to agree on an alternative method of determining the Contract Price. A “**Market Disruption Event**” is any one of the following: (a) failure of the specified

index to announce or publish information necessary for determining the Contract Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the exchange or market acting as the specified index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the specified index; or (e) a material change in the formula for or the method of determining the relevant price component.

Price Locks. Unless otherwise set forth in a TC or a Rider, Customer can request to lock in the commodity price for any month(s) at any time during the Delivery Period, prior to 12:00 p.m. EST/EDT on the final day of NYMEX last day settlement for each applicable delivery month. Commodity purchase/sale prices exclude pipeline and Utility distribution charges. Customer also has the right to lock basis at a fixed price and at predetermined volumes. Basis includes interstate and intrastate pipeline transportation but does not include the commodity cost or the Delivery Charges.

5. **Adequate Assurance.** If CNEG has reasonable grounds: (i) to believe that Customer’s creditworthiness has become unsatisfactory; or (ii)

for insecurity with respect to Customer's performance under the Agreement, CNEG may demand, in writing, adequate assurance of future performance from Customer in a form, in an amount, from an issuer, and for a term, all as reasonably satisfactory to CNEG ("Adequate Assurance"). To satisfy a demand, Customer shall provide Adequate Assurance to CNEG within three (3) Business Days of the date of the written demand. If at any time CNEG requires Customer to prepay for gas, then (i) CNEG shall be under no obligation to deliver gas if Customer fails to pay any prepayment by its due date, and (ii) in the event the aggregate cost of any quantities of gas required by Customer in a month in excess of the scheduled nominated quantities exceeds \$15,000.00, Customer shall pay CNEG the aggregate cost of such quantities within three (3) Business Days of CNEG's request for payment.

6. **Event of Default.** An "Event of Default" means any one of the following: (a) Customer's failure to make, when due, any payment required under the Agreement if not paid within five (5) Business Days (or such longer period required by applicable law) following written notice to Customer that a payment is past due; (b) any representation or warranty made by a Party in the Agreement is false or misleading in any material respect when made or ceases to remain true in all material respects during the term of the Agreement, if not cured within five (5) Business Days after written notice from the other Party; (c) Customer fails to provide the Adequate Assurance as provided in this Agreement; (d) the failure by a Party to perform any material obligation set forth in this Agreement (other than the events that are otherwise specifically covered as a separate Event of Default hereunder or a failure to deliver or receive gas) which is not cured within five (5) Business Days after receipt of written notice thereof; or (e) a Party: (i) makes an assignment or any general arrangement for the benefit of creditors; (ii) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed for it or any substantial portion of its property or assets (iii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law for the protection of creditors, or has such petition filed against it; (iv) otherwise becomes bankrupt or insolvent (however evidenced); (v) is unable to pay its debts as they fall due; or (vi) is dissolved (other than pursuant to a consolidation, amalgamation or merger).
7. **Remedies Upon Event of Default.** If an Event of Default occurs with respect to a Party (the "Defaulting Party"), the other Party (the "Non-Defaulting Party") may, in its discretion, at any time, (i) withhold any payments or suspend any deliveries hereunder and/or (ii) terminate the Agreement in whole or solely with respect to those Facility(ies) adversely affected by such Event of Default, upon written notice to the Defaulting Party setting forth the effective date of termination (the "Early Termination Date"). The Early Termination Date for any Facility located in New Jersey shall be no less than thirty (30) calendar days from the date of written notice of termination. Further, if Customer is the Defaulting Party, then CNEG may, without waiving any rights or remedies it may have, to the extent applicable, remove Customer from CNEG's managed balancing and/or storage pools and/or apply any storage balance at prevailing market prices as an offset against the amount owed to CNEG by Customer. If this Agreement is terminated, the Non-Defaulting Party will in good faith calculate a termination payment as set forth below and the owing Party shall pay such amount within three (3) Business Days of receipt of notice of the amount due. The Parties acknowledge and agree that any termination payment under the Agreement constitutes a reasonable approximation of harm or loss, and is not a penalty or punitive in any respect. The remedies under this Section 7 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Event of Default.

As of the Early Termination Date, the Non-Defaulting Party shall determine: (i) the difference between the Contract Value and the Market Value, such that the difference shall be due to the Customer if the Market Value exceeds the Contract Value and to CNEG if the opposite is the case; (ii) the Non-Defaulting Party's Costs; and (iii) the amount owed (whether or not then due) by each Party with respect to all gas delivered and received. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the Parties under this Section, so that all such amounts are netted or aggregated to a single liquidated amount payable by one Party to the other.

"Costs" means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred by such Party as a result of the Event of Default. The "Contract Value" shall be the Contract Price multiplied by the amount of gas, as determined by the Non-Defaulting Party, that would have been delivered under each terminated Rider or TC, had it not been terminated early (the "Terminated Volumes"). The "Market Value" shall be the amount, as of the Early Termination Date, a third party would pay for the Terminated Volumes at the Delivery Point(s) at current market prices. The Non-Defaulting Party may determine the Market Value of a terminated transaction by reference to information either available to it internally or supplied by one or more third parties including, without limitation, any or all of the settlement prices of NYMEX gas futures contracts, quotations from leading dealers, energy swap agreements or physical gas trading markets, similar sales or purchases, and any other bona fide offers from either third parties or affiliates of the Party, all as commercially available to the Party and adjusted for the length of the term and differences in transportation costs and other factors, as the Party reasonably determines. The Non-Defaulting Party shall not be required to enter into a replacement transaction in order to determine or be entitled to a termination payment.

8. **Change in Law.** CNEG may pass through or allocate, as the case may be, to Customer any increase or decrease in CNEG's costs related to the natural gas and related products and services sold to Customer that results from the implementation of new, or changes (including changes to transportation rates) to existing, Laws, or other requirements or changes in administration or interpretation of Laws or other requirements. "Law" means any law, rule, regulation, ordinance, statute, judicial decision, administrative order, Transporter business practices or protocol, Transporter tariff, or rule of any commission or agency with jurisdiction in the state in which the Facility(ies) is located. Such adjusted amounts will be included in subsequent invoices to Customer.
9. **Representations and Warranties.** Each Party warrants and represents to the other (now and deemed repeated by each Party on each date on which a TC or Rider is executed or deemed accepted) that: (i) it is duly organized, validly operating and in good standing under the laws of the jurisdiction of its formation; (ii) it is authorized and qualified to do business in the jurisdictions necessary to perform under the Agreement; (iii) execution, delivery and performance of the Agreement are duly authorized and do not violate any governing documents or any of its contracts or any applicable Law; (iv) there is no material event(s) or agreement(s) which would impair that Party's right, authority or ability to execute the Agreement and otherwise perform under the Agreement; and (v) it has the knowledge and experience to evaluate the merits and risks associated with the Agreement.

Furthermore, Customer warrants, represents and covenants that: (i) the data given and representations made concerning its Facility(ies) are true and correct; (ii) it is entering into this Agreement to purchase its natural gas requirements only and not for speculative or resale purposes; and that the natural gas purchased under this Agreement will be consumed at the Facility(ies); (iii) it is the party of record of the Facility(ies), or if it is not the party of record, it has the authority to enter into and bind its principal to the Agreement; (iv) if any Transaction hereunder gives Customer the right to adjust the Contract Quantity, or to require CNEG to provide some other quantity of gas, Customer's election to exercise such right is based predominantly on supply and demand factors related to Customer's business; and (v) if Customer is a Governmental Entity, it will not claim immunity on grounds of sovereignty or similar grounds from enforcement of the Agreement. If it is a Governmental Entity, Customer covenants to obtain all necessary budgetary approvals, appropriations and funding for all of its obligations under this Agreement, the failure of which shall not be an excuse for Governmental Entity's performance or failure to perform hereunder and upon request will provide proof of such authority. "Governmental Entity" means a municipality, county, governmental board, governmental

department, commission, agency, bureau, administrative body, joint action agency, court or other similar political subdivision (including public school districts or special purpose district or authority), or public entity or instrumentality of the United States or one state.

