

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



Orange County Sanitation District

10844 Ellis Avenue, Fountain Valley, CA 92708
714.962.2411 • www.ocsd.com

January 15, 2020

NOTICE OF REGULAR MEETING

BOARD OF DIRECTORS

ORANGE COUNTY SANITATION DISTRICT

Wednesday, January 22, 2020 – 6:00 P.M.

Administration Building
10844 Ellis Avenue
Fountain Valley, California 92708

The Regular Meeting of the Board of Directors of the Orange County Sanitation District will be held at the above location, time, and date.



Clerk of the Board

Upcoming Meetings:

**Steering Committee -
Board Meeting -**

**Wednesday, February 26, 2020 at 5:00 p.m.
Wednesday, February 26, 2020 at 6:00 p.m.**

Our Mission: To protect public health and the environment by providing effective wastewater collection, treatment, and recycling.

BOARD MEETING DATES

February 26, 2020

March 25, 2020

April 22, 2020

May 27, 2020

June 24, 2020

July 22, 2020

August 26, 2020

September 23, 2020

October 28, 2020

November 18, 2020 *

December 16, 2020 *

January 27, 2021

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

ORANGE COUNTY SANITATION DISTRICT
BOARD OF DIRECTORS
Complete Roster

Effective 01/15/2020

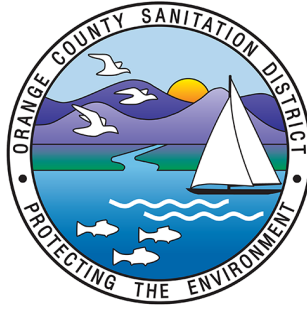
AGENCY/CITIES	ACTIVE DIRECTOR	ALTERNATE DIRECTOR
Anaheim	Lucille Kring	Denise Barnes
Brea	Glenn Parker	Steven Vargas
Buena Park	Fred Smith	Connor Traut
Cypress	Mariellen Yarc	Stacy Berry
Fountain Valley	Steve Nagel	Patrick Harper
Fullerton	Jesus J. Silva	Jan Flory
Garden Grove	Steve Jones	John O'Neill
Huntington Beach	Erik Peterson	Lyn Semeta
Irvine	Christina Shea	Anthony Kuo
La Habra	Tim Shaw	Rose Espinoza
La Palma	Peter Kim	Nitesh Patel
Los Alamitos	Richard Murphy	Dean Grose
Newport Beach	Brad Avery	Joy Brenner
Orange	Mark Murphy	Kim Nichols
Placentia	Chad Wanke	Ward Smith
Santa Ana	Cecilia Iglesias	David Penaloza
Seal Beach	Sandra Massa-Lavitt	Schelly Sustarsic
Stanton	David Shawver	Carol Warren
Tustin	Allan Bernstein	Chuck Puckett
Villa Park	Robert Collacott	Chad Zimmerman

Sanitary/Water Districts

Costa Mesa Sanitary District	James M. Ferryman	Bob Ooten
Midway City Sanitary District	Andrew Nguyen	Margie L. Rice
Irvine Ranch Water District	John Withers	Douglas Reinhart
Yorba Linda Water District	Brooke Jones	Phil Hawkins

County Areas

Board of Supervisors	Doug Chaffee	Michelle Steel
----------------------	--------------	----------------



Orange County Sanitation District
BOARD OF DIRECTORS
Regular Meeting Agenda
Wednesday, January 22, 2020 - 6:00 PM
Board Room
Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

ACCOMMODATIONS FOR THE DISABLED: Meeting Rooms are wheelchair accessible. If you require any special disability related accommodations, please contact the Orange County Sanitation District Clerk of the Board's office at (714) 593-7433 at least 72 hours prior to the scheduled meeting. Requests must specify the nature of the disability and the type of accommodation requested.

AGENDA POSTING: In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted outside the main gate of the 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, ltyners@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

(Board Chairman David Shawver)

INVOCATION AND PLEDGE OF ALLEGIANCE

Tim Shaw, City of La Habra

ROLL CALL (Clerk of the Board)**1. APPOINTMENTS TO THE ORANGE COUNTY SANITATION DISTRICT BOARD OF DIRECTORS [2019-853](#)****RECOMMENDATION:**

Receive and file minute excerpts of member agencies relating to appointments to the Orange County Sanitation District Board of Directors:

<u>Agency</u>	<u>Director</u>	<u>Alternate Director</u>
City of Anaheim	Lucille Kring	Denise Barnes
City of Buena Park	Fred Smith	Connor Traut
City of Irvine	Christina Shea	Anthony Kuo
City of Los Alamitos	Richard Murphy	Dean Grose
City of Newport Beach	Brad Avery	Joy Brenner
City of Placentia	Chad Wanke	Ward Smith
City of Seal Beach	Sandra Massa-Lavitt	Schelly Sustarsic
City of Stanton	David Shawver	Carol Warren
City of Tustin	Allan Bernstein	Charles Puckett
Costa Mesa		
Sanitary District	James Ferryman	Bob Ooten
Irvine Ranch		
Water District	John Withers	Doug Reinhart
Yorba Linda		
Water District	Brooke Jones	Phil Hawkins

Originator: Kelly Lore

DECLARATION OF QUORUM**PUBLIC COMMENTS:**

If you wish to address the Board of Directors on any item, please complete a Speaker's Form (located at the table outside of the Board Room) and submit it to the Clerk of the Board or notify the Clerk of the Board the item number on which you wish to speak. Speakers will be recognized by the Chairperson and are requested to limit comments to three minutes.

SPECIAL PRESENTATIONS:

None.

REPORTS:

The Board 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 Board of Directors, after one motion, without discussion. Any items withdrawn from the Consent Calendar for separate discussion will be considered in the regular order of business.

2. APPROVAL OF MINUTES**[2019-665](#)****RECOMMENDATION:**

Approve Minutes of the Regular Meeting of the Board of Directors held December 18, 2019.

Originator: Kelly Lore

Attachments: [Agenda Report](#)
[12-18-2019 Board Meeting Minutes](#)

RECEIVE AND FILE:**3. COMMITTEE MEETING MINUTES****[2019-737](#)**

RECOMMENDATION: Receive and file the following:

- A. Minutes of the Steering Committee Meeting held November 20, 2019
- B. Minutes of the GWRS Steering Committee Meeting held October 14, 2019

Originator: Kelly Lore

Attachments: [Agenda Report](#)
[11-20-2019 Steering Committee Minutes](#)
[10-14-2019 GWRS Steering Committee Meeting Minutes](#)

4. REPORT OF THE INVESTMENT TRANSACTIONS FOR THE MONTH OF DECEMBER 2019**[2019-800](#)**

RECOMMENDATION: Receive and file the following:

Report of the Investment Transactions for the month of December 2019.

Originator: Lorenzo Tyner

Attachments: [Agenda Report](#)
[Investment Transactions for the Month of December 2019](#)

OPERATIONS COMMITTEE:

5. **AWARD OF CORROSION MANAGEMENT SUPPORT SERVICES, SPECIFICATION NO. CS-2019-1071BD** [2019-821](#)

RECOMMENDATION:

- A. Approve a Professional Consultant Services Agreement with Corrpro Companies, Inc. for Corrosion Management Support Services, Specification No. CS-2019-1071BD, for the period of January 1, 2020 through December 31, 2020, for a total annual amount not to exceed \$600,000, with four (4) one-year renewal options; and
- B. Approve an annual contingency of \$60,000 (10%).

Originator: Kathy Millea

Attachments: [Agenda Report](#)
[CS-2019-1071BD FINAL PROFESSIONAL CONSULTANT SERVICES AGREEMENT](#)

ADMINISTRATION COMMITTEE:

None.

LEGISLATIVE AND PUBLIC AFFAIRS COMMITTEE:

None.

STEERING COMMITTEE:

6. **REQUEST FOR FUNDING - WASTEWATER FLOW & LOADING STUDY** [2020-881](#)

RECOMMENDATION:

Approve the Orange County Sanitation District's on-going participation in the California Association of Sanitation Agencies wastewater flow and loading study and the Participating Agency Contribution Pledge of \$410,676.

Originator: Lorenzo Tyner

Attachments: [Agenda Report](#)
[Pledge Form OCSD Phase 2B](#)

7. GENERAL MANAGER'S FISCAL YEAR 2019-2020 WORK PLAN MID-YEAR UPDATE [2020-882](#)

RECOMMENDATION:

Receive and file the General Manager's Fiscal Year 2019-2020 Work Plan Mid-Year Update and Memorandum.

Originator: Jim Herberg

Attachments: [Agenda Report](#)
[GM's FY 2019-20 Work Plan Mid-Year Update & Memo](#)

NON-CONSENT:

8. HEADWORKS MODIFICATIONS AT PLANT NO. 2 FOR GWRS FINAL EXPANSION, PROJECT NO. P2-122 [2019-677](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Headworks Modifications at Plant No. 2 for GWRS Final Expansion, Project No. P2-122;
- B. Award a Construction Contract to Shimmick Construction Co., Inc. for Headworks Modifications at Plant No. 2 for GWRS Final Expansion, Project No. P2-122, for a total amount not to exceed \$14,487,735; and
- C. Approve a contingency of \$1,448,773 (10%).

Originator: Kathy Millea

Attachments: [Agenda Report](#)
[P2-122 Contract Agreement Package](#)

9. HEADWORKS MODIFICATIONS AT PLANT NO. 2 FOR GWRS FINAL EXPANSION, PROJECT NO. P2-122 [2019-854](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Professional Construction Services Agreement with CDM Smith Inc. to provide construction support services for Headworks Modifications at Plant No. 2 for GWRS Final Expansion, Project No. P2-122, for an amount not to exceed \$2,200,000; and
- B. Approve a contingency of \$220,000 (10%).

Originator: Kathy Millea

Attachments: [Agenda Report](#)
[P2-122 PCSA Agreement - CDM Smith](#)

INFORMATION ITEMS:

None.

AB 1234 DISCLOSURE REPORTS:

This item allows Board members to provide a brief oral report regarding the disclosure of outside committees, conferences, training, seminars, etc. attended at the Agency's expense, per Government Code §53232.3(d).

CLOSED SESSION:

During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chairperson may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

Reports relating to (a) purchase and sale of real property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

CONVENE IN CLOSED SESSION.**CS-1 CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED
LITIGATION - GOVERNMENT CODE SECTION 54956.9(d)(4)****[2020-873](#)**

RECOMMENDATION: Convene in Closed Session:

Number of Potential Cases: 1

Initiation of litigation regarding development fees and conditions at Project OCSD
Headquarters Building: City of Fountain Valley

Attachments: [Agenda Report](#)
[Memo re Anticipated Litigation Headquarters Building](#)

**CS-2 CONFERENCE WITH REAL PROPERTY NEGOTIATORS -
GOVERNMENT CODE SECTION 54956.8****[2020-874](#)**

RECOMMENDATION: Convene in Closed Session:

Property: 18475 Bandilier Cir. Fountain Valley, CA - APN No.156-163-15;

Agency negotiators: General Manager, Jim Herberg; Assistant General Manager, Lorenzo Tyner; Assistant General Manager, Rob Thompson; and Director of Engineering, Kathy Millea.

Negotiating parties: Sukut Real Properties II, LLC

Under negotiation: Price and terms of payment

Attachments: [Agenda Report](#)
[Memo re Real Property](#)

RECONVENE IN REGULAR SESSION.

CONSIDERATION OF ACTION, IF ANY, ON MATTERS CONSIDERED IN CLOSED SESSION:

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

BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:

At this time Board members may request staff to place an item on a future agenda.

ADJOURNMENT:

Adjourn the Board meeting until the Regular Meeting of the Board of Directors on February 26, 2020 at 6:00 p.m.



Orange County Sanitation District

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

BOARD OF DIRECTORS

Agenda Report

File #: 2019-665

Agenda Date: 1/22/2020

Agenda Item No: 2.

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 Board of Directors held December 18, 2019.

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. OCSD 19-19

ATTACHMENT

The following attachment(s) are included in hard copy and may also be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Minutes of the Board of Directors meeting held December 18, 2019

ORANGE COUNTY SANITATION DISTRICT

MINUTES

BOARD OF DIRECTORS

DECEMBER 18, 2019



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

CALL TO ORDER

A regular meeting of the Board of Directors of the Orange County Sanitation District was called to order by Board Chairman David Shawver on December 18, 2019 at 6:02 p.m. in the Administration Building. Director Christina Shea delivered the invocation and led the Pledge of Allegiance.