- 10. Force Majeure.** Notwithstanding any other provision of this Agreement, where a Party is unable to carry out any obligation under the Agreement due to a Force Majeure event (other than a payment obligation, which will not be excused for Force Majeure), the Agreement will remain in effect but such obligation will be suspended for the period necessary as a result of the Force Majeure, provided that: (i) the Claiming Party gives the other Party, as soon as possible, written notice describing the particulars of the Force Majeure; (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure; and (iii) the Claiming Party uses commercially reasonable efforts to remedy its inability to perform. “**Force Majeure**” means an event that is not within the reasonable control of the Party claiming Force Majeure (“**Claiming Party**”), and that by the exercise of due diligence, the Claiming Party is unable to overcome the event in a commercially reasonable manner, and such event will not be deemed a breach or default under the Agreement. Force Majeure includes, but is not limited to, acts of God; fire; war; terrorism; flood; earthquake; civil disturbance; sabotage; facility failure; strike; curtailment, disruption or interruption of supply by a supplier or distribution or transportation by a Transporter (including without limitation as the result of an OFO); declaration of emergency by a Transporter(s); regulatory, administrative, or legislative action, or action or restraint by court order or governmental authority; or any act or omission of a third party not under the control of the Claiming Party (including without limitation the Utility).
- 11. INDEMNIFICATION/DUTY TO DEFEND.** CNEG shall assume all responsibility for damages to property and/or injuries to persons, including accidental death, which may arise out of or be caused by CNEG's services under this Master Agreement, or by its subcontractor or by anyone directly or indirectly employed by CNEG, and whether such damage or injury shall accrue or be discovered before or after the termination of this Master Agreement. Except as to the sole active negligence or willful misconduct of Customer, CNEG shall indemnify, protect, defend and hold harmless Customer, 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 CNEG's performance under this Master Agreement, and/or (b) on account of use of any copyrighted or uncopied material, composition, or process, patented or unpatented invention, article or appliance, furnished or used under this Master Agreement, and/or (c) on account of any goods and services provided under this Master Agreement. This indemnification provision shall apply to any acts or omissions, willful misconduct, or negligent misconduct, whether active or passive, on the part of CNEG or anyone employed by or working under CNEG. To the maximum extent permitted by law, CNEG's duty to defend shall apply whether or not such claims, allegations, law suits, 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. CNEG agrees to provide this defense immediately upon written notice from Customer, and with well qualified, adequately insured, and experienced legal counsel acceptable to Customer. This section shall survive the expiration or early termination of this Master Agreement.
- 12. Limitation of liability.** Notwithstanding any other provision of the Agreement to the contrary, the entire liability of each Party for any and all Claims will be limited to direct actual damages only, subject in all cases to an affirmative obligation on the part of each Party to mitigate its damages, and neither Party will be liable for any consequential, exemplary, special, incidental or punitive damages, including, without limitation, lost opportunities or lost profits not contemplated by THE TERMINATION CALCULATION IN Section 7 above. Customer acknowledges and agrees that the Utility is exclusively responsible for the gas distribution and delivery system, that CNEG has no independent control over the Utility's systems and will have no liability for any of the Utility's acts or omissions.
- 13. DISCLAIMER.** CUSTOMER ACKNOWLEDGES AND AGREES THAT NO WARRANTY, DUTY, OR REMEDY, WHETHER EXPRESSED, IMPLIED, OR STATUTORY, IS GIVEN OR INTENDED TO ARISE OUT OF THIS AGREEMENT EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, AND CNEG SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE.
- 14. Waiver and Severability.** Failure to provide notice of, or object to, any default under this Agreement will not operate or be construed as a waiver of any future default, whether like or different in character. If any portion of this Agreement, or application thereof to any person or circumstance, is held legally invalid, the remainder will not be affected and will be valid and enforced to the fullest extent permitted by law and equity, and there will be deemed substituted for the invalid provisions such provisions as will most nearly carry out the mutual intent of the Parties as expressed in this Agreement to the fullest extent permitted by applicable Law; provided, however, that this severability provision will not be applicable if any provision of Sections 6 and 7 of this Master Agreement (or any definition or provision in this Agreement to the extent it relates to, or is used in connection with, such sections) is held invalid or unenforceable.
- 15. Assignment.** Customer may assign all its rights and obligations under this Agreement; *provided* (a) it gives CNEG forty-five (45) days prior written notice of its intent to do so; (b) the assignee satisfies in full CNEG's credit requirements; (c) the assignee assumes in writing all of Customer's obligations under the Agreement; and (d) Customer continues to be liable for performance, including payment for goods and services received, prior to the assignment date. CNEG may assign, sell, pledge, transfer, or encumber any of its rights and obligations under this Agreement or the accounts, revenues, or proceeds hereof to: (a) a bank, insurer or other financial institution; or (b) any person or entity (i) succeeding to all or substantially all of CNEG's assets or business or the division or region of CNEG to which this Agreement relates or (ii) into which CNEG is merged or otherwise combined or reorganized; provided (with respect to this clause (b)) the succeeding entity agrees to be bound to the Agreement; or (c) any affiliate of CNEG.
- 16. Confidentiality.** To the extent allowed by law, each Party agrees to keep all terms and provisions of this Agreement and all communication provided in connection with this Agreement, including the pricing offered to Customer, confidential to the extent not otherwise publicly available and not to disclose them to any third parties without the prior written consent of the other Party, except as necessary to perform its obligations under this Agreement or as otherwise required by Law. Each Party may disclose such information to its affiliates and to its affiliates' employees, agents, advisors, and on a need to know basis, to its independent contractors, provided each such recipient agrees to hold such information in the strictest confidence. CNEG may disclose information respecting Customer to third parties that are representing Customer in the purchase of gas or related services. Furthermore, CNEG may make such other disclosures to third parties of information, including aggregate consumption data, provided they are in a manner that cannot be reasonably expected to specifically identify Customer. If disclosure of confidential information is sought through a court, or a state or federal regulatory agency or other legal compulsion, the Party receiving such request will notify the other Party immediately to afford it the opportunity to oppose such disclosure via a protective order or other relief as may be available and will provide reasonable support.
- 17. Applicable Law/Venue/Attorneys' Fees.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Any action or proceeding for dispute resolution arising out of this Agreement shall be brought and tried in the County of Orange, State of California, and the prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses.. To the fullest extent allowed by law, the provisions of this Agreement shall be construed in a manner that avoids any violation of statute, ordinance, regulation,

or law. If a court of competent jurisdiction holds any provision of the Agreement to be void, the remaining provisions shall continue in full force and effect.

18. Miscellaneous. The Agreement embodies the Parties' entire agreement and understanding and may not be contradicted by any prior or contemporaneous oral or written agreement. Notwithstanding any provision to the contrary in a prior agreement, the Parties agree that this Master Agreement shall supersede and replace all prior written and oral agreements or arrangements between the Parties with respect to the purchase and sale of gas and related services and that all transactions under any such prior agreement(s) are, as of the Effective Date, now governed solely by the terms of this Master Agreement and shall be Transactions hereunder and a part of the single integrated agreement between the Parties. A facsimile or e-mailed copy of either Party's signature will be considered an original for all purposes under this Agreement, and each Party will provide its original signature upon request. No purchase order, or any amendment or edit to this Agreement, will be valid or given any effect unless signed by both Parties or expressly contained in a TC deemed accepted pursuant to the procedures set forth herein. The applicable provisions of this Agreement will continue in effect after termination or expiration hereof to the extent necessary, including but not limited to providing for final billing, billing adjustments and payments, limitations of liability, the forum and manner of dispute resolution, and with respect to any indemnification obligations under the Agreement. The section headings used in this Master Agreement are for reference purposes only and will in no way affect the meaning of the provisions of the Master Agreement. The Parties acknowledge that any document generated by the Parties with respect to this Agreement, including this Agreement, may be imaged and stored electronically and such imaged documents may be introduced as evidence in any proceeding as if such were original business records and neither Party shall contest their admissibility as evidence in any proceeding. The rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by Law. CNEG shall have the right to set-off and net against any amounts owed to it under the Agreement, including without limitation any early termination payment, any amounts owed by CNEG to Customer under the Agreement or any other agreement between the Parties, including without limitation any Adequate Assurance. Except for Section 11 above, no third party will have any rights under this Agreement whatsoever and Customer will be fully responsible for any compensation owing any third party representing Customer in connection with this Agreement and will indemnify, defend and hold harmless CNEG from all related Claims. To the extent Customer is represented by a broker, agent, association or other third party (collectively, "Broker"), Customer acknowledges and understands that: (i) CNEG may be making a payment to Broker in connection with Broker's efforts to facilitate Customer and CNEG entering into a Transaction; (ii) unless otherwise noted, the Contract Price reflects the fee, if any, paid to Broker, and (iii) Broker is acting on Customer's behalf as Customer's representative and is not a representative or agent of CNEG. Customer further authorizes CNEG to utilize Customer's name for publicity and marketing purposes.

19. Affirmation; Acknowledgements. Customer affirms that it has read this Agreement in its entirety and it agrees to the terms and conditions contained herein. Any ambiguity or question of intent or interpretation under this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring either Party by virtue of the authorship of any of the provisions of this Agreement. The Parties acknowledge and agree that: (i) CNEG is an independent contractor under this Agreement and except as otherwise explicitly provided in this Agreement, neither Party has the authority to execute documents that purport to bind the other, and nothing in this Agreement will be construed to constitute a joint venture, fiduciary relationship, partnership or other joint undertaking; (ii) TCs and Riders entered into hereunder will constitute "forward contracts" and/or "swap agreements" under the U.S. Bankruptcy Code, as amended, the rights of the Parties under Section 7 above will constitute contractual rights to liquidate them, and the Parties are entities entitled to the rights and protections afforded to "forward contracts" and "swap agreements" by the U.S. Bankruptcy Code; (iii) CNEG is not Customer's consultant or advisor for any purpose including advice regarding the value or advisability of trading in "commodity interests" as defined in the Commodity Exchange Act, 7 U.S.C. §§ 1-25, et seq., as amended (the "CEA"), including futures contracts and commodity options or any other activity which would cause CNEG or any of its affiliates to be considered a commodity trading advisor under the CEA; (iv) each Party is an "eligible contract participant" as that term is defined in the CEA; and (v) Customer is making its own decisions based solely upon its own analysis and the advice of its own advisors, if any.

20. Notices. To be effective, all notices must be in writing delivered by hand, by certified mail return receipt requested, by first class mail, or express carrier to the addresses provided in this Agreement. CNEG shall send invoices and TCs to the notice address provided herein unless otherwise directed by Customer. Notice by hand delivery shall be effective on the date it is delivered. Notice by certified mail, return receipt requested, by first class mail, or express carrier shall be effective on the date that mail is delivered or its delivery is attempted. A Party may change its address by providing notice of change in accordance herewith or by other means agreed by the Parties.

IN WITNESS WHEREOF, the Parties have executed this Master Agreement through their duly authorized representatives as of the date set forth above.

Constellation NewEnergy – Gas Division, LLC

By: _____

Name: _____

Title: _____

Date: _____

Notice Information

9960 Corporate Campus Drive, Suite 2000
Louisville, KY 40223
Phone: (502) 426-4500
Facsimile: (502) 214-6381

OC San: Orange County Sanitation District

By _____
Chair, Board of Directors

By _____
Kelly Lore
Clerk of the Board

By _____
Ruth Zintzun
Purchasing & Contracts Manager

Date: _____

Notice Information (Same As Invoice and Transaction Confirmation)

Attention: MarcoPolo Velasco, Principal Staff Analyst
Address: 10844 Ellis Ave, O&M Division 820
Fountain Valley, CA 92708-7018
Phone: (714) 593-7088 Facsimile:
Email: mvelasco@ocsan.gov

Invoice Copy to:

Attention: Accounts Payable OCSD
Address: 10844 Ellis Ave, Accounting Division 220
Fountain Valley, CA 92708-7018
Phone: (714) 962-2411 Facsimile: (714) 962-8379

Account Manager: Marsalese, Phil
(248) 504-8861
philip.marsalese@constellation.com

DEAL NO. TBD

Transaction Confirmation

This Transaction Confirmation is delivered pursuant to and in accordance with a gas supply agreement ("Gas Supply Agreement"), effective **8/1/2021**, by and between Constellation NewEnergy-Gas Division, LLC ("Constellation") and Orange County Sanitation District ("Customer"), and is subject to and made part of the terms and conditions of such Gas Supply Agreement.

Special Condition: This Transaction Confirmation is not effective and binding upon the parties hereto unless signed by both parties.

Trade Date: TBD

Buyer: Orange County Sanitation District

Seller: Constellation NewEnergy - Gas Division, LLC (CNEGAS)

Facility Name: Orange County Sanitation District Financing C PHYS POOL ACCT

Delivery Period: 8/1/2021 - 7/31/2022 (inclusive)

Nature of Obligation: Firm - "Firm" means deliveries and receipts may not be interrupted without liability except for reasons of Force Majeure regardless of the capacity type Constellation uses to receive such gas.

Deal Type: Physical Index

Index Price: To be based on Natural Gas Intelligence's ("NGI") Bidweek Survey, under the column heading "AVG" on the first business day of each month during the calculation period for SoCal Citygate.

Year 2021			Year 2022	
Contract Month	Fixed Amount (MMBtu)	Price	Fixed Amount (MMBtu)	Price
January			5,432.0	\$0.03500
February			4,343.0	\$0.03500
March			7,022.0	\$0.03500
April			10,185.0	\$0.03500
May			12,395.0	\$0.03500
June			10,595.0	\$0.03500
July			10,715.0	\$0.03500
August	12,722.0	\$0.03500		
September	12,673.0	\$0.03500		
October	12,400.0	\$0.03500		
November	11,552.0	\$0.03500		
December	12,212.0	\$0.03500		

US\$ Rounded to five decimal places
Plus applicable taxes

Incremental Pricing: For all additional quantities required by Customer, in excess of the fixed quantities listed herein in combination with any other nominated quantities, or for gas quantities bought back from Customer by

Constellation due to Customer's requirements being less than the total nominated volumes each month, the price for such additional purchases or buybacks shall be based on the then current market price, as determined by Constellation in its reasonable discretion.

If Constellation and Customer have previously entered into any commodity transaction(s) for the Facility (the "Previous Transaction") that overlap one or more of the delivery months covered in this Transaction Confirmation (the "Overlapping Month(s)"), the incremental gas pricing in this Transaction Confirmation shall apply to the Overlapping Months instead of any conflicting incremental gas pricing associated with the Previous Transaction.

Eight (8) business days prior to each month of flow, Customer may provide Constellation with a monthly nomination. If Customer does not provide a nomination, Constellation will evaluate Customer's procured gas position based on their expected gas requirements for the upcoming month. If it is determined that Customer requires additional gas volumes to meet that expected requirement, Constellation will procure this gas at the then current market price, captured appropriately on Customer's invoice.

Alternative Pricing Mechanism: The above described index pricing may be amended by a mutually agreed to fixed, NYMEX based, price arrangement at any time during the Delivery Period herein. Upon expiration of such a fixed price arrangement before the end of the Delivery Period, the pricing mechanism shall return to the index pricing of the Delivery Period herein.

NYMEX Trigger Rights: Customer has the right to trigger the NYMEX price for any month(s) at any time during the Delivery Period, prior to 12:00 p.m. EST/EDT on the final day of NYMEX settlement for each applicable month.

Allocation: Constellation will allocate the Contract Quantity listed herein among the Customer's separate facilities or meters at a later date.

Pipeline: SOCAL

Delivery Point(s): SOCAL-CITYGATE NON-CORE

Utility: SOCAL

LDC Account No(s): 094-210-9500, 104-710-9500

Seller's planned billing method for this facility is to bill Buyer based on: Actual Consumption

Default Service: Should Constellation continue to deliver to Customer beyond the term of this Transaction Confirmation, said deliveries will be made for successive 1 month terms (each an "Extension Term"), until terminated by either party by giving written notice of termination not less than 30 days prior to the expiration of the then-current Extension Term. Each month, the default price (the "Evergreen Price") will equal the applicable published index, plus transportation, fuel and any other charges associated with the delivery of gas to the Delivery Point. Unless otherwise provided by Customer, Constellation will determine Customer's monthly nomination in a commercially reasonable manner based upon Customer's historical usage data.

(SIGNATURE BLOCKS FOLLOW ON NEXT PAGE)

Please return via the DocuSign E-Signature process or email to CNEGTransactionConfirmations@Constellation.com.

Constellation NewEnergy-Gas Division, LLC

OC San: Orange County Sanitation District

By:

By:

David John Shawver
Chair, Board of Directors

Name: _____
Nancy H. Fischer

By:

Kelly A. Lore
Clerk of the Board

Title: _____
Vice President-Retail Ops

By:

Ruth Zintzun
Purchasing & Contracts Manager

Date: _____

Date: _____

Customer ID PA-114824
Contract No. CNEG45997
Deal No. TBD

File #: 2021-1647

Agenda Date: 6/2/2021

Agenda Item No: 4.

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

SUBJECT:

MANHOLE FRAME AND COVER REPLACEMENT SERVICES, SPECIFICATION NO. S-2019-1055BD

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve a contingency increase of \$120,433 (approximately 31%) to the Service Contract with Ayala Engineering for Manhole Frame and Cover Replacement Services, Specification No. S-2019-1055BD, for the period November 1, 2020 through October 31, 2021, for a new total contingency amount not to exceed \$178,966 (approximately 46%).

BACKGROUND

The Orange County Sanitation District (OC San) collection system is comprised of 388 miles of pipe and more than 4,400 manholes. The manholes allow access to the pipe network for cleaning and maintenance. The manholes are subject to corrosion and mechanical wear due to vehicular traffic or hydraulic forces in drainage courses.

Many of these manhole frames and covers are in public right-of-way streets. Street maintenance is by others. OC San is obligated to adjust the frames and covers to match new street elevations whenever the local city or county agency repaves the surrounding street.