ROLL CALL AND DECLARATION OF QUORUM

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

PRESENT: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, John Withers, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

ABSENT: Phil Hawkins

STAFF MEMBERS PRESENT: 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; Jennifer Cabral; Raul Cuellar; Mike Dorman; Brian Engeln; Dean Fisher; Lisa Frigo; Al Garcia; Tom Grant; Tina Knapp; Rebecca Long; Laura Maravilla; Josh Martinez; Cory Mayne; Tom Meregillano; Jeff Mohr; Cindy Murra; John Preston; Roy Reynolds; Wally Ritchie; Sharon Yin and Ruth Zintzun

OTHERS PRESENT: Brad Hogin (General Counsel); and Alternate Board Member Bob Ooten (CMSD); Connor Medina, OCBC; Eric Sapirstein, ENS; and Eric O'Donnell, TPA.

1. APPOINTMENTS TO THE ORANGE COUNTY SANITATION DISTRICT BOARD OF DIRECTORS [2019-840](#)

Originator: Kelly Lore

Chair Shawver announced that Late Communications from member agencies had been received regarding the item.

WITHOUT OBJECTION ACTION TAKEN TO:

Receive and file minute excerpts of member agencies relating to appointments to the Orange County Sanitation District Board of Directors effective January 1, 2020:

<u>Agency</u>	<u>Director</u>	<u>Alternate Director</u>
City of La Palma	Peter Kim	Nitesh Patel

The Clerk of the Board received late communication after the publication of the agenda

regarding Item No. 1. Additional minute excerpts of member agencies were received and filed relating to appointments to the Orange County Sanitation District Board of Directors effective as follows:

<u>Agency</u>	<u>Director</u>	<u>Alternate Director</u>
City of Cypress	Mariellen Yarc	Stacy Berry (effective 12/09/2019)
City of Huntington Beach	Erik Peterson	Lyn Semeta (effective 01/01/2020)
City of La Habra	Tim Shaw	Rose Espinoza (effective 12/16/2019)
Midway City		
Sanitary District	Andrew Nguyen	Margie L. Rice (effective 12/10/2019)

Chair Shawver acknowledged and thanked Alternate Director Marshall Goodman for his service as an active Alternate Director on the OCSD Board of Directors.

PUBLIC COMMENTS:

None.

SPECIAL PRESENTATIONS:

SP-1 ORANGE COUNTY BUSINESS COUNCIL PRESENTATION OF 2019 SUSTAINABLE AND GREEN DEVELOPMENT AWARD

Government Affairs Specialist Connor Medina presented the Orange County Business Council's 2019 Sustainable and Green Development Award for OCSD's Food Waste Diversion Project to OCSD's Board Chair Shawver and the project team.

Vice-Chair Withers departed the meeting at 6:07 p.m.

SP-2 ANNUAL LEGISLATIVE AFFAIRS UPDATE FOR 2019

[2019-792](#)

Originator: Jim Herberg

WITHOUT OBJECTION ACTION TAKEN TO RECEIVE:

Information regarding the legislative affairs program will be provided to the Board of Directors. Orange County Sanitation District's Federal and State Lobbyists will provide an overview of the annual update for 2019.

REPORTS:

Chair Shawver stated that prior to the Board meeting, the Orange County Fire Authority picked up over 300 toys that were donated to the Spark of Love Toy Drive by OCSD staff, so that disadvantaged children in Southern California can have a joyous Christmas.

He also stated that all Committee meetings would be dark in January, but the Steering and Board meeting would be held on the regularly scheduled meeting date of January 22.

General Manager Jim Herberg reported that the Headworks Modification project at Plant No. 2 received five construction bids on Tuesday with the lowest bid \$10 million under the engineers estimate. He stated this item will be coming directly to the January Board for award.

Mr. Herberg reported on the progress of the Headquarters Building design stating that the project is currently on schedule with 95% design completion; and meetings continue with the City of Fountain Valley.

Mr. Herberg stated that he attended a celebration for former Board member Pier Swan and Vice-Chairman John Withers for their 30 years of service at IRWD; and presented Mark Lewis, Public Works Director for the City of Fountain Valley a commendation for his 30 years of service.

CONSENT CALENDAR:

2. APPROVAL OF MINUTES

[2019-738](#)

Originator: Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular Meeting of the Board of Directors held November 20, 2019.

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

3. PRIMARY SEDIMENTATION BASINS NO. 6-31 RELIABILITY IMPROVEMENTS AT PLANT NO. 1, PROJECT NO. P1-133

[2019-842](#)

Originator: Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Approve the Amended Professional Design Services Agreement with Carollo Engineers, Inc. to provide engineering services for Primary Sedimentation Basins No. 6-31 Reliability Improvements at Plant No. 1, Project No. P1-133, for an amount not to exceed \$1,219,667; and

- B. Approve a contingency of \$121,967 (10%).

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

RECEIVE AND FILE:

4. **REPORT OF THE INVESTMENT TRANSACTIONS FOR THE MONTH OF NOVEMBER 2019** [2019-681](#)

Originator: Lorenzo Tyner

WITHOUT OBJECTION ACTION TAKEN TO RECEIVE:

Report of the Investment Transactions for the month of November 2019.

5. **COMMITTEE MEETING MINUTES** [2019-736](#)

Originator: Kelly Lore

WITHOUT OBJECTION ACTION TAKEN TO RECEIVE:

- A. Minutes of the Steering Committee Meeting held October 23, 2019
B. Minutes of the Legislative and Public Affairs Committee held November 4, 2019
C. Minutes of the Operations Committee Meeting held November 6, 2019
D. Minutes of the Administration Committee Meeting held November 13, 2019

OPERATIONS COMMITTEE:

6. **PROTEIN MATRIX DEMONSTRATION STUDY AT PLANT NO. 1, PROJECT NO. RE18-02** [2019-820](#)

Originator: Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Ratify the prior Sole Source Purchases to Protein Matrix LLC for the procurement of Protein Matrix Compound PM-4 for Protein Matrix Demonstration Study at Plant No. 1, Project No. RE 18-02, for a total amount of \$148,500; and
- B. Approve a Sole Source Purchase Order to Protein Matrix LLC for the procurement of Protein Matrix Compound PM-4 for Protein Matrix Demonstration Study at Plant No. 1, Project No. RE18-02, for a total amount not to exceed \$150,000.

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

7. 480 VOLT CABLE REPLACEMENT AT PLANT NO. 2 HEADWORKS, PROJECT NO. MP-509 [2019-822](#)

Originator: Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Receive and file Bid Tabulation and Recommendation for 480 Volt Cable Replacement at Plant No. 2 Headworks, Project No. MP-509;
- B. Award a Construction Contract to Mass. Electric Construction Co. for 480 Volt Cable Replacement at Plant No. 2, Project No. MP-509, for a total amount not to exceed \$434,327; and
- C. Approve a contingency of \$86,865 (20%).

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

8. **ACTIVATED SLUDGE PLANT CLARIFIER INLET GATE REPLACEMENT AT PLANT NO. 2, PROJECT NO. MP-638** [2019-823](#)

Originator: Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Receive and file Bid Tabulation and Recommendation for Activated Sludge Plant Clarifier Inlet Gate Replacement at Plant No. 2, Project No. MP-638;
- B. Award a Construction Contract to Innovative Construction Solutions for Activated Sludge Plant Clarifier Inlet Gate Replacement at Plant No. 2, Project No. MP-638, for a total amount not to exceed \$658,300; and
- C. Approve a contingency of \$65,830 (10%).

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

9. **AGREEMENT FOR THE PURCHASE OF LIQUID CATIONIC POLYMER, SPECIFICATION NO. C-2019-1087BD** [2019-824](#)

Originator: Rob Thompson

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Approve a Chemical Supplier Agreement with Polydyne, Inc. for the purchase of Cationic Polymer, Specification No. C-2019-1087BD, for the period beginning February 1, 2020 through January 31, 2021 for a unit price of \$2.548 per active pound plus freight and applicable sales tax, for a total estimated annual amount of \$3,866,280 with four (4) one-year renewal options; and
- B. Approve an annual unit price contingency of 15%.

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

10. SEAL BEACH PUMP STATION REPLACEMENT, PROJECT NO. 3-67 [2019-825](#)

Originator: Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

A. Approve a Professional Design Services Agreement with Lee & Ro, Inc. to provide engineering services for Seal Beach Pump Station Replacement, Project No. 3-67, for an amount not to exceed \$5,947,850; and

B. Approve a contingency of \$594,785 (10%).

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

11. WESTMINSTER BOULEVARD FORCE MAIN REPLACEMENT, PROJECT NO. 3-62 [2019-826](#)

Originator: Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

A. Approve a Professional Construction Services Agreement with Stantec Consulting, Inc. to provide construction support services for Westminster Boulevard Force Main Replacement, Project No. 3-62, for a total amount not to exceed \$1,183,000; and

B. Approve a contingency of \$118,300 (10%).

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

12. WESTMINSTER BOULEVARD FORCE MAIN REPLACEMENT, PROJECT NO. 3-62 [2019-827](#)

Originator: Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Receive and file Bid Tabulation and Recommendation for Westminster Boulevard Force Main Replacement, Project No. 3-62;
- B. Award a Construction Contract to Teichert Energy & Utilities Group, Inc. for Westminster Boulevard Force Main Replacement, Project No. 3-62, for a total amount not to exceed \$27,743,000; and
- C. Approve a contingency of \$2,774,300.

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

ADMINISTRATION COMMITTEE:**13. PAYMENT OF ANNUAL NATIONAL POLLUTANT DISCHARGE AND ELIMINATION SYSTEM (NPDES) PERMIT FEES** [2019-848](#)

Originator: Lan Wiborg

MOVED, SECONDED, AND DULY CARRIED TO:

Approve payment of \$653,081 for annual NPDES (ocean discharge) permit fees.

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

14. INVEST AND/OR REINVEST ORANGE COUNTY SANITATION DISTRICT'S FUNDS AND ADOPT INVESTMENT POLICY STATEMENT [2019-849](#)

Originator: Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO:

Adopt Resolution No. OCSD 19-21, entitled, "A Resolution of the Board of Directors of the Orange County Sanitation District, Authorizing the Orange County Sanitation District's Treasurer to Invest and/or Reinvest Orange County Sanitation District's Funds, Adopting the Orange County Sanitation District's Investment Policy Statement and Performance Benchmarks, and Repealing Resolution No. OCSD 18-23".

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

LEGISLATIVE AND PUBLIC AFFAIRS COMMITTEE:

15. PUBLIC AFFAIRS UPDATE FOR THE MONTH OF NOVEMBER 2019 [2019-836](#)

Originator: Jim Herberg

MOVED, SECONDED, AND DULY CARRIED TO:

Receive and file the Public Affairs Update for the month of November 2019.

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

16. LEGISLATIVE AFFAIRS UPDATE FOR THE MONTH OF NOVEMBER 2019 [2019-837](#)

Originator: Jim Herberg

MOVED, SECONDED, AND DULY CARRIED TO:

Receive and file the Legislative Affairs Update for the month of November 2019.

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

17. 2020 LEGISLATIVE/REGULATORY PLAN [2019-838](#)

Originator: Jim Herberg

MOVED, SECONDED, AND DULY CARRIED TO:

Approve the Orange County Sanitation District 2020 Legislative and Regulatory Plan.

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

STEERING COMMITTEE:

18. MEMORANDUM OF UNDERSTANDING WITH ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM REGARDING PAYMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES [2019-843](#)

Originator: Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO:

Adopt Resolution No. OCSD 19-20 entitled, "A Resolution of the Board of Directors of the Orange County Sanitation District authorizing the Execution of the Memorandum of Understanding with the Orange County Employees Retirement System establishing the terms to recognize and apply the Orange County Sanitation District's satisfaction of its Unfunded Accrued Actuarial Liability and deferred Unfunded Accrued Actuarial Liability.

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman, Steve Jones, Lucille Kring, Sandra Massa-Lavitt, Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva, Fred Smith, Chad Wanke, Marshall Goodman (Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: Mariellen Yarc

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: Cecilia Iglesias

NON-CONSENT:

None.