The current authorized contract amount for the Manhole Frame and Cover Replacement Services is \$390,220, plus the \$58,533 (15%) contingency, for November 1, 2020 through October 31, 2021. The contractor has provided good service to date.

RELEVANT STANDARDS

- Operate and maintain facilities to minimize impacts on surrounding communities, including odor, noise, and lighting
- Protect OC San assets
- Commitment to safety & reducing risk in all operations

PROBLEM

Local street maintenance was greater than anticipated this year. The current funding is exhausted with five months remaining in the current contract period, and there is a backlog of approximately 40 manholes that need replacing.

PROPOSED SOLUTION

Approve a contingency increase of \$120,433 to the Service Contract with Ayala Engineering in the current term to cover the greater than anticipated number of units to allow staff to promptly address the backlog of manholes needing replacement or adjustment. Staff intends to rebid the service for the next term with a higher adjusted estimate of annual work quantities to reflect the needed work more accurately.

TIMING CONCERNS

Manhole frames and covers that are reported as corroded, misaligned, rattling, or worn need attention and fixing in order to protect OC San's assets and the public's safety.

RAMIFICATIONS OF NOT TAKING ACTION

Without an increased contingency amount, some manhole frames and covers will present a risk or nuisance to the public and integrity of OC San's assets.

PRIOR COMMITTEE/BOARD ACTIONS

August 2019 - Board of Directors awarded a contract to Ayala Engineering for Manhole Frames and Covers Replacement Services, Specification No. S-2019-1055BD, for a total amount not to exceed \$390,220 for the period beginning November 1, 2019 through October 31, 2020, with four optional one-year renewals and an annual contingency of \$58,533 (15%).

ADDITIONAL INFORMATION

The chart below illustrates the contingency increase breakdowns.

Work Type	Cost(each)	Estimated Quantity	Adjusted Cost
36" Frame & Cover Replacement	\$5,020	17	\$ 85,340
24" Frame & Cover Replacement	\$3,690	4	\$ 14,760
36" Topper (Internal Liner)	\$ 990	10	\$ 9,900
24" Topper (Internal Liner)	\$ 900	2	\$ 1,800
Traffic Control (Single Lane Closure)	\$ 199	17	\$ 3,383
Coating Repair	\$ 495	10	\$ 4,950

Emergency Call Out	\$ 300	1	\$ 300
TOTAL			\$120,433

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This budgeted item is in the fiscal year 2020-21 & 2021-22 budget. Line item: Section 06, Page 76.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
08/24/2019	\$390,220	\$ 58,533 (15%)
06/23/2021		\$120,433 (appx.31%)

ATTACHMENT

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

N/A

DS:mb:sr:gc

File #: 2021-1577

Agenda Date: 6/2/2021

Agenda Item No: 5.

FROM: James D. Herberg, General Manager
Originator: Kathy Millea, Director of Engineering

SUBJECT:

OUTFALL LOW FLOW PUMP STATION, CONTRACT NO. J-117B

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Purchase Order to ConvergeOne for the purchase of IT Hardware (J-117B), Specification No. E-2021-1231BD (Base Bid), for Outfall Low Flow Pump Station, Contract No. J-117B, for a total amount of \$785,482, plus applicable sales tax and freight; and
- B. Approve an additional Purchase Order to ConvergeOne for the purchase of optional IT hardware items (J-117B), Specification No. E-2021-1234BD (Optional Bid), for Outfall Low Flow Pump Station, Contract No. J-117B, for a total amount not to exceed \$288,328, plus applicable sales tax and freight.

BACKGROUND

The Orange County Sanitation District (OC San) previously installed a plant-wide, three-tier hierarchical Industrial Control System (ICS) network at Plant No. 1 to move all Programmable Logic Controllers (PLCs), Supervisory Control and Data Acquisition (SCADA) servers, and Human Machine Interfaces (HMIs) to this network, allowing OC San to abandon legacy networks, including Modbus Plus, and remove the HMI from the office network as recommended by the Department of Homeland Security (DHS).

Contract No. J-117B is constructing a new plant-wide ICS network at Plant No. 2, similar to Plant No. 1, which includes the installation of single mode fiber optics and new networking hardware throughout Plant No. 2.

RELEVANT STANDARDS

- Comply with California Public Contract Code Section 20103.8: Award contract to the lowest responsive, responsible bidder
- Ensure that public's money is wisely spent
- 24/7/365 treatment plant reliability

PROBLEM

New equipment is required to construct the new ICS network. Similar to past construction projects, OC San purchases the network equipment for the contractor to install. This allows OC San to obtain the latest equipment model prior to installation.

PROPOSED SOLUTION

Approve the Purchase Orders to ConvergeOne to provide networking equipment.

TIMING CONCERNS

This procurement is needed to turn over the new equipment to the J-117B Contractor for installation and avoid project delays.

RAMIFICATIONS OF NOT TAKING ACTION

The new plant-wide ICS network at Plant No. 2 would not be completed on or before March 2022, as currently planned. Potential time delays and cost impacts to Contract No. J-117B and future projects that will utilize the new Plant No. 2 ICS network may also occur.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

OC San advertised for bids on April 1, 2021, and nine sealed bids were received on May 5, 2021. The estimated bill of material was \$1,500,000. A summary of the bids follows:

<u>Bidder</u>	<u>Amount of Base Bid</u>
ConvergeOne	\$ 785,482
Total Communications, Inc.	\$ 808,858
NetXperts, Inc	\$ 816,193
Insight Public Sector, Inc	\$ 821,406
Burnwood Group, Inc	\$ 885,407
ePlus Technology, Inc.	\$ 936,981
SaiTech, Inc	\$ 1,124,715
Thomas Gallaway Corp	\$ 1,646,435
CDW Government LLC	\$ 1,805,498

The bids were evaluated in accordance with OC San policies and procedures. A notice was sent to all the bidders on May 11, 2021, informing them of the intent of OC San to recommend awarding Purchase Order to ConvergeOne.

Staff recommends approving a Purchase Order to the lowest responsive and responsible bidder, ConvergeOne, for Purchase of IT Hardware (J-117B), Specification No. E-2021-1231BD (Base Bid), for a total amount of \$785,482 and an additional Purchase Order for optional items Specification No.

E-2021-1231BD (Optional Bid) in the amount not to exceed \$288,328, for a combined award amount not to exceed \$1,073,810, plus applicable sales tax and freight.

CEQA

The project is included in the Ocean Outfall System Rehabilitation/Outfall Low Flow Pump Station (Project No. J-117B) Mitigated Negative Declaration (MND) State Clearinghouse Number 2017071012.

This MND was certified by the Board of Directors and a Notice of Determination was filed on October 2, 2017.

FINANCIAL CONSIDERATIONS

The request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted, FY 2020-2021 & 2021-2022 Adopted Budget, Section 8, Page 37 and the project budget is sufficient for the recommended action.

ATTACHMENTS

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

N/A

VP:MD:dm:gc



OPERATIONS COMMITTEE

Agenda Report

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

File #: 2021-1673

Agenda Date: 6/2/2021

Agenda Item No: 6.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

FY 2021-22 BUDGET UPDATE PRESENTATION

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Item.

BACKGROUND

Staff will provide an overview of the FY 2021-22 Budget Update, including Orange County Sanitation District Revenues, Capital Improvement and Operating expenditures, and long-term liabilities. The budget update will be proposed for adoption at the June 23, 2021 Board of Directors meeting.

RELEVANT STANDARDS

- Produce Operating and Capital Improvement Program Budgets every two years, with an annual update

ATTACHMENT

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

- Presentation

Proposed FY 2021-22 Budget Update

*Wally Ritchie,
Controller*

*Operations
Committee*

June 2, 2021



1

Overview

- FY 2021-22 Update
 - 2nd Year of 2-Year Adopted Budget
 - Stable Revenues
 - Expenses Include
 - Operating
 - Capital Improvement Program
 - Debt Service
 - Staffing – No New Positions (639 FTE)
 - No New Debt
- *All figures in millions unless otherwise noted

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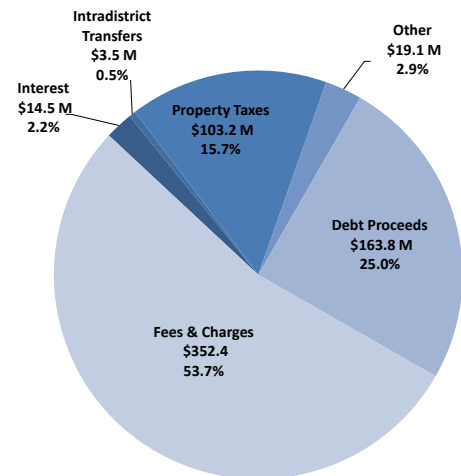
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REVENUE