INFORMATION ITEMS:

None.

AB 1234 DISCLOSURE REPORTS:

None.

CLOSED SESSION:

CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54956.8 & 54956.9(d)(4):

The Board convened in closed session at 6:46 p.m. to discuss four items. Confidential minutes of the Closed Session have been prepared in accordance with the above Government Code Sections and are maintained by the Clerk of the Board in the Official Book of Confidential Minutes of Board and Committee Closed Session Meetings.

**CS-1 CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED
LITIGATION - GOVERNMENT CODE SECTION 54956.9(d)(4)**

[2019-844](#)

Alternate Director Harper recused himself and left the meeting during discussion on Item No. CS-1.

CONVENED IN CLOSED SESSION:

Number of Potential Cases: 1

Initiation of litigation regarding development fees and conditions at Project OCSD
Headquarters Building: City of Fountain Valley

**CS-2 CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED
LITIGATION - GOVERNMENT CODE SECTION 54956.9(d)(4)**

[2019-845](#)

CONVENED IN CLOSED SESSION:

The Board voted unanimously to deny the claim from Shimmick Construction.

Number of Potential Cases: 1

Claim received from Shimmick Construction pertaining to Project No. J-117B - Outfall
Low Pump Station Ocean Outfall System Rehabilitation

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman,
Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt,
Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik
Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva,
Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman
(Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

**CS-3 CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED
LITIGATION - GOVERNMENT CODE SECTION 54956.9(d)(4)**

[2019-846](#)

CONVENED IN CLOSED SESSION:

The Board voted unanimously to deny the claim from Terra Insurance Company.

Number of Potential Cases: 1

Claim received from Terra Insurance Company pertaining to insurance requirements
for Orange County Sanitation District Project No. PS17-03 - Active Fault Location Study
at Plant No. 2

AYES: Brad Avery, Doug Chaffee, Robert Collacott, James Ferryman,
Cecilia Iglesias, Steve Jones, Lucille Kring, Sandra Massa-Lavitt,
Mark Murphy, Richard Murphy, Andrew Nguyen, Glenn Parker, Erik
Peterson, Tim Shaw, David Shawver, Christina Shea, Jesus Silva,
Fred Smith, Chad Wanke, Mariellen Yarc, Marshall Goodman
(Alternate), Patrick Harper (Alternate) and Chuck Puckett (Alternate)

NOES: None

ABSENT: Phil Hawkins and John Withers

ABSTENTIONS: None

**CS-4 CONFERENCE WITH REAL PROPERTY NEGOTIATORS -
GOVERNMENT CODE SECTION 54956.8**

[2019-847](#)

CONVENED IN CLOSED SESSION:

Property: 18475 Bandilier Cir. Fountain Valley, CA - APN No.156-163-15;

Agency negotiators: General Manager, Jim Herberg; Assistant General Manager, Lorenzo Tyner; Assistant General Manager, Rob Thompson; and Director of Engineering, Kathy Millea.

Negotiating parties: Sukut Real Properties II, LLC

Under negotiation: Price and terms of payment

RECONVENED IN REGULAR SESSION.

The Board reconvened in regular session at 7:16 p.m.

CONSIDERATION OF ACTION, IF ANY, ON MATTERS CONSIDERED IN CLOSED SESSION:

General Counsel Brad Hogin provided the following report:

CS-2 - The Board voted unanimously to deny the claim from Shimmick Construction on the grounds that it does not meet legal requirements.

CS-3 - The Board voted unanimously to deny the claim from Terra Insurance Company.

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

None.

BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:

None.

ADJOURNMENT:

At 7:17 p.m., Chair Shawver adjourned the meeting until the Regular Meeting of the Board of Directors to be held on January 22, 2020 at 6:00 p.m.

Submitted by:

Kelly A. Lore, MMC
Clerk of the Board



Orange County Sanitation District

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

BOARD OF DIRECTORS

Agenda Report

File #: 2019-737

Agenda Date: 1/22/2020

Agenda Item No: 3.

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

SUBJECT:

COMMITTEE MEETING MINUTES

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Receive and file the following:

- A. Minutes of the Steering Committee Meeting held November 20, 2019
- B. Minutes of the GWRS Steering Committee Meeting held October 14, 2019

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. OCSD 18-12

ADDITIONAL INFORMATION

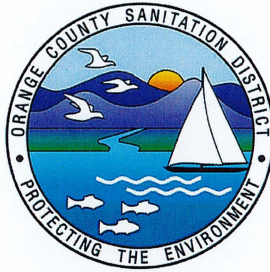
The minutes of the Committee meeting are approved at their respective Committees and brought forth to the Board of Directors for receive and file only.

ATTACHMENT

The following attachment(s) are included in hard copy and may also be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Minutes of the Monthly Committee Meetings

Orange County Sanitation District
Minutes for the
STEERING COMMITTEE



Wednesday, November 20, 2019
5:00 PM
Conference Room A
Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

CALL TO ORDER

A regular meeting of the Steering Committee of the Orange County Sanitation District was called to order by Board Chairman David Shawver on Wednesday, November 20, 2019 at 5:03 p.m. in the Administration Building of the Orange County Sanitation District.

DECLARATION OF QUORUM:

A quorum was declared present, as follows:

PRESENT: David Shawver, John Withers, Robert Collacott, Peter Kim, Chad Wanke and Glenn Parker
ABSENT: Tim Shaw

STAFF PRESENT:

Jim Herberg, General Manager; Rob Thompson, Assistant General Manager; Lorenzo Tyner, Assistant General Manager; Kathy Millea, Director of Engineering; Kelly Lore, Clerk of the Board; Daisy Covarrubias; Al Garcia; Tom Grant; Tina Knapp; Laura Maravilla; Jeff Mohr; Tyler Ramirez; Wally Ritchie; Roya Sohanaki and Mickey Whitney.

OTHERS PRESENT:

Brad Hogen, General Counsel; Roger Cerda and Peter Maisitis, Alston & Bird (Special Counsel).

PUBLIC COMMENTS:

None.

REPORTS:

None.

CONSENT CALENDAR:

1. APPROVAL OF MINUTES

2019-650

Originator: Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular Meeting of the Steering Committee held October 23, 2019.

AYES: David Shawver, John Withers, Robert Collacott, Peter Kim, Chad Wanke and Glenn Parker

NOES: None

ABSENT: Tim Shaw

ABSTENTIONS: None

NON-CONSENT:

2. ORANGE COUNTY SANITATION DISTRICT'S STRATEGIC PLAN

[2019-719](#)

Originator: Rob Thompson

Assistant General Manager Rob Thompson provided a brief summary of the steps taken in the preparation of the Strategic Plan.

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

A. Adopt the 2019 Strategic Plan; and

B. Direct staff to implement the goals contained in the Strategic Plan.

AYES: David Shawver, John Withers, Robert Collacott, Peter Kim, Chad Wanke and Glenn Parker

NOES: None

ABSENT: Tim Shaw

ABSTENTIONS: None

INFORMATION ITEMS:

None.

DEPARTMENT HEAD REPORTS:

None.

CLOSED SESSION:

CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9(d)(4) & 54956.9(d)(1):

The Committee convened in closed session at 5:07 p.m. to discuss three items. Confidential minutes of the Closed Sessions have been prepared in accordance with the above Government Code Sections and are maintained by the Clerk of the Board in the Official Book of Confidential Minutes of Board and Committee Closed Session Meetings.

**CS-1 CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED
LITIGATION - GOVERNMENT CODE SECTION 54956.9(d)(4)**[2019-725](#)

CONVENED IN CLOSED SESSION:

Number of Potential Cases: 1

Initiation of litigation regarding permittee: Aseptic Technology, LLC

**CS-2 CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED
LITIGATION - GOVERNMENT CODE SECTION 54956.9(d)(4)**[2019-726](#)

CONVENED IN CLOSED SESSION:

Number of Potential Cases: 1

Initiation of litigation regarding development fees and conditions at Project OCSD
Headquarters Building: City of Fountain Valley

**CS-3 CONFERENCE WITH LEGAL COUNSEL RE EXISTING LITIGATION -
GOVERNMENT CODE SECTION 54956.9(d)(1)**[2019-741](#)

CONVENED IN CLOSED SESSION:

Number of Cases: 1

Klean Waters, Inc. v. Orange County Sanitation District, United States District Court,
Central District of California, Southern Division, Case No. 8:15-cv-00627.

The Committee reconvened in regular session at 6:01 p.m.

**CONSIDERATION OF ACTION, IF ANY, ON MATTERS CONSIDERED IN CLOSED
SESSION:**

General Counsel Brad Hogin did not provide a report.

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

None.

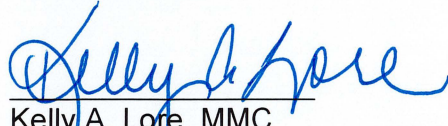
BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:

None.

ADJOURNMENT:

Chair Shawver declared the meeting adjourned at 6:02 p.m. to the next Steering Committee meeting to be held on Wednesday, December 18, 2019 at 5:00 p.m.

Submitted by:



Kelly A. Lore, MMC
Clerk of the Board



**MINUTES OF THE MEETING
GROUNDWATER REPLENISHMENT SYSTEM STEERING COMMITTEE
Monday, October 14, 2019**

OCSD Director Shawver called the Groundwater Replenishment System Steering Committee meeting to order in the Boardroom at the District office. Following the Pledge of Allegiance to the flag, the Secretary called the roll and reported a quorum.

Committee Members

David Shawver
Roger Yoh
James Ferryman
Cathy Green
Tim Shaw
Vicente Sarmiento (absent)

Alternates

Jesus Silva (absent)
Phil Hawkins (absent)
Erik Peterson
Tri Ta
Dina Nguyen (absent)
Steve Sheldon (absent)

OCWD Directors Bilodeau, Brandman and Rowe were in attendance.

OCWD Staff	OCSD Staff
Mike Markus, Sandy Scott-Roberts	Jim Herberg, Jennifer Cabral
Christina Fuller, Assistant District Secretary	

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Green, seconded by Director Shaw and carried [6-0] as follows.

Yes –Shawver, Yoh, Green, Ferryman, Shaw, Ta

1. Minutes of Previous Meeting

The minutes of the GWRS Steering Committee meeting held July 8, 2019 are approved as presented.

INFORMATIONAL ITEMS

2. GWRS Operations Update

GWRS Program Manager Sandy Scott-Roberts reported that the average daily production for the quarter, July through September, was 91 mgd. She advised that the average production was lower than normal due to maintenance activities at OCSD that limited flow to the GWRS. She stated that as of September 30, 2019, the GWRS Fiscal Year to Date production total is 25,644 af which is 318 af below the target production running average of 25,962 af for the 2019-2020 fiscal year.

3. Update on GWRS Final Expansion

Ms. Scott-Roberts reported that construction bids on the GWRS Final Expansion Project were received and opened on July 23, 2019. She stated that Shimmick Construction Company was awarded the project on September 4, 2019 and the project budget was revised. Ms. Scott-Roberts reported that the Notice to Proceed will be issued on November 2, 2019.

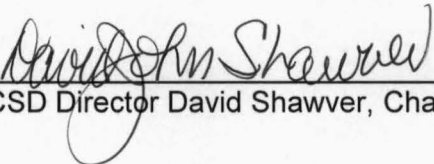
She advised that the design for Contract 2, the Pipeline Rehabilitation Project, is scheduled to be complete at the end of 2019.

4. Quarterly Outreach Report [August– September 2019]

Orange County Sanitation District representative Jennifer Cabral stated the report is contained in the packet and provided details of the upcoming GWRS Groundbreaking event to be held on November 8th.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 5:30 p.m.



OCSD Director David Shawver, Chair



Orange County Sanitation District

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

BOARD OF DIRECTORS

Agenda Report

File #: 2019-800

Agenda Date: 1/22/2020

Agenda Item No: 4.

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

SUBJECT:

REPORT OF THE INVESTMENT TRANSACTIONS FOR THE MONTH OF DECEMBER 2019

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Receive and file the following:

Report of the Investment Transactions for the month of December 2019.

BACKGROUND

The CA Government Code requires that a monthly report of investment transactions be provided to the legislative body. Attached is the monthly report of investment transactions for the month ended December 31, 2019.

RELEVANT STANDARDS

- CA Government Code Section 53607

PRIOR COMMITTEE/BOARD ACTIONS

N/A

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENT

The following attachment(s) are included in hard copy and may also be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Report of the Investment Transactions for the Month of December 2019

**U.S. Bank
Transaction History
December 2019**

Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
ACQUISITIONS							
12/24/2019	06367BED7	PURCHASED PAR VALUE OF BANK OF MONTREAL C D 1.890% 5/21/20 /BMO CAPITAL MARKETS CORP/BONDS/1,000,000 PAR VALUE AT 100 %	1,000,000.0000	1.000000	-1,000,000.00	1,000,000.00	0.00
12/19/2019	06367BDS5	PURCHASED PAR VALUE OF BANK OF MONTREAL C D 2.000% 3/18/20 /RBC CAPITAL MARKETS, LLC/1,000,000 PAR VALUE AT 100.004948 %	1,000,000.0000	1.000049	-1,000,049.48	1,000,049.48	0.00
12/02/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	5,458,519.8000	1.000000	-5,458,519.80	5,458,519.80	0.00
12/03/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	2,788.5000	1.000000	-2,788.50	2,788.50	0.00
12/03/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	3,676.2900	1.000000	-3,676.29	3,676.29	0.00
12/06/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	5,375.0000	1.000000	-5,375.00	5,375.00	0.00
12/06/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	500,000.0000	1.000000	-500,000.00	500,000.00	0.00
12/09/2019	912828YH7	PURCHASED PAR VALUE OF U S TREASURY NT 1.500% 9/30/24 /J.P. MORGAN SECURITIES LLC/6,000,000 PAR VALUE AT 99.16015633 %	6,000,000.0000	0.991602	-5,949,609.38	5,949,609.38	0.00
12/11/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	37,500.0000	1.000000	-37,500.00	37,500.00	0.00
12/12/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	83,500.0000	1.000000	-83,500.00	83,500.00	0.00
12/13/2019	9128283J7	PURCHASED PAR VALUE OF U S TREASURY NT 2.125% 11/30/24 /GOLDMAN SACHS & CO. LLC/7,500,000 PAR VALUE AT 101.72265627 %	7,500,000.0000	1.017227	-7,629,199.22	7,629,199.22	0.00
12/16/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	1,088,240.6500	1.000000	-1,088,240.65	1,088,240.65	0.00
12/16/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	31,233.0000	1.000000	-31,233.00	31,233.00	0.00
12/18/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	637,012.6300	1.000000	-637,012.63	637,012.63	0.00
12/19/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	95,999,894.9600	1.000000	-95,999,894.96	95,999,894.96	0.00
12/19/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	137,500.0000	1.000000	-137,500.00	137,500.00	0.00
12/19/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	38,000,000.0000	1.000000	-38,000,000.00	38,000,000.00	0.00
12/20/2019	06367BDS5	PURCHASED PAR VALUE OF BANK OF MONTREAL C D 2.000% 3/18/20 /RBC CAPITAL MARKETS, LLC/8,000,000 PAR VALUE AT 100.00486625 %	8,000,000.0000	1.000049	-8,000,389.30	8,000,389.30	0.00
12/20/2019	313384RU5	PURCHASED PAR VALUE OF F H L B DISC NTS 1/14/20 /NOMURA SECURITIES INTERNATIONAL/1,200,000 PAR VALUE AT 99.8909725 %	1,200,000.0000	0.998910	-1,198,691.67	1,198,691.67	0.00
12/20/2019	313384SD2	PURCHASED PAR VALUE OF F H L B DISC NTS 1/23/20 /BARCLAYS CAPITAL INC. FIXED IN/5,000,000 PAR VALUE AT 99.8517222 %	5,000,000.0000	0.998517	-4,992,586.11	4,992,586.11	0.00
12/20/2019	313384SK6	PURCHASED PAR VALUE OF F H L B DISC NTS 1/29/20 /JEFFERIES LLC/4,500,000 PAR VALUE AT 99.82611111 %	4,500,000.0000	0.998261	-4,492,175.00	4,492,175.00	0.00
12/20/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	3,848.7300	1.000000	-3,848.73	3,848.73	0.00
12/23/2019	89114M2Z9	PURCHASED PAR VALUE OF TORONTO DOMINION C D 2.200% 1/23/20 /GOLDMAN SACHS & CO. LLC/2,000,000 PAR VALUE AT 100.0142825 %	2,000,000.0000	1.000143	-2,000,285.65	2,000,285.65	0.00
12/23/2019	912796RT8	PURCHASED PAR VALUE OF U S TREASURY BILL 1/02/20 /CITIGROUP GLOBAL MARKETS INC./7,500,000 PAR VALUE AT 99.95873613 %	7,500,000.0000	0.999587	-7,496,905.21	7,496,905.21	0.00
12/23/2019	912796WM7	PURCHASED PAR VALUE OF U S TREASURY BILL 1/07/20 /NOMURA SECURITIES INTERNATIONAL/7,500,000 PAR VALUE AT 99.93760413 %	7,500,000.0000	0.999376	-7,495,320.31	7,495,320.31	0.00

**U.S. Bank
Transaction History
December 2019**

Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
12/23/2019	912796TH2	PURCHASED PAR VALUE OF U S TREASURY BILL 3/05/20 /WELLS FARGO SECURITIES, LLC/7,500,000 PAR VALUE AT 99.68932413 %	7,500,000.0000	0.996893	-7,476,699.31	7,476,699.31	0.00
12/23/2019	912828VJ6	PURCHASED PAR VALUE OF U S TREASURY NT 1.875% 6/30/20 /WELLS FARGO SECURITIES, LLC/15,000,000 PAR VALUE AT 100.14843753 %	15,000,000.0000	1.001484	-15,022,265.63	15,022,265.63	0.00
12/23/2019	9128283S7	PURCHASED PAR VALUE OF U S TREASURY NT 2.000% 1/31/20 /CITIGROUP GLOBAL MARKETS INC./5,000,000 PAR VALUE AT 100.0390626 %	5,000,000.0000	1.000391	-5,001,953.13	5,001,953.13	0.00
12/23/2019	9128283S7	PURCHASED PAR VALUE OF U S TREASURY NT 2.000% 1/31/20 /CITIGROUP GLOBAL MARKETS INC./5,000,000 PAR VALUE AT 100.0390626 %	5,000,000.0000	1.000391	-5,001,953.13	5,001,953.13	0.00
12/23/2019	9128283S7	PURCHASED PAR VALUE OF U S TREASURY NT 2.000% 1/31/20 /NOMURA SECURITIES INTERNATIONAL/5,000,000 PAR VALUE AT 100.0390626 %	5,000,000.0000	1.000391	-5,001,953.13	5,001,953.13	0.00
12/23/2019	912828VV9	PURCHASED PAR VALUE OF U S TREASURY NT 2.125% 8/31/20 /NOMURA SECURITIES INTERNATIONAL/15,000,000 PAR VALUE AT 100.33203127 %	15,000,000.0000	1.003320	-15,049,804.69	15,049,804.69	0.00
12/24/2019	912828YH7	PURCHASED PAR VALUE OF U S TREASURY NT 1.500% 9/30/24 /MORGAN STANLEY & CO. LLC/8,000,000 PAR VALUE AT 98.87109375 %	8,000,000.0000	0.988711	-7,909,687.50	7,909,687.50	0.00
12/24/2019	912828L57	PURCHASED PAR VALUE OF U S TREASURY NT 1.750% 9/30/22 /BOFA SECURITIES, INC./FXD INC/7,000,000 PAR VALUE AT 100.21093757 %	7,000,000.0000	1.002109	-7,014,765.63	7,014,765.63	0.00
12/24/2019	9128283S7	PURCHASED PAR VALUE OF U S TREASURY NT 2.000% 1/31/20 /NOMURA SECURITIES INTERNATIONAL/5,000,000 PAR VALUE AT 100.0351562 %	5,000,000.0000	1.000352	-5,001,757.81	5,001,757.81	0.00
12/24/2019	9128283J7	PURCHASED PAR VALUE OF U S TREASURY NT 2.125% 11/30/24 /GOLDMAN SACHS & CO. LLC/9,000,000 PAR VALUE AT 101.71875 %	9,000,000.0000	1.017188	-9,154,687.50	9,154,687.50	0.00
12/24/2019	912828MP2	PURCHASED PAR VALUE OF U S TREASURY NT 3.625% 2/15/20 /NOMURA SECURITIES INTERNATIONAL/5,000,000 PAR VALUE AT 100.2734376 %	5,000,000.0000	1.002734	-5,013,671.88	5,013,671.88	0.00
12/26/2019	912828L32	PURCHASED PAR VALUE OF U S TREASURY NT 1.375% 8/31/20 /NOMURA SECURITIES INTERNATIONAL/5,000,000 PAR VALUE AT 99.8203126 %	5,000,000.0000	0.998203	-4,991,015.63	4,991,015.63	0.00
12/26/2019	912828XY1	PURCHASED PAR VALUE OF U S TREASURY NT 2.500% 6/30/20 /NOMURA SECURITIES INTERNATIONAL/5,000,000 PAR VALUE AT 100.4414062 %	5,000,000.0000	1.004414	-5,022,070.31	5,022,070.31	0.00
12/26/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	0.0700	1.000000	-0.07	0.07	0.00
12/26/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	100,634.4500	1.000000	-100,634.45	100,634.45	0.00
12/26/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	156,854.3400	1.000000	-156,854.34	156,854.34	0.00
12/27/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	14,628.0000	1.000000	-14,628.00	14,628.00	0.00
12/31/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	203,125.0000	1.000000	-203,125.00	203,125.00	0.00
12/31/2019	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	146,875.0000	1.000000	-146,875.00	146,875.00	0.00
TOTAL ACQUISITIONS			290,311,206.4200		-290,528,703.03	290,528,703.03	0.00
DISPOSITIONS							
12/02/2019	73358WAG9	MATURED PAR VALUE OF PORT AUTH NY NJ 5.309% 12/01/19 2,440,000 PAR VALUE AT 100 %	-2,440,000.0000	1.000000	2,440,000.00	-2,507,633.89	-67,633.89
12/02/2019	912828G61	MATURED PAR VALUE OF U S TREASURY NT 1.500% 11/30/19 2,500,000 PAR VALUE AT 100 %	-2,500,000.0000	1.000000	2,500,000.00	-2,483,211.50	16,788.50