Where the Money Comes From

Category	2020-21 Adopted	2021-22 Adopted	2021-22 Proposed
Service Fees	\$316.7	\$325.4	\$323.2
Property Taxes	99.9	102.0	103.2
Capital Facilities Capacity Charges	20.1	20.7	16.6
Permit User Fees	12.8	13.0	12.6
Interest	13.2	13.1	14.5
Intradistrict Transfers	6.1	3.5	3.5
Debt Proceeds*	0.0	0.0	163.8
Other Revenue	16.0	16.7	19.1
Total Funding Sources	\$484.8	\$494.4	\$656.5

* 2021A Refunding

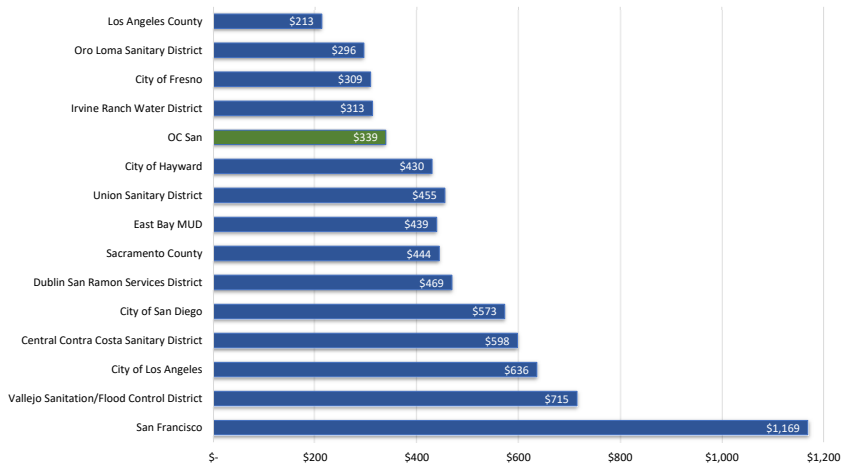


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REVENUE - RATES

Annual Single Family Residential Rates
(July 2020)



SFR Rate for FY 2021-22

\$343

\$4 or 1.2% Increase

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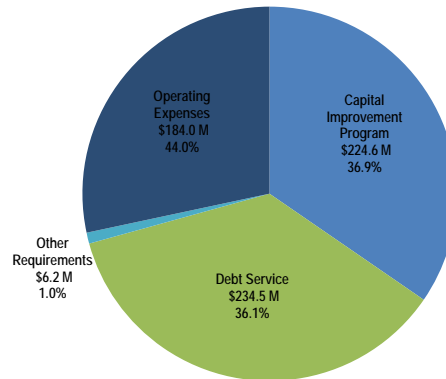
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EXPENSES

Where the Money Goes

Category	2020-21 Adopted	2021-22 Adopted	2021-22 Proposed
Capital Improvement Program, Net	\$147.6	\$240.8	\$224.6
Operating Expenses	174.3	174.5	184.0
Debt Service*	72.8	168.9	234.5
Other Requirements	6.1	6.5	6.2
Total Funding Uses	\$400.8	\$590.7	\$649.4

*2021A Refunding - \$163.8M



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OPERATING EXPENSES

Department	Budget 2020-21	Adopted 2021-22	Percent Change	Proposed 2021-22	Percent Change
<i>Administration Units</i>					
General Manager's Office	\$4.3	\$4.4	2.3%	\$4.1	(6.8%)
Human Resources	6.6	7.0	6.1%	7.2	2.9%
Administrative Services	27.7	28.5	2.9%	30.1	5.6%
<i>Sub-Total</i>	<i>\$38.6</i>	<i>\$39.9</i>	<i>3.4%</i>	<i>\$41.4</i>	<i>3.8%</i>
<i>Operating Units</i>					
Environmental Services	19.3	20.3	5.2%	21.2	4.4%
Engineering	5.6	5.6	0.0%	5.4	(3.6%)
Operations & Maintenance	110.8	108.7	(1.9%)	115.9	6.6%
<i>Sub-Total</i>	<i>\$135.7</i>	<i>\$134.6</i>	<i>(0.8%)</i>	<i>\$142.5</i>	<i>5.9%</i>
Total	\$174.3	\$174.5	0.1%	\$183.9	5.4%

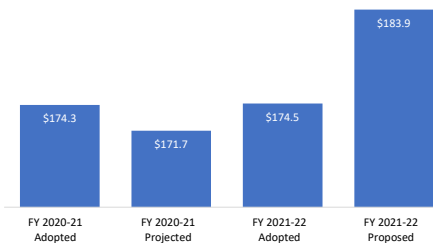
Total FY 20-21 &
FY 21-22 Adopted Budgets

\$348.8

Total FY 20-21 Projected &
FY 21-22 Proposed Budgets

\$355.7

Operating Expenses
(in millions)



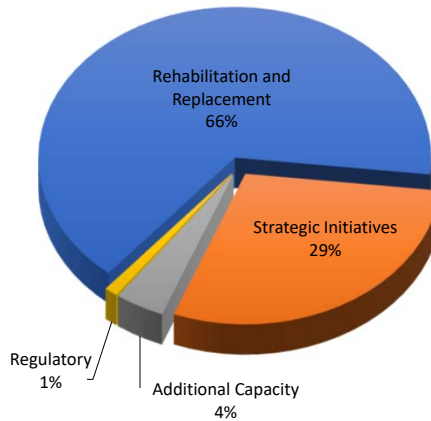
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CAPITAL IMPROVEMENT PROGRAM

CIP Categories

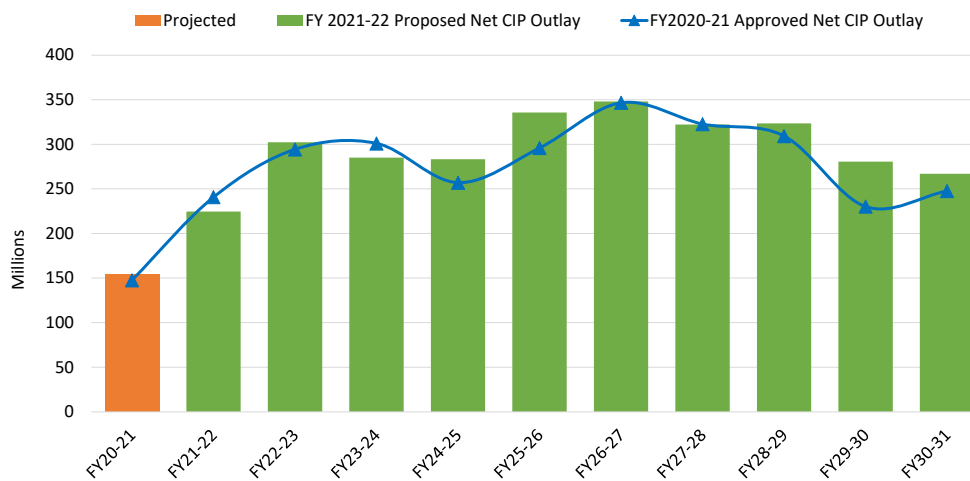
Treatment Projects	\$	194.1
Collection Projects		40.5
Equipment		5.0
FY 2021-22 CIP Authority		239.6
CIP Savings & Deferrals		(15.0)
FY 2021-22 Net CIP	\$	224.6
10-Year Net CIP Outlay	\$	3.0 Billion



7

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CAPITAL IMPROVEMENT PROGRAM



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DEBT SERVICE

Total Outstanding COP Balance 7/1/21	\$ 909,620,000
Blended Interest Rate	3.05%
FY 2021-22 Debt Service	\$ 234.5M*

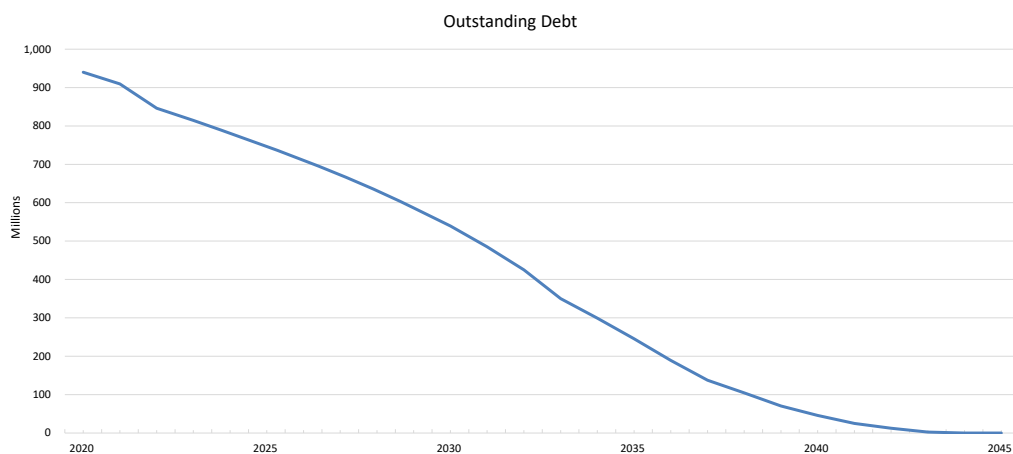
* Refunding debt will be issued to replace 2011A and 2018A in the amount of \$163.8M

* All outstanding debt to be paid off by 2044

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DEBT SERVICE



* No New Debt Issues are Planned

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SUMMARY

Revenue

	Proposed FY 2021-22
Fees & Charges	\$ 352.4
Property Taxes	103.2
Refunding Debt	163.8
Interest	14.5
Intradistrict Transfers	3.5
Other Revenue	<u>19.1</u>
	\$ 656.5

Expenses

	Proposed FY 2021-22
Operating Expenses	\$ 183.9
Capital Improvement Program	224.6
Debt Service	234.5
Other Requirements	<u>6.2</u>
	\$ 649.2

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Questions



12

12



OPERATIONS COMMITTEE

Agenda Report

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

File #: 2021-1672

Agenda Date: 6/2/2021

Agenda Item No: 7.