U.S. Bank
Transaction History
December 2019

Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
12/06/2019	94988J5G8	MATURED PAR VALUE OF WELLS FARGO MTN 2.150% 12/06/19 500,000 PAR VALUE AT 100 %	-500,000.0000	1.000000	500,000.00	-498,425.00	1,575.00
12/09/2019	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-5,629,322.4900	1.000000	5,629,322.49	-5,629,322.49	0.00
12/13/2019	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-7,634,860.0800	1.000000	7,634,860.08	-7,634,860.08	0.00
12/16/2019	31348SWZ3	PAID DOWN PAR VALUE OF F H L M C #786064 4.678% 1/01/28 NOVEMBER FHLMC DUE 12/15/19	-10.5000	0.000000	10.50	-10.24	0.26
12/16/2019	3133TCE95	PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 4.027% 8/15/32	-381.1000	0.000000	381.10	-381.50	-0.40
12/16/2019	47788BAD6	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 1.820% 10/15/21	-28,285.3200	14.656796	28,285.32	-28,283.25	2.07
12/16/2019	47788CAC6	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 2.660% 4/18/22	-89,079.4600	4.653959	89,079.46	-89,073.05	6.41
12/16/2019	47789JAB2	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 2.850% 12/15/21	-250,228.2300	1.656776	250,228.23	-250,216.82	11.41
12/16/2019	65478VAD9	PAID DOWN PAR VALUE OF NISSAN AUTO 1.320% 1/15/21	-65,825.8800	6.298012	65,825.88	-65,298.76	527.12
12/16/2019	65478GAD2	PAID DOWN PAR VALUE OF NISSAN AUTO 1.750% 10/15/21	-153,480.3600	2.701142	153,480.36	-151,100.22	2,380.14
12/16/2019	89238BAB8	PAID DOWN PAR VALUE OF TOYOTA AUTO 2.100% 10/15/20 CMO FINAL PAUYDOWN	-31,233.0000	0.000000	31,233.00	-31,229.81	3.19
12/16/2019	89239AAB9	PAID DOWN PAR VALUE OF TOYOTA AUTO 2.830% 10/15/21	-272,353.3400	1.522185	272,353.34	-272,328.61	24.73
12/18/2019	43814RAC0	PAID DOWN PAR VALUE OF HONDA AUTO 1.210% 12/18/20	-106,100.0400	0.000000	106,100.04	-104,935.43	1,164.61
12/18/2019	43814PAC4	PAID DOWN PAR VALUE OF HONDA AUTO 1.790% 9/20/21	-164,004.9300	0.000000	164,004.93	-161,403.91	2,601.02
12/18/2019	43814WAB1	PAID DOWN PAR VALUE OF HONDA AUTO 2.750% 9/20/21	-350,163.5400	0.000000	350,163.54	-350,140.99	22.55
12/20/2019	36225CAZ9	PAID DOWN PAR VALUE OF G N M A I I #080023 4.125% 12/20/26 NOVEMBER GNMA DUE 12/20/19	-151.7000	0.000000	151.70	-154.21	-2.51
12/20/2019	36225CC20	PAID DOWN PAR VALUE OF G N M A I I #080088 3.875% 6/20/27 NOVEMBER GNMA DUE 12/20/19	-187.2300	0.000000	187.23	-191.33	-4.10
12/20/2019	36225CNM4	PAID DOWN PAR VALUE OF G N M A I I #080395 3.875% 4/20/30 NOVEMBER GNMA DUE 12/20/19	-150.5600	0.000000	150.56	-149.19	1.37
12/20/2019	36225CN28	PAID DOWN PAR VALUE OF G N M A I I #080408 3.875% 5/20/30 NOVEMBER GNMA DUE 12/20/19	-1,851.6900	0.000000	1,851.69	-1,832.88	18.81
12/20/2019	36225DCB8	PAID DOWN PAR VALUE OF G N M A I I #080965 3.250% 7/20/34 NOVEMBER GNMA DUE 12/20/19	-1,120.4300	0.000000	1,120.43	-1,119.73	0.70
12/20/2019	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-10,683,452.7800	1.000000	10,683,452.78	-10,683,452.78	0.00
12/20/2019	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-8,001,278.1900	1.000000	8,001,278.19	-8,001,278.19	0.00
12/23/2019	06417G5Q7	MATURED PAR VALUE OF BANK OF NOVA C D 2.610% 12/23/19 2,300,000 PAR VALUE AT 100 %	-2,300,000.0000	1.000000	2,300,000.00	-2,300,614.40	-614.40
12/23/2019	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-60,558,044.9200	1.000000	60,558,044.92	-60,558,044.92	0.00
12/23/2019	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-1,972,473.7600	1.000000	1,972,473.76	-1,972,473.76	0.00
12/23/2019	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-4,890,970.7200	1.000000	4,890,970.72	-4,890,970.72	0.00
12/24/2019	90331HNB5	FULL CALL PAR VALUE OF US BANK MTN 2.000% 1/24/20 /CALLS/	-2,000,000.0000	1.000000	2,000,000.00	-2,000,240.00	-240.00
12/24/2019	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-8,102,958.0600	1.000000	8,102,958.06	-8,102,958.06	0.00

U.S. Bank
Transaction History
December 2019

Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
12/24/2019	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-1,000,000.0000	1.000000	1,000,000.00	-1,000,000.00	0.00
12/24/2019	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-24,092,157.4100	1.000000	24,092,157.41	-24,092,157.41	0.00
12/26/2019	31398VJ98	PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 4.251% 1/25/20	-156,100.7800	0.138540	156,100.78	-164,954.62	-8,853.84
12/26/2019	31394JY35	PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 6.500% 9/25/43	-8,230.9000	0.000000	8,230.90	-9,321.49	-1,090.59
12/26/2019	31371NUC7	PAID DOWN PAR VALUE OF F N M A #257179 4.500% 4/01/28 NOVEMBER FNMA DUE 12/25/19	-137.0300	0.000000	137.03	-144.92	-7.89
12/26/2019	31376KT22	PAID DOWN PAR VALUE OF F N M A #357969 5.000% 9/01/35 NOVEMBER FNMA DUE 12/25/19	-3,121.4100	0.000000	3,121.41	-3,355.52	-234.11
12/26/2019	31381PDA3	PAID DOWN PAR VALUE OF F N M A #466397 3.400% 11/01/20 NOVEMBER FNMA DUE 12/25/19	-754.2900	0.000000	754.29	-737.97	16.32
12/26/2019	31403DJZ3	PAID DOWN PAR VALUE OF F N M A #745580 5.000% 6/01/36 NOVEMBER FNMA DUE 12/25/19	-1,647.8700	0.000000	1,647.87	-1,771.46	-123.59
12/26/2019	31403GXF4	PAID DOWN PAR VALUE OF F N M A #748678 5.000% 10/01/33 NOVEMBER FNMA DUE 12/25/19	-9.0700	0.000000	9.07	-9.75	-0.68
12/26/2019	31406PQY8	PAID DOWN PAR VALUE OF F N M A #815971 5.000% 3/01/35 NOVEMBER FNMA DUE 12/25/19	-5,800.0600	0.000000	5,800.06	-6,235.06	-435.00
12/26/2019	31406XWT5	PAID DOWN PAR VALUE OF F N M A #823358 4.647% 2/01/35 NOVEMBER FNMA DUE 12/25/19	-477.4000	0.000000	477.40	-473.67	3.73
12/26/2019	31407BXH7	PAID DOWN PAR VALUE OF F N M A #826080 5.000% 7/01/35 NOVEMBER FNMA DUE 12/25/19	-82.7800	0.000000	82.78	-88.99	-6.21
12/26/2019	31410F4V4	PAID DOWN PAR VALUE OF F N M A #888336 5.000% 7/01/36 NOVEMBER FNMA DUE 12/25/19	-2,693.7800	0.000000	2,693.78	-2,895.81	-202.03
12/26/2019	3138EG6F6	PAID DOWN PAR VALUE OF F N M A #AL0869 4.500% 6/01/29 NOVEMBER FNMA DUE 12/25/19	-120.8900	0.000000	120.89	-127.85	-6.96
12/26/2019	31417YAY3	PAID DOWN PAR VALUE OF F N M A #MA0022 4.500% 4/01/29 NOVEMBER FNMA DUE 12/25/19	-468.6300	0.000000	468.63	-495.62	-26.99
12/26/2019	31397QRE0	PAID DOWN PAR VALUE OF F N M A GTD REMIC 2.825% 2/25/41	-3,091.1500	0.000000	3,091.15	-3,090.18	0.97
12/26/2019	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-10,095,985.7800	1.000000	10,095,985.78	-10,095,985.78	0.00
TOTAL DISPOSITIONS			-154,098,847.5400		154,098,847.54	-154,153,181.82	-54,334.28
OTHER TRANSACTIONS							
12/02/2019	3135G0F73	INTEREST EARNED ON F N M A 1.500% 11/30/20 \$1 PV ON 7500000.0000 SHARES DUE 11/30/2019	0.0000	0.000000	56,250.00	0.00	0.00
12/02/2019	31846V567	INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 11/30/2019 INTEREST FROM 11/1/19 TO 11/30/19	0.0000	0.000000	2,788.50	0.00	0.00
12/02/2019	31846V567	INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 11/30/2019 INTEREST FROM 11/1/19 TO 11/30/19	0.0000	0.000000	3,676.29	0.00	0.00
12/02/2019	73358WAG9	INTEREST EARNED ON PORT AUTH NY NJ 5.309% 12/01/19 \$1 PV ON 2440000.0000 SHARES DUE 12/1/2019	0.0000	0.000000	64,769.80	0.00	0.00

U.S. Bank
Transaction History
December 2019

Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
12/02/2019	912828XE5	INTEREST EARNED ON U S TREASURY NT 1.500% 5/31/20 \$1 PV ON 5000000.0000 SHARES DUE 11/30/2019	0.0000	0.000000	37,500.00	0.00	0.00
12/02/2019	912828G61	INTEREST EARNED ON U S TREASURY NT 1.500% 11/30/19 \$1 PV ON 2500000.0000 SHARES DUE 11/30/2019	0.0000	0.000000	18,750.00	0.00	0.00
12/02/2019	912828R69	INTEREST EARNED ON U S TREASURY NT 1.625% 5/31/23 \$1 PV ON 5000000.0000 SHARES DUE 11/30/2019	0.0000	0.000000	40,625.00	0.00	0.00
12/02/2019	912828U65	INTEREST EARNED ON U S TREASURY NT 1.750% 11/30/21 \$1 PV ON 7000000.0000 SHARES DUE 11/30/2019	0.0000	0.000000	61,250.00	0.00	0.00
12/02/2019	912828M80	INTEREST EARNED ON U S TREASURY NT 2.000% 11/30/22 \$1 PV ON 8000000.0000 SHARES DUE 11/30/2019	0.0000	0.000000	80,000.00	0.00	0.00
12/02/2019	912828U57	INTEREST EARNED ON U S TREASURY NT 2.125% 11/30/23 \$1 PV ON 15000000.0000 SHARES DUE 11/30/2019	0.0000	0.000000	159,375.00	0.00	0.00
12/06/2019	94988J5G8	INTEREST EARNED ON WELLS FARGO MTN 2.150% 12/06/19 \$1 PV ON 500000.0000 SHARES DUE 12/6/2019 ACCRUED INTEREST ON 12/6/2019 MATURITY	0.0000	0.000000	5,375.00	0.00	0.00
12/09/2019	313383QR5	INTEREST EARNED ON F H L B DEB 3.250% 6/09/23 \$1 PV ON 5000000.0000 SHARES DUE 12/9/2019	0.0000	0.000000	81,250.00	0.00	0.00
12/09/2019	3130A0F70	INTEREST EARNED ON F H L B DEB 3.375% 12/08/23 \$1 PV ON 10000000.0000 SHARES DUE 12/8/2019	0.0000	0.000000	168,750.00	0.00	0.00
12/09/2019	69353RFL7	INTEREST EARNED ON PNC BANK NA MTN 3.500% 6/08/23 \$1 PV ON 5000000.0000 SHARES DUE 12/8/2019	0.0000	0.000000	87,500.00	0.00	0.00
12/09/2019	912828YH7	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 1.500% 9/30/24	0.0000	0.000000	-17,213.11	0.00	0.00
12/11/2019	313379RB7	INTEREST EARNED ON F H L B DEB 1.875% 6/11/21 \$1 PV ON 4000000.0000 SHARES DUE 12/11/2019	0.0000	0.000000	37,500.00	0.00	0.00
12/12/2019	912828WU0	BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 11856.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
12/12/2019	912828WU0	FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 11856.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	11,856.00	0.00
12/12/2019	313383HU8	INTEREST EARNED ON F H L B DEB 1.750% 6/12/20 \$1 PV ON 5000000.0000 SHARES DUE 12/12/2019	0.0000	0.000000	43,750.00	0.00	0.00
12/12/2019	89114QCA4	INTEREST EARNED ON TORONTO DOMINION MTN 2.650% 6/12/24 \$1 PV ON 3000000.0000 SHARES DUE 12/12/2019	0.0000	0.000000	39,750.00	0.00	0.00
12/12/2019	912828WU0	PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 11856.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	11,856.0000	0.000000	0.00	0.00	0.00
12/12/2019	912828WU0	STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 11856.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
12/13/2019	912828J7	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 2.125% 11/30/24	0.0000	0.000000	-5,660.86	0.00	0.00
12/16/2019	02587AAJ3	INTEREST EARNED ON AMERICAN EXPRESS 1.930% 9/15/22 \$1 PV ON 10084.2400 SHARES DUE 12/15/2019 \$0.00161/PV ON 6,270,000.00 PV DUE 12/15/19	0.0000	0.000000	10,084.24	0.00	0.00
12/16/2019	3130A1XJ2	INTEREST EARNED ON F H L B 2.875% 6/14/24 \$1 PV ON 11110000.0000 SHARES DUE 12/14/2019	0.0000	0.000000	159,706.25	0.00	0.00