FROM: James D. Herberg, General Manager
Originator: Lan C. Wiborg, Director of Environmental Services

SUBJECT:

ORANGE COUNTY SANITATION DISTRICT ENVIRONMENTAL SERVICES RESOURCE PROTECTION

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Item.

BACKGROUND

Each month, staff provides an informational presentation on topics of interest to the Board of Directors. This month's topic: Orange County Sanitation District Environmental Services Resource Protection - protecting water, and reuse initiatives.

RELEVANT STANDARDS

- Comply with the Clean Water Act
- Safe, beneficial reuse of Biosolids
- Meet volume and water quality needs for the GWRS

ATTACHMENT

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

- Presentation

Resource Protection Division

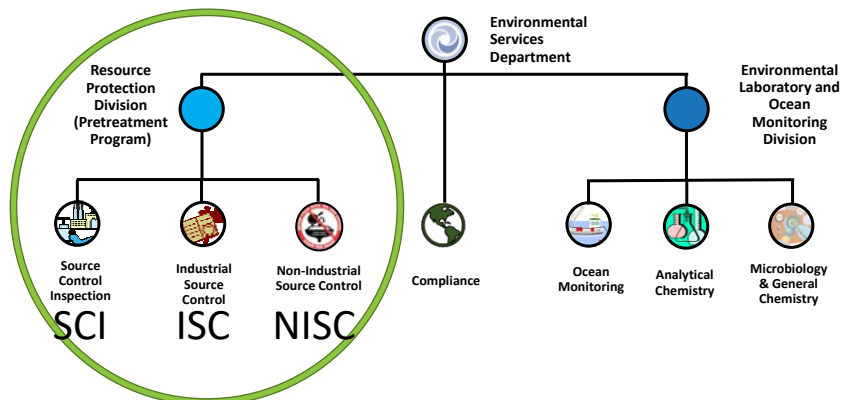
Presented By:
Roya Sohanaki, PE
Engineering Manager

Operations Committee
June 2, 2021

OC SAN
ORANGE COUNTY SANITATION DISTRICT

1

Environmental Services Department



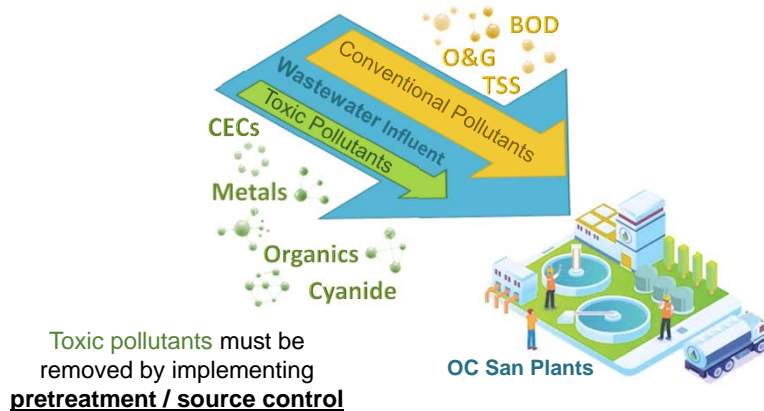
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Why a Pretreatment Program?

Wastewater contains
residential / sanitary conventional pollutants (including the three 'P's)
& industrial toxic pollutants

Plants are designed to reduce & reuse conventional pollutants not toxic pollutants

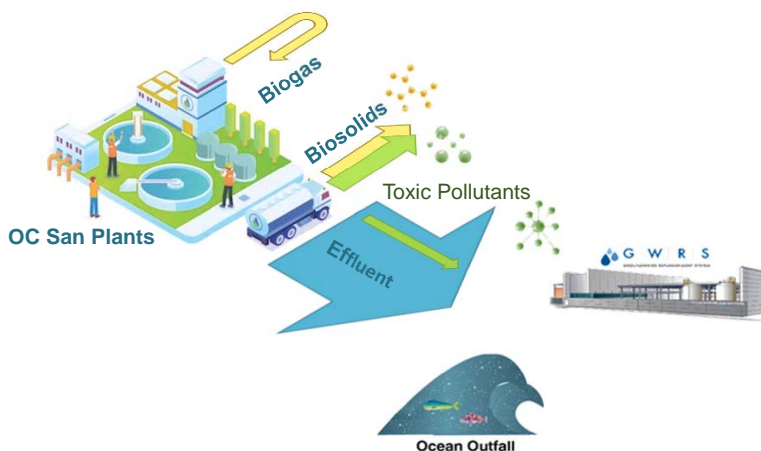


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Why a Pretreatment Program?

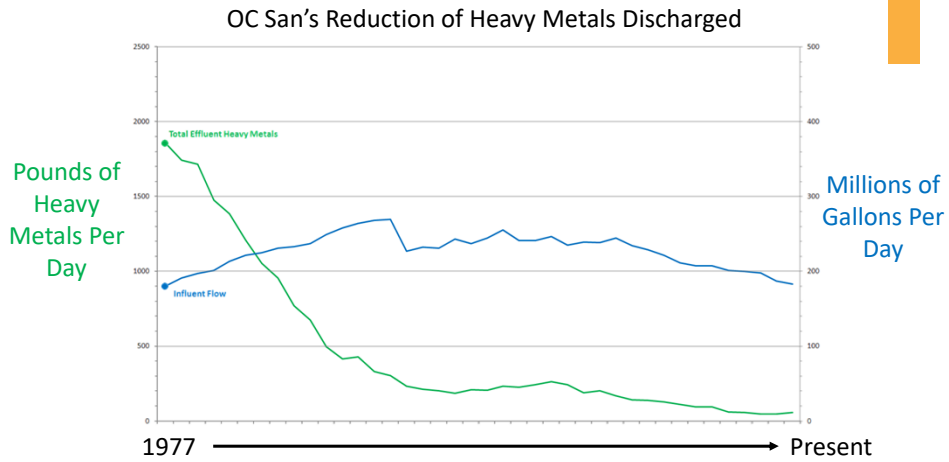
If toxic pollutants are not removed before entering the plants (pre-treatment),
then they transport to biosolids, the ocean, & GWRS



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Effectiveness of Source Control



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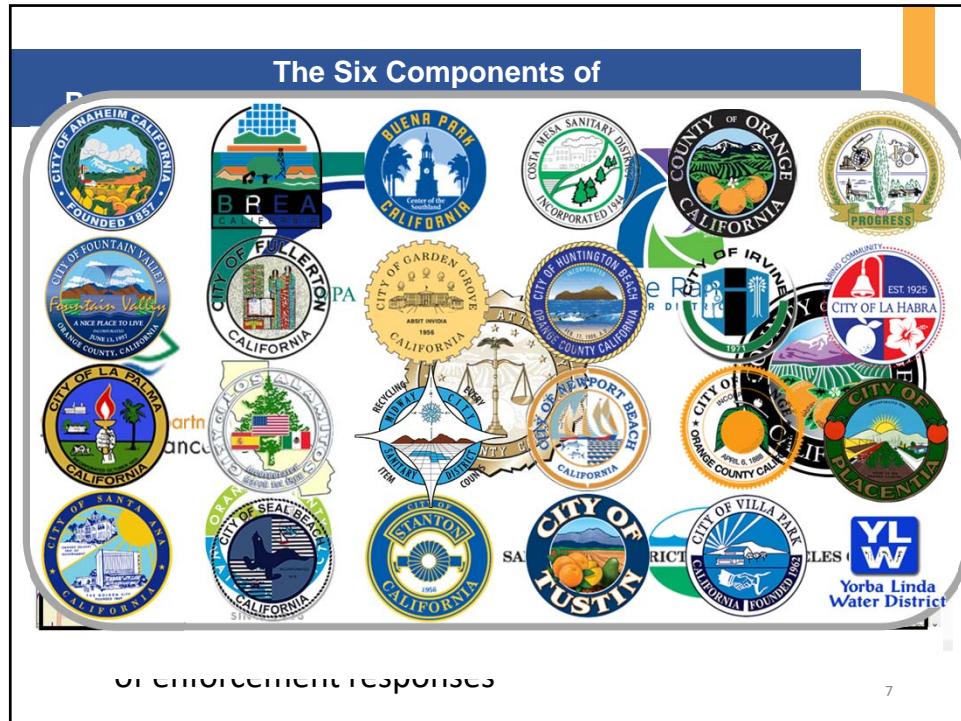
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The Six Components of Resource Protection (Pretreatment & Source Control)