U.S. Bank
Transaction History
December 2019

Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
12/16/2019	31348SWZ3	INTEREST EARNED ON F H L M C #786064 4.678% 1/01/28 \$1 PV ON 7.0300 SHARES DUE 12/15/2019 OCTOBER FHLMC DUE 12/15/19	0.0000	0.000000	7.03	0.00	0.00
12/16/2019	3133TCE95	INTEREST EARNED ON F H L M C MLTCL MTG 4.027% 8/15/32 \$1 PV ON 24.0100 SHARES DUE 12/15/2019 \$0.00336/PV ON 7,155.25 PV DUE 12/15/19	0.0000	0.000000	24.01	0.00	0.00
12/16/2019	43815NAB0	INTEREST EARNED ON HONDA AUTO 1.900% 4/15/22 \$1 PV ON 5589.1500 SHARES DUE 12/15/2019 \$0.00158/PV ON 3,530,000.00 PV DUE 12/15/19	0.0000	0.000000	5,589.15	0.00	0.00
12/16/2019	47788BAD6	INTEREST EARNED ON JOHN DEERE OWNER 1.820% 10/15/21 \$1 PV ON 534.3600 SHARES DUE 12/15/2019 \$0.00152/PV ON 352,321.54 PV DUE 12/15/19	0.0000	0.000000	534.36	0.00	0.00
12/16/2019	477870AB5	INTEREST EARNED ON JOHN DEERE OWNER 2.280% 5/16/22 \$1 PV ON 5320.0000 SHARES DUE 12/15/2019 \$0.00190/PV ON 2,800,000.00 PV DUE 12/15/19	0.0000	0.000000	5,320.00	0.00	0.00
12/16/2019	47788CAC6	INTEREST EARNED ON JOHN DEERE OWNER 2.660% 4/18/22 \$1 PV ON 2665.0400 SHARES DUE 12/15/2019 \$0.00222/PV ON 1,202,272.32 PV DUE 12/15/19	0.0000	0.000000	2,665.04	0.00	0.00
12/16/2019	47789JAB2	INTEREST EARNED ON JOHN DEERE OWNER 2.850% 12/15/21 \$1 PV ON 7162.7200 SHARES DUE 12/15/2019 \$0.00238/PV ON 3,015,882.88 PV DUE 12/15/19	0.0000	0.000000	7,162.72	0.00	0.00
12/16/2019	47788EAC2	INTEREST EARNED ON JOHN DEERE OWNER 3.080% 11/15/22 \$1 PV ON 11883.6700 SHARES DUE 12/15/2019 \$0.00257/PV ON 4,630,000.00 PV DUE 12/15/19	0.0000	0.000000	11,883.67	0.00	0.00
12/16/2019	65478VAD9	INTEREST EARNED ON NISSAN AUTO 1.320% 1/15/21 \$1 PV ON 111.9100 SHARES DUE 12/15/2019 \$0.00110/PV ON 101,736.92 PV DUE 12/15/19	0.0000	0.000000	111.91	0.00	0.00
12/16/2019	65478GAD2	INTEREST EARNED ON NISSAN AUTO 1.750% 10/15/21 \$1 PV ON 2503.5200 SHARES DUE 12/15/2019 \$0.00146/PV ON 1,716,703.80 PV DUE 12/15/19	0.0000	0.000000	2,503.52	0.00	0.00
12/16/2019	65479JAD5	INTEREST EARNED ON NISSAN AUTO 1.930% 7/15/24 \$1 PV ON 6730.8700 SHARES DUE 12/15/2019 \$0.00161/PV ON 4,185,000.00 PV DUE 12/15/19	0.0000	0.000000	6,730.87	0.00	0.00
12/16/2019	65479GAD1	INTEREST EARNED ON NISSAN AUTO 3.060% 3/15/23 \$1 PV ON 9078.0000 SHARES DUE 12/15/2019 \$0.00255/PV ON 3,560,000.00 PV DUE 12/15/19	0.0000	0.000000	9,078.00	0.00	0.00
12/16/2019	89238BAB8	INTEREST EARNED ON TOYOTA AUTO 2.100% 10/15/20 \$1 PV ON 54.6600 SHARES DUE 12/15/2019 \$0.00175/PV ON 31,233.00 PV DUE 12/15/19	0.0000	0.000000	54.66	0.00	0.00
12/16/2019	89239AAB9	INTEREST EARNED ON TOYOTA AUTO 2.830% 10/15/21 \$1 PV ON 7141.0300 SHARES DUE 12/15/2019 \$0.00236/PV ON 3,027,995.80 PV DUE 12/15/19	0.0000	0.000000	7,141.03	0.00	0.00
12/18/2019	43814RAC0	INTEREST EARNED ON HONDA AUTO 1.210% 12/18/20 \$1 PV ON 337.9400 SHARES DUE 12/18/2019 \$0.00101/PV ON 335,148.93 PV DUE 12/18/19	0.0000	0.000000	337.94	0.00	0.00
12/18/2019	43814PAC4	INTEREST EARNED ON HONDA AUTO 1.790% 9/20/21 \$1 PV ON 2631.6500 SHARES DUE 12/18/2019 \$0.00149/PV ON 1,764,236.43 PV DUE 12/18/19	0.0000	0.000000	2,631.65	0.00	0.00
12/18/2019	43814WAB1	INTEREST EARNED ON HONDA AUTO 2.750% 9/20/21 \$1 PV ON 9485.2800 SHARES DUE 12/18/2019 \$0.00229/PV ON 4,139,028.61 PV DUE 12/18/19	0.0000	0.000000	9,485.28	0.00	0.00
12/18/2019	43814UAG4	INTEREST EARNED ON HONDA AUTO 3.010% 5/18/22 \$1 PV ON 4289.2500 SHARES DUE 12/18/2019 \$0.00251/PV ON 1,710,000.00 PV DUE 12/18/19	0.0000	0.000000	4,289.25	0.00	0.00
12/19/2019		CASH RECEIPT INCOMING WIRES RECEIVED FROM BANC OF CALIF 12/19/19	0.0000	0.000000	97,000,000.00	0.00	0.00
12/19/2019		CASH RECEIPT INCOMING WIRES RECEIVED FROM BANC OF CALIF 12/19/19	0.0000	0.000000	38,000,000.00	0.00	0.00
12/19/2019	3137EAEN5	INTEREST EARNED ON F H L M C 2.750% 6/19/23 \$1 PV ON 10000000.0000 SHARES DUE 12/19/2019	0.0000	0.000000	137,500.00	0.00	0.00

U.S. Bank
Transaction History
December 2019

Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
12/19/2019	06367BDS5	PAID ACCRUED INTEREST ON PURCHASE OF BANK OF MONTREAL C D 2.000% 3/18/20	0.0000	0.000000	-55.56	0.00	0.00
12/20/2019	36225CAZ9	INTEREST EARNED ON G N M A I I #080023 4.125% 12/20/26 \$1 PV ON 50.2100 SHARES DUE 12/20/2019 NOVEMBER GNMA DUE 12/20/19	0.0000	0.000000	50.21	0.00	0.00
12/20/2019	36225CC20	INTEREST EARNED ON G N M A I I #080088 3.875% 6/20/27 \$1 PV ON 40.4000 SHARES DUE 12/20/2019 NOVEMBER GNMA DUE 12/20/19	0.0000	0.000000	40.40	0.00	0.00
12/20/2019	36225CNM4	INTEREST EARNED ON G N M A I I #080395 3.875% 4/20/30 \$1 PV ON 20.5900 SHARES DUE 12/20/2019 NOVEMBER GNMA DUE 12/20/19	0.0000	0.000000	20.59	0.00	0.00
12/20/2019	36225CN28	INTEREST EARNED ON G N M A I I #080408 3.875% 5/20/30 \$1 PV ON 156.0500 SHARES DUE 12/20/2019 NOVEMBER GNMA DUE 12/20/19	0.0000	0.000000	156.05	0.00	0.00
12/20/2019	36225DCB8	INTEREST EARNED ON G N M A I I #080965 3.250% 7/20/34 \$1 PV ON 119.8700 SHARES DUE 12/20/2019 NOVEMBER GNMA DUE 12/20/19	0.0000	0.000000	119.87	0.00	0.00
12/20/2019	06367BDS5	PAID ACCRUED INTEREST ON PURCHASE OF BANK OF MONTREAL C D 2.000% 3/18/20	0.0000	0.000000	-888.89	0.00	0.00
12/23/2019	06417G5Q7	INTEREST EARNED ON BANK OF NOVA C D 2.610% 12/23/19 \$1 PV ON 2300000.0000 SHARES DUE 12/23/2019 INTEREST ON 12/23/19 MATURITY	0.0000	0.000000	46,023.00	0.00	0.00
12/23/2019	3135G0U35	INTEREST EARNED ON F N M A 2.750% 6/22/21 \$1 PV ON 7500000.0000 SHARES DUE 12/22/2019	0.0000	0.000000	103,125.00	0.00	0.00
12/23/2019	3135G0D75	INTEREST EARNED ON F N M A DEB 1.500% 6/22/20 \$1 PV ON 5000000.0000 SHARES DUE 12/22/2019	0.0000	0.000000	37,500.00	0.00	0.00
12/23/2019	43815HAC1	INTEREST EARNED ON HONDA AUTO 2.950% 8/22/22 \$1 PV ON 9759.5800 SHARES DUE 12/21/2019 \$0.00246/PV ON 3,970,000.00 PV DUE 12/21/19	0.0000	0.000000	9,759.58	0.00	0.00
12/23/2019	89114M2Z9	PAID ACCRUED INTEREST ON PURCHASE OF TORONTO DOMINION C D 2.200% 1/23/20	0.0000	0.000000	-18,211.11	0.00	0.00
12/23/2019	912828VJ6	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 1.875% 6/30/20	0.0000	0.000000	-134,510.87	0.00	0.00
12/23/2019	9128283S7	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 2.000% 1/31/20	0.0000	0.000000	-39,402.17	0.00	0.00
12/23/2019	9128283S7	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 2.000% 1/31/20	0.0000	0.000000	-39,402.17	0.00	0.00
12/23/2019	9128283S7	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 2.000% 1/31/20	0.0000	0.000000	-39,402.17	0.00	0.00
12/23/2019	912828VV9	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 2.125% 8/31/20	0.0000	0.000000	-99,828.30	0.00	0.00
12/24/2019	166764AH3	INTEREST EARNED ON CHEVRON CORP 3.191% 6/24/23 \$1 PV ON 3500000.0000 SHARES DUE 12/24/2019	0.0000	0.000000	55,842.50	0.00	0.00
12/24/2019	90331HNB5	INTEREST EARNED ON US BANK MTN 2.000% 1/24/20 \$1 PV ON 2000000.0000 SHARES DUE 12/24/2019	0.0000	0.000000	16,666.60	0.00	0.00
12/24/2019	912828YH7	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 1.500% 9/30/24	0.0000	0.000000	-27,868.85	0.00	0.00
12/24/2019	912828L57	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 1.750% 9/30/22	0.0000	0.000000	-28,449.45	0.00	0.00
12/24/2019	9128283S7	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 2.000% 1/31/20	0.0000	0.000000	-39,673.91	0.00	0.00
12/24/2019	9128283J7	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 2.125% 11/30/24	0.0000	0.000000	-12,540.98	0.00	0.00
12/24/2019	912828MP2	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 3.625% 2/15/20	0.0000	0.000000	-64,521.06	0.00	0.00

U.S. Bank
Transaction History
December 2019

Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
12/26/2019	03215PFN4	INTEREST EARNED ON AMRESCO 2.73625% 6/25/29 \$1 PV ON 271.3900 SHARES DUE 12/26/2019 \$0.00228/PV ON 119,021.64 PV DUE 12/26/19	0.0000	0.000000	271.39	0.00	0.00
12/26/2019	31398VJ98	INTEREST EARNED ON F H L M C MLTCL MTG 4.251% 1/25/20 \$1 PV ON 753.5600 SHARES DUE 12/25/2019 \$0.00354/PV ON 212,720.33 PV DUE 12/25/19	0.0000	0.000000	753.56	0.00	0.00
12/26/2019	31394JY35	INTEREST EARNED ON F H L M C MLTCL MTG 6.500% 9/25/43 \$1 PV ON 3677.4200 SHARES DUE 12/25/2019 \$0.00542/PV ON 678,909.17 PV DUE 12/25/19	0.0000	0.000000	3,677.42	0.00	0.00
12/26/2019	31371NUC7	INTEREST EARNED ON F N M A #257179 4.500% 4/01/28 \$1 PV ON 54.1800 SHARES DUE 12/25/2019 NOVEMBER FNMA DUE 12/25/19	0.0000	0.000000	54.18	0.00	0.00
12/26/2019	31376KT22	INTEREST EARNED ON F N M A #357969 5.000% 9/01/35 \$1 PV ON 396.2400 SHARES DUE 12/25/2019 NOVEMBER FNMA DUE 12/25/19	0.0000	0.000000	396.24	0.00	0.00
12/26/2019	31381PDA3	INTEREST EARNED ON F N M A #466397 3.400% 11/01/20 \$1 PV ON 951.7300 SHARES DUE 12/25/2019 NOVEMBER FNMA DUE 12/25/19	0.0000	0.000000	951.73	0.00	0.00
12/26/2019	31403DJZ3	INTEREST EARNED ON F N M A #745580 5.000% 6/01/36 \$1 PV ON 372.6100 SHARES DUE 12/25/2019 NOVEMBER FNMA DUE 12/25/19	0.0000	0.000000	372.61	0.00	0.00
12/26/2019	31403GXF4	INTEREST EARNED ON F N M A #748678 5.000% 10/01/33 \$1 PV ON 7.3500 SHARES DUE 12/25/2019 NOVEMBER FNMA DUE 12/25/19	0.0000	0.000000	7.35	0.00	0.00
12/26/2019	31406PQY8	INTEREST EARNED ON F N M A #815971 5.000% 3/01/35 \$1 PV ON 632.7500 SHARES DUE 12/25/2019 NOVEMBER FNMA DUE 12/25/19	0.0000	0.000000	632.75	0.00	0.00
12/26/2019	31406XWT5	INTEREST EARNED ON F N M A #823358 4.647% 2/01/35 \$1 PV ON 419.7300 SHARES DUE 12/25/2019 NOVEMBER FNMA DUE 12/25/19	0.0000	0.000000	419.73	0.00	0.00
12/26/2019	31407BXH7	INTEREST EARNED ON F N M A #826080 5.000% 7/01/35 \$1 PV ON 74.0000 SHARES DUE 12/25/2019 NOVEMBER FNMA DUE 12/25/19	0.0000	0.000000	74.00	0.00	0.00
12/26/2019	31410F4V4	INTEREST EARNED ON F N M A #888336 5.000% 7/01/36 \$1 PV ON 726.5600 SHARES DUE 12/25/2019 NOVEMBER FNMA DUE 12/25/19	0.0000	0.000000	726.56	0.00	0.00
12/26/2019	3138EG6F6	INTEREST EARNED ON F N M A #AL0869 4.500% 6/01/29 \$1 PV ON 36.1400 SHARES DUE 12/25/2019 NOVEMBER FNMA DUE 12/25/19	0.0000	0.000000	36.14	0.00	0.00
12/26/2019	31417YAY3	INTEREST EARNED ON F N M A #MA0022 4.500% 4/01/29 \$1 PV ON 59.6700 SHARES DUE 12/25/2019 NOVEMBER FNMA DUE 12/25/19	0.0000	0.000000	59.67	0.00	0.00
12/26/2019	31397QRE0	INTEREST EARNED ON F N M A GTD REMIC 2.825% 2/25/41 \$1 PV ON 359.4200 SHARES DUE 12/25/2019 \$0.00199/PV ON 180,610.99 PV DUE 12/25/19	0.0000	0.000000	359.42	0.00	0.00
12/26/2019	90331HNB5	INTEREST EARNED ON US BANK MTN 2.000% 1/24/20 \$1 PV ON 2000000.0000 SHARES DUE 12/24/2019 ADDITIONAL ACCRUED INTEREST ON 12/24/19 FULL CALL	0.0000	0.000000	0.07	0.00	0.00
12/26/2019	931142EK5	INTEREST EARNED ON WALMART INC 3.400% 6/26/23 \$1 PV ON 3880000.0000 SHARES DUE 12/26/2019	0.0000	0.000000	65,960.00	0.00	0.00
12/26/2019	912828L32	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 1.375% 8/31/20	0.0000	0.000000	-22,098.21	0.00	0.00
12/26/2019	912828XY1	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 2.500% 6/30/20	0.0000	0.000000	-60,801.63	0.00	0.00
12/27/2019	912828WU0	BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 13312.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
12/27/2019	912828WU0	FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 13312.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	13,312.00	0.00

U.S. Bank
Transaction History
December 2019

Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
12/27/2019	02665WCZ2	INTEREST EARNED ON AMERICAN HONDA MTN 2.400% 6/27/24 \$1 PV ON 1219000.0000 SHARES DUE 12/27/2019	0.0000	0.000000	14,628.00	0.00	0.00
12/27/2019	912828WU0	PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 13312.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	13,312.0000	0.000000	0.00	0.00	0.00
12/27/2019	912828WU0	STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 13312.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
12/31/2019	912828XW5	INTEREST EARNED ON U S TREASURY NT 1.750% 6/30/22 \$1 PV ON 5000000.0000 SHARES DUE 12/31/2019	0.0000	0.000000	43,750.00	0.00	0.00
12/31/2019	912828VJ6	INTEREST EARNED ON U S TREASURY NT 1.875% 6/30/20 \$1 PV ON 15000000.0000 SHARES DUE 12/31/2019	0.0000	0.000000	140,625.00	0.00	0.00
12/31/2019	912828XX3	INTEREST EARNED ON U S TREASURY NT 2.000% 6/30/24 \$1 PV ON 5000000.0000 SHARES DUE 12/31/2019	0.0000	0.000000	50,000.00	0.00	0.00
12/31/2019	912828N30	INTEREST EARNED ON U S TREASURY NT 2.125% 12/31/22 \$1 PV ON 5000000.0000 SHARES DUE 12/31/2019	0.0000	0.000000	53,125.00	0.00	0.00
12/31/2019	912828XY1	INTEREST EARNED ON U S TREASURY NT 2.500% 6/30/20 \$1 PV ON 5000000.0000 SHARES DUE 12/31/2019	0.0000	0.000000	62,500.00	0.00	0.00
TOTAL OTHER TRANSACTIONS			25,168.0000		136,429,855.49	25,168.00	0.00



Orange County Sanitation District

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

OPERATIONS COMMITTEE

Agenda Report

File #: 2019-821

Agenda Date: 1/22/2020

Agenda Item No: 5.

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

SUBJECT:

AWARD OF CORROSION MANAGEMENT SUPPORT SERVICES, SPECIFICATION NO. CS-2019-1071BD

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve a Professional Consultant Services Agreement with Corpro Companies, Inc. for Corrosion Management Support Services, Specification No. CS-2019-1071BD, for the period of January 1, 2020 through December 31, 2020, for a total annual amount not to exceed \$600,000, with four (4) one-year renewal options; and
- B. Approve an annual contingency of \$60,000 (10%).

BACKGROUND

The Orange County Sanitation District (Sanitation District) owns, maintains, and operates nearly \$11 billion of assets in its collections system, Reclamation Plant No. 1 in Fountain Valley, and Treatment Plant No. 2 in Huntington Beach. To ensure that our facilities are reliable, an Asset Management Program is in place to proactively assess and track the condition and performance of critical assets and develop targeted maintenance and capital investment strategies.

Condition and corrosion assessments provide an accurate understanding of the condition of the assets, identify deficiencies that need to be addressed, and provide a timeline of when the recommended mitigations need to be completed. This agreement will provide corrosion and condition assessment staffing to perform condition and corrosion assessments and prepare assessment and recommendation reports.

RELEVANT STANDARDS

- Sustain 1, 5, 20-year planning horizons
- Maintain and adhere to appropriate internal planning documents - Strategic Plan
- Maintain a proactive asset management program

PROBLEM

The Sanitation District has a need for consulting support to conduct corrosion and condition assessment of assets.

PROPOSED SOLUTION

Solicit and contract for Professional Consultant Services for corrosion and condition assessment.

TIMING CONCERNS

The previous contract for Corrosion Management support expired on June 30, 2019. Further delay of the new contract will prevent the use of these services to support the Asset Management Program.

RAMIFICATIONS OF NOT TAKING ACTION

Without the condition and corrosion management support, Sanitation District staff would not have accurate condition and corrosion information on assets and will be less able to develop maintenance and capital investment strategies.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATIONStaff Evaluation of Proposals

A Request for Proposal for Corrosion Management Support Services was advertised on September 11, 2019. The following evaluation criterion were described in the Request for Proposals and used to determine the most qualified firm.

CRITERION	WEIGHT
Qualifications & Experience of Firm	30%
Proposed Staffing & Project Organization	40%
Interviews	30%

On October 3, 2019, a non-mandatory pre-proposal meeting was conducted, and two firms attended.

One proposal was received on October 24, 2019 from Corrpro Companies. It was evaluated in accordance with the evaluation process set forth in Sanitation District's Purchasing Ordinance No. OCSD-52 by a pre-selected evaluation team consisting of the following Sanitation District staff: Engineering Manager, Maintenance Manager, Chief Plant Operator, Senior Engineer, and Engineer.

A representative from the Purchasing Division also participated in the evaluation process as a non-voting member.

Following scoring by the evaluation team, it was determined that the information provided in the proposal was sufficient to determine the qualifications of the firm and proposed staffing. As a result, no interview was conducted, and Corrpro Companies was selected as a qualified Consultant based on the scoring shown below (out of 70 possible points).

Firm	Qualifications of Firm (Max 30)	Proposed Staffing (Max 40)	Interviews (Max N/A)	Total Score (Max 70)
Corrpro Companies	27.6	35.6	N/A	63.2

Corrpro Companies is qualified based on the firm's qualifications and experience in the field of corrosion control and engineering and the proposed team's experience with the Sanitation District and other agencies and facilities conducting similar work.

Negotiations:

Staff conducted negotiations with Corrpro Companies on November 14, 2019 clarifying scope of work, assumptions, and contract multipliers.

Staff has reviewed the proposed positions, rates, and terms and believes that the proposed fee is fair and reasonable. Contract profit is 9%, which is consistent with the Sanitation District's standard professional agreements.

CEQA

This is not a project as defined by the California Environmental Quality Act (CEQA); therefore, CEQA does not apply.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This recommendation would be funded under the Professional/Contractual Services line item for the Engineering Department (Budget Update Fiscal Year 2019-20, Page 45), and the available funding is sufficient for the action.

ATTACHMENT

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

- Professional Consultant Services Agreement

EY:sa

PROFESSIONAL CONSULTANT SERVICES AGREEMENT
Corrosion Management Support Services
Specification No. CS-2019-1071BD

THIS AGREEMENT is made and entered into as of the date fully executed below, by and between Orange County Sanitation District, with a principal place of business at 10844 Ellis Avenue, Fountain Valley, CA 92708 (hereinafter referred to as "OCSD") and Corrpro with a principal place of business at 10260 Matern Place, Santa Fe Springs, CA 90670 (hereinafter referred to as "Consultant") collectively referred to as the "Parties".

WITNESSETH

WHEREAS, based on Consultant's expertise and experience, OCSD desires to temporarily engage Consultant to provide Corrosion Management Staffing Support Services "Services" as described in Exhibit "A"; and

WHEREAS, Consultant submitted its Proposal, dated October 24, 2019; and

WHEREAS, on January 22, 2020, the Board of Directors of OCSD, by minute order, authorized execution of this Agreement between OCSD and Consultant; and

WHEREAS, OCSD has chosen Consultant to conduct Services in accordance with Ordinance No. OCSD-52; and

NOW, THEREFORE, in consideration of the mutual promises and mutual benefits exchanged between the Parties, the Parties mutually agree as follows:

1. Introduction

1.1 This Agreement and all exhibits hereto (called the "Agreement") is made by OCSD and the Consultant. The terms and conditions herein exclusively govern the purchase of Services as described in Exhibit "A".

1.2 Exhibits to this Agreement are incorporated by reference and made a part of this Agreement as though fully set forth at length herein.

Exhibit "A"	Scope of Work
Exhibit "B"	Proposal
Exhibit "C"	Acknowledgement of Insurance Requirements
Exhibit "D"	OCSD Safety Standards
Exhibit "E"	Human Resources Policies
Exhibit "F"	Allowable Direct Costs

1.3 In the event of any conflict or inconsistency between the provisions of this Agreement and any of the provisions of the exhibits hereto, the provisions of this Agreement shall in all respects govern and control.