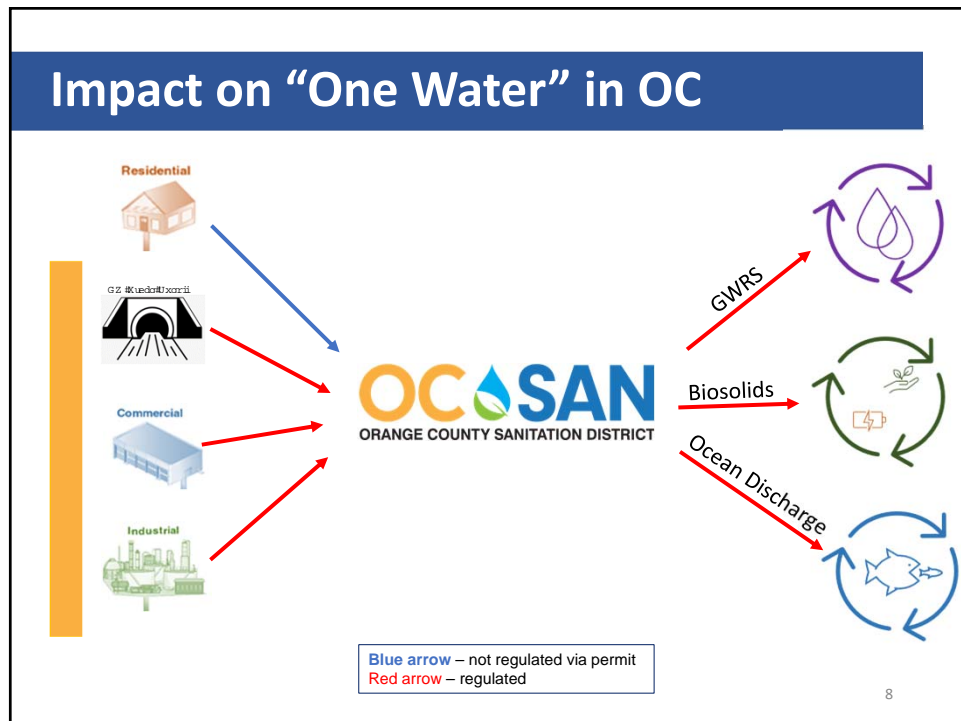


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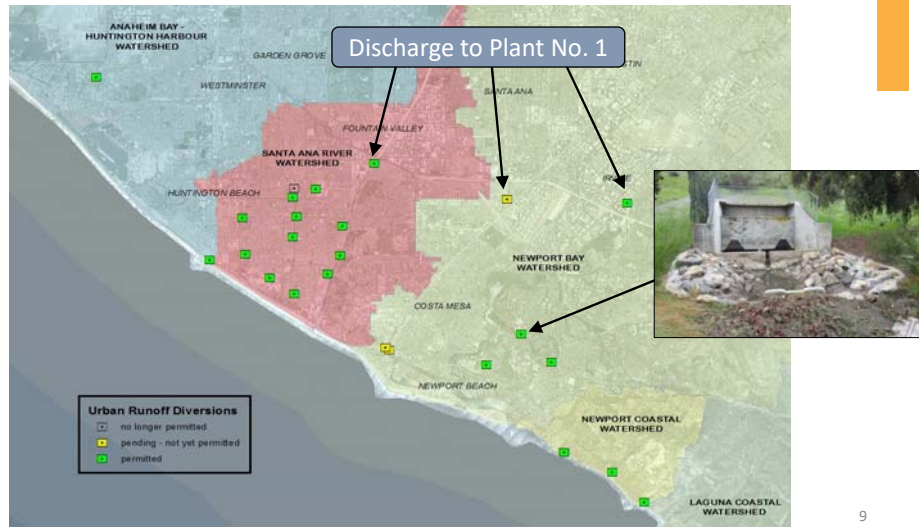


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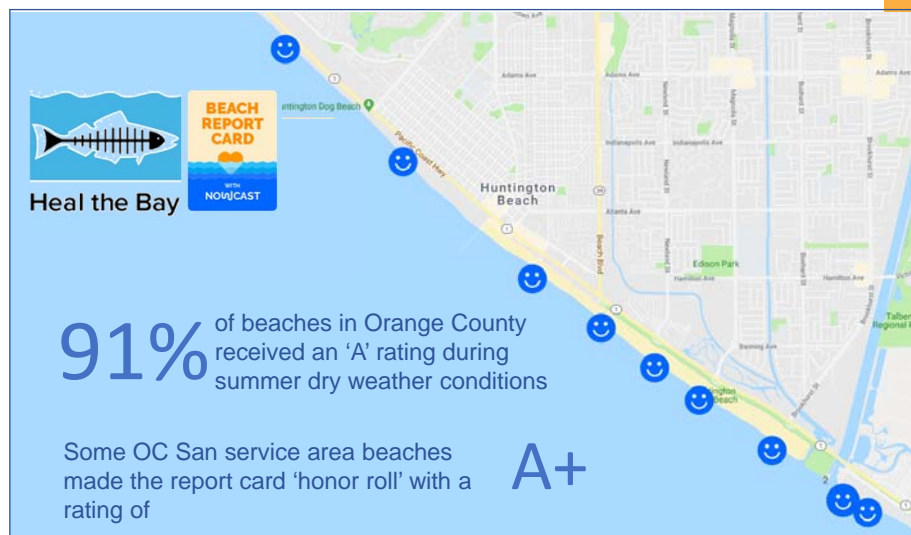
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Dry Weather Urban Runoff Sites



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Program Success (2019-2020)



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Questions



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File #: 2021-1682

Agenda Date: 6/2/2021

Agenda Item No: 8.

FROM: James D. Herberg, General Manager
Originator: Kathy Millea, Director of Engineering

SUBJECT:

FOOD WASTE RECEIVING

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Only.

BACKGROUND

The State of California requires cities to divert organics such as food waste away from landfills. This food waste, after processing, can be added to an anaerobic digester such as those operated by the Orange County Sanitation District (OC San) to produce methane gas and energy.

The 2015 Biosolids Master Plan evaluated the feasibility of receiving pre-processed food waste and determined that the costs to construct and operate the required processing facilities could be offset by tipping fees charged to food waste pre-processors and additional power generated from increased digester gas production.

Staff has been engaged in detailed negotiations with firms interested in contracting to send pre-processed food waste to OC San's Plant No. 2. Staff has also opened bids for the Interim Food Waste Receiving Facility, Project No. P2-124, and the project is ready for award.

Staff will provide a background on the issue, the status of negotiations with potential food waste pre-processors, and the construction project to build the Interim Food Waste Receiving Facility.

RELEVANT STANDARDS

- Use all practical and effective means for resource recovery
- 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

Food Waste Receiving

Presented by:

*Jim Herberg
General Manager*

*Operations
Committee*

June 2, 2021

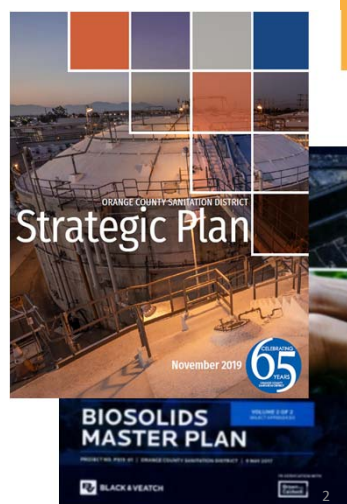
Information Item



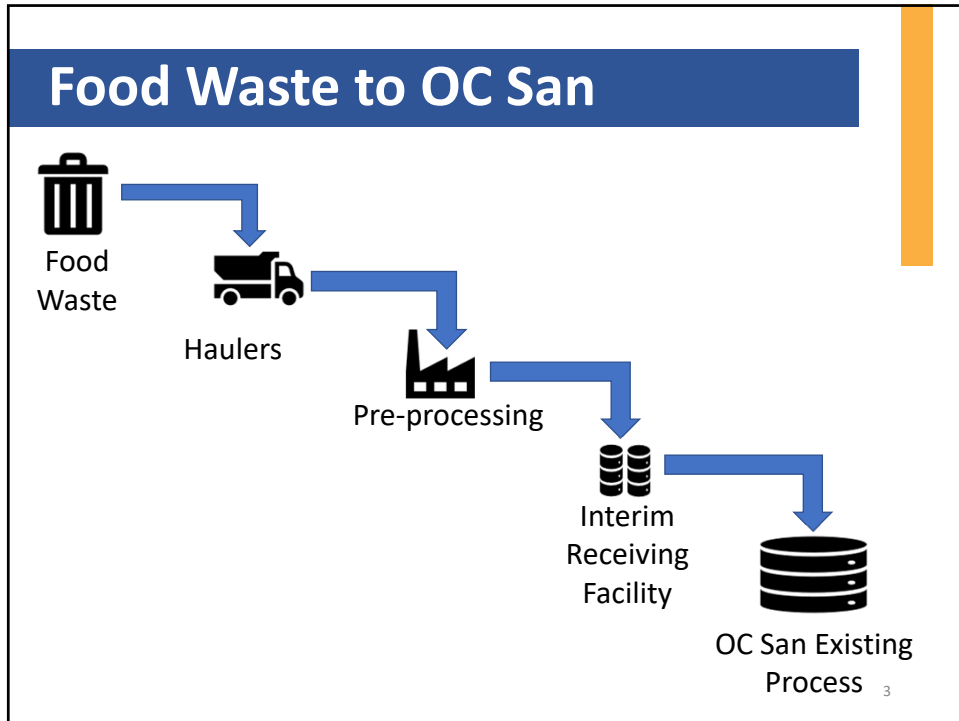
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Food Waste Background

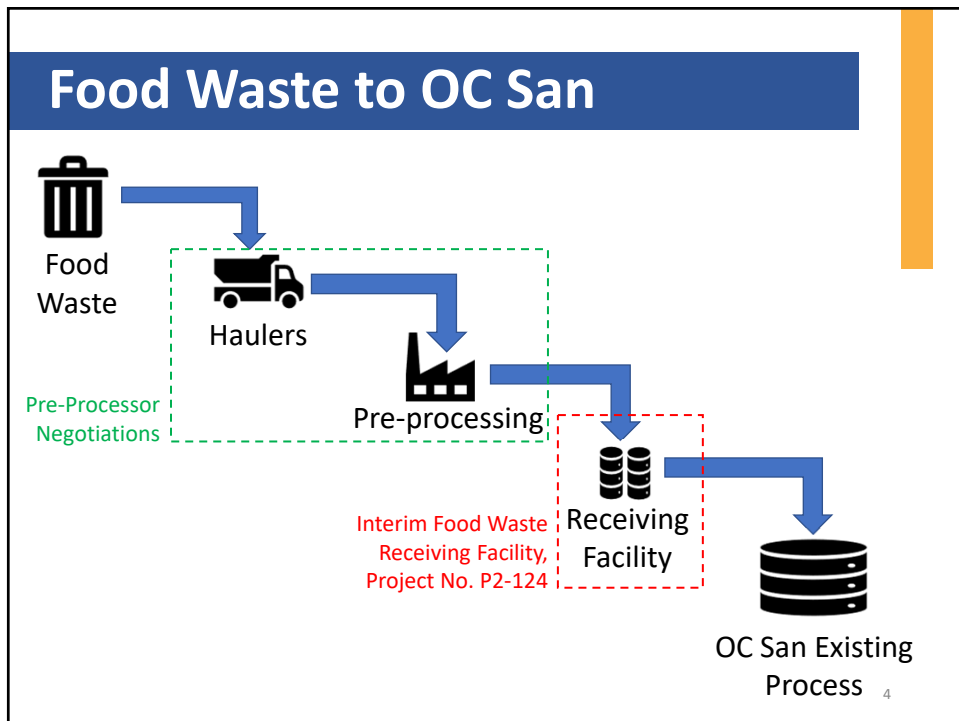
- AB 32, AB 1826, and SB 1383
- Strategic Plan
- Biosolids Master Plan
- Help cities divert food waste
- Utilize existing infrastructure
- Cost and energy recovery



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Pre-Processor Negotiations Approach

- ✓ Gauge Market Interest
- ✓ Initial Meetings with OC Haulers
- ✓ Request for Information
- ✓ Draft Agreement

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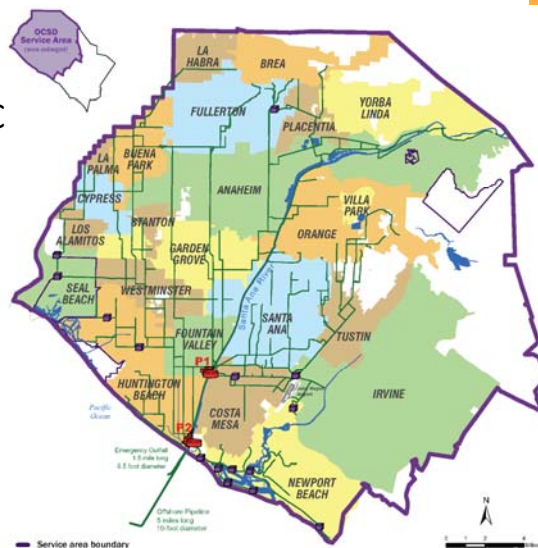
Gauge Market Interest

May 2020

- Outreach to 11 OC waste haulers
- 4 of 11 interested

July 2020

- OC San initiated negotiation with interested haulers



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Request for Information and Response

Key Criteria	Hauler A	Hauler B	Hauler C
Need for food waste management?	Y	Y	Y
Serve within OC San's Service Area?	Y	Y	Y
Meet Food waste capacity needs	Y	Partial	Silent
Project Readiness	Planning	Planning	Planning
Meet Food Waste Specifications	Y	Y	N
Meet 10-year Term	Y	Y	Silent
Tipping Fee \$26/ton Reasonable	Y	Y	Silent

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Response to Draft Agreement

Status	Hauler A	Hauler B	Hauler C
Acceptability of OC San Terms	Y	Y	N
Ready to Execute?	N	N	N/A
Critical Path	Siting	Technical Challenges	N/A

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Current Status

- OC San is ready to build interim receiving facility
- Haulers are not ready to sign agreements yet
- There is strong interest from haulers in response to CA mandates
- Continued discussions with OC W&R

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Food Waste Receiving Project Summary

- 150 Wet Tons/Day
Pre-processed Food Waste
- 5-6 Trucks/Day
- 15% Gas Production
Increase
- Interim: 10-15 Year Life



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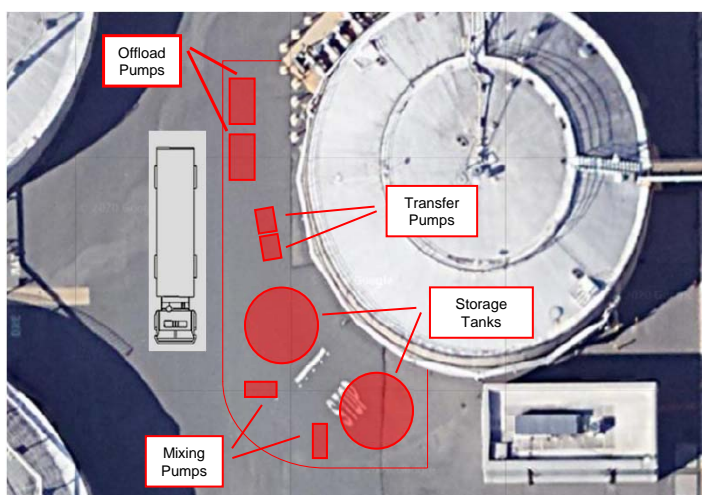
Location – Plant No. 2



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Facility Layout



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Construction Contract Options

Option #1 – Award Construction Contract

Advantages

- Construction complete by end of 2022
- Helps meet State requirements

Risks

- Pre-Processor agreement not completed
- Delivery of food waste not secured

Option #2 – Request 2nd Bid Extension (90 days)

Advantages

- Keeps current low bid valid
- More time to negotiate Pre-Processor agreement

Risks

- Contractor declines extension
- Contractor requests bid adjustment

Option #3 – Reject All Bids and Re-Advertise at Future Date

Advantages

- Provides additional time for pre-processor agreement
- Potential grant opportunities

Risks

- Delays completion of interim facility
- Construction cost increases
- Design obsolete

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13

Next Steps

- Continue Hauler & Pre-processor Negotiations
- Develop Recommendations
- Present Recommendation at June Steering/Board

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14

Questions



15

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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.