1.4 This Agreement may not be modified, changed, or supplemented, nor may any obligations hereunder be waived or extensions of time for performance granted, except by written instrument signed by both Parties.

1.5 The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any section or provision hereof.

- 1.6 The term “days”, when used in the Agreement, shall mean calendar days, unless otherwise noted as workdays.
- 1.7 The term “workday”. Workdays are defined as all days that are not Saturday, Sunday, or OCSD observed holidays. Meetings with OCSD staff shall be scheduled from Monday through Thursday between the hours of 8 a.m. and 4 p.m. (exception is Operations staff who maintain plant operations 24/7 and work a rotated 12-hour shift) and shall conform to OCSD work schedules. OCSD review periods shall not include OCSD observed holidays.
- 1.8 OCSD holidays (non-working days) are as follows: New Year’s Day, Lincoln’s Birthday, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, and Christmas Day.
- 1.9 Work Hours: The work required under this Agreement may include normal business hours, evenings, and weekends. OCSD will not pay for travel time.
- 1.10 Consultant shall provide OCSD with all required premiums and/or overtime work at no charge beyond the total amount of the Agreement.
- 1.11 Except as expressly provided otherwise, OCSD accepts no liability for any expenses, losses, or action incurred or undertaken by Consultant as a result of work performed in anticipation of purchases of said Services by OCSD.
2. **Scope of Work** Subject to the terms of this Agreement, Consultant shall perform the Services identified in Exhibit “A”. Consultant warrants that all of its Services shall be performed in a competent, professional, and satisfactory manner.
3. **Modifications to Scope of Work** Requests for modifications to the Scope of Work hereunder can be made by OCSD at any time. All modifications must be made in writing and signed by both Parties. A review of the time required for the modification will be made by OCSD and Consultant and the Agreement period adjusted accordingly.
4. **Compensation**
 - 4.1 Compensation to be paid by OCSD to Consultant for the Services provided under this Agreement shall be a total amount not to exceed Six Hundred Thousand Dollars (\$600,000.00).
 - 4.2 As a portion of the total compensation to be paid to Consultant, OCSD shall pay to Consultant a sum equal to the burdened salaries (salaries plus benefits, overhead, and profit per Exhibit “B”) actually paid by Consultant charged on an hourly-rate basis and paid to the personnel of Consultant not to exceed the maximum hourly rates per Exhibit “B-1”. Upon request of OCSD, Consultant shall provide OCSD with certified payroll records of all employees’ work that is charged to this Agreement.
 - 4.3 “Field Staff” are defined as staff on-site at OCSD facilities assigned by Consultant, working at OCSD’s facilities for an assigned period exceeding thirty (30) continuous calendar days. The overhead rates for Field Staff are included in Exhibit “B”.
 - 4.4 “Home Office Staff” are defined as staff assigned by Consultant, supporting the assigned work, either by working at Consultant’s or subconsultant’s offices or at OCSD’s site for periods less than thirty (30) continuous calendar days. The overhead rates for Home Office Staff are included in Exhibit “B”.

- 4.5 Profit for Consultant and subconsultants shall be nine percent (9%). Amendments shall be governed by the same maximum profit percentage. As a portion of the total compensation to be paid to Consultant and subconsultants, OCSD shall pay profit for all services rendered by Consultant and subconsultants for this Agreement.
- 4.6 For all subconsultants, Consultant may pay to subconsultants total compensation on an hourly-rate basis per Exhibit "B" and as specified in the Exhibit "A". OCSD shall pay to Consultant the actual costs of subconsultants, without markup.
- 4.7 For purposes of adjusting the maximum hourly rates agreed to by the Parties in Exhibit "B-1" for Consultant employees and any subconsultant employees performing services under this Agreement shall be adjusted annually based on the Consumer Price Index (CPI) of Los Angeles-Long Beach-Anaheim, California as of September of each year. This rate is from the United States Department of Labor Bureau of Labor Statistics. The annual salary figures used in calculating hourly rates shall not otherwise be adjusted, regardless of whether any Consultant employees may have received a salary increase from Consultant that exceeds the increase in CPI. The annual adjustments shall not exceed three percent (3%). The first hourly rate escalation will occur January 1, 2021.
- 4.8 OCSD will reimburse the Consultant for reasonable travel and business expenses as described in this section and further described in Exhibit "F" - Allowable Direct Costs to this Agreement. The reimbursement of the above mentioned expenses will be based on an "accountable plan" as considered by U.S. Internal Revenue Service (IRS). The plan includes a combination of reimbursements based upon receipts and a "per diem" component approved by IRS. The most recent schedule of the per diem rates utilized by OCSD can be found on the U.S. General Services Administration (GSA) website at <http://www.gsa.gov/portal/category/104711#>.

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

Consultant shall be responsible for returning to OCSD any excess reimbursements after the reimbursement has been paid by OCSD.

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

Local travel is considered travel by the Consultant within the OCSD geographical area which includes Orange, Los Angeles, Ventura, San Bernardino, Riverside, San Diego, Imperial and Kern Counties. Automobile mileage is reimbursable if Consultant is required to utilize personal vehicles for local travel.

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

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

Additional details related to the reimbursement of the allowable direct costs are provided in Exhibit “F” to this Agreement.

OCSD shall also pay to Consultant actual costs for equipment rentals, leases or purchases with prior approval of OCSD.

OCSD will not pay per diem for Field Staff nor will it pay for any relocation of staff to be assigned under this Agreement.

5. California Department of Industrial Relations (DIR) Registration and Record of Wages

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

6. Payment and Invoicing

- 6.1 OCSD shall pay, net thirty (30) days, upon receipt and approval, by OCSD’s Project Manager or designee, of itemized invoices submitted monthly for Services rendered as required in Exhibit “A”. OCSD, at its sole discretion, shall be the determining party as to whether the Services have been satisfactorily completed.
- 6.2 Invoices shall be emailed by Consultant to OCSD Accounts Payable at APStaff@OCSD.com and “INVOICE” with the Purchase Order Number and Specification No. CS-2019-1071BD shall be referenced in the subject line.

- 7. Audit Rights** Consultant agrees that, during the term of this Agreement and for a period of three (3) years after its termination, OCSD shall have access to and the right to examine any directly pertinent books, documents, and records of Consultant relating to the invoices submitted by Consultant pursuant to this Agreement.

8. **Commencement and Term** The Services provided under this Agreement shall be for the period of one (1) year commencing on February 1, 2020 and continuing through January 31, 2021.
9. **Renewals**
- 9.1 OCSD may exercise the option to renew this Agreement for up to four (4) one-year periods based upon the criteria set forth in Exhibit "A", under the terms and conditions contained herein. OCSD shall make no obligation to renew nor give reason if it elects not to renew.
- 9.2 This Agreement may be renewed by OCSD Purchase Order.
10. **Extensions** The term of this Agreement may be extended only by written instrument signed by both Parties.
11. **Performance** Time is of the essence in the performance of the provisions hereof.
12. **Termination**
- 12.1 OCSD reserves the right to terminate this Agreement for its convenience, with or without cause, in whole or in part, at any time, by written notice from OCSD. Upon receipt of a termination notice, Consultant shall immediately discontinue all work under this Agreement (unless the notice directs otherwise). OCSD shall thereafter, within thirty (30) days, pay Consultant for work performed (cost and fee) to the date of termination. Consultant expressly waives any claim to receive anticipated profits to be earned during the uncompleted portion of this Agreement. Such notice of termination shall terminate this Agreement and release OCSD from any further fee, cost or claim hereunder by Consultant other than for work performed to the date of termination.
- 12.2 OCSD reserves the right to terminate this Agreement immediately upon OCSD's determination that Consultant is not complying with the Scope of Work requirements, if the level of service is inadequate, or any other default of this Agreement.
- 12.3 OCSD may also immediately terminate for default of this Agreement in whole or in part by written notice to Consultant:
- if Consultant becomes insolvent or files a petition under the Bankruptcy Act; or
 - if Consultant sells its business; or
 - if Consultant breaches any of the terms of this Agreement; or
 - if total amount of compensation exceeds the amount authorized under this Agreement.
- 12.4 All OCSD property in the possession or control of Consultant shall be returned by Consultant to OCSD on demand, or at the termination of this Agreement, whichever occurs first.
13. **Indemnification and Hold Harmless Provision** Consultant 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 Consultant's services under this Agreement, or by its subconsultant(s) or by anyone directly or indirectly employed by Consultant, and whether such damage or injury shall accrue or be discovered before or after the termination of the Agreement. Except as to the sole active negligence of or willful misconduct of OCSD, Consultant shall indemnify, protect, defend and hold harmless OCSD, 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 Consultant's performance under the Agreement, and/or (b) on account of use of any copyrighted or uncopyrighted material, composition, or process, or any patented or unpatented invention, article or appliance, furnished or used under the Agreement, and/or (c) on account of any goods and services provided under this Agreement. This indemnification provision shall apply to any acts or omissions, willful misconduct, or negligent misconduct, whether active or passive, on the part of Consultant or anyone employed by or working under Consultant. To the maximum extent permitted by law, Consultant's duty to defend shall apply whether or not such claims, allegations, lawsuits, or proceedings have merit or are meritless, or which involve claims or allegations that any of the parties to be defended were actively, passively, or concurrently negligent, or which otherwise assert that the parties to be defended are responsible, in whole or in part, for any loss, damage, or injury. Consultant agrees to provide this defense immediately upon written notice from OCSD, and with well qualified, adequately insured, and experienced legal counsel acceptable to OCSD. This section shall survive the expiration or early termination of the Agreement.

14. **Insurance** Consultant and all subconsultants shall purchase and maintain, throughout the life of this Agreement and any periods of warranty or extensions, insurance in amounts equal to the requirements set forth in the signed Acknowledgement of Insurance Requirements, Exhibit "C". Consultant shall not commence work under this Agreement until all required insurance is obtained in a form acceptable to OCSD, nor shall Consultant allow any subconsultant to commence service pursuant to a subcontract until all insurance required of the subconsultant has been obtained. Failure to maintain required insurance coverage shall result in termination of this Agreement.
15. **Key Personnel** Personnel, as provided in Exhibit "B", are considered "key" to the work under this Agreement and will be available for the term of the Agreement. No person designated as key under this Agreement shall be removed or replaced without prior written consent of OCSD. If OCSD requests Consultant to remove a person designated as key under this Agreement, Consultant agrees to do so immediately regardless of the reason, or the lack of reason, for OCSD's request. Consultant shall assign only competent personnel to perform Services pursuant to this Agreement.
16. **Confidentiality and Non-Disclosure**
 - 16.1 Consultant acknowledges that in performing the Services hereunder, OCSD may have to disclose to Consultant orally and in writing certain confidential information that OCSD considers proprietary and has developed at great expense and effort.
 - 16.2 Consultant agrees to maintain in confidence and not disclose to any person, firm, or corporation, without OCSD's prior written consent, any trade secret or confidential information, knowledge or data relating to the products, process, or operation of OCSD.
 - 16.3 Consultant further agrees to maintain in confidence and not to disclose to any person, firm, or corporation any data, information, technology, or material developed or obtained by Consultant during the term of this Agreement.
 - 16.4 Consultant agrees as follows:
 - To use the confidential information only for the purposes described herein; to not reproduce the confidential information; to hold in confidence and protect the confidential information from dissemination to and use by anyone not a party to this Agreement; and to not use the confidential information to benefit itself or others.

- To restrict access to the confidential information to its Consultant or personnel of Consultant who (1) have a need to have such access and (2) have been advised of and have agreed in writing to treat such information in accordance with the terms of this Agreement.
- To return all confidential information in Consultant's possession upon termination of this Agreement or upon OCSD's request, whichever occurs first.
- To hold in confidence information and materials, if any, developed pursuant to the Services hereunder.

16.5 The provisions of this section shall survive termination or expiration of this Agreement and shall continue for so long as the material remains confidential.

17. Ownership of Documents All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subconsultants, and agents in the performance of this Agreement shall be the property of OCSD and shall be promptly delivered to OCSD upon request of OCSD's Project Manager or designee, or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by OCSD of its full rights of ownership of the documents and materials hereunder. Any use of such completed documents for other projects and/or use of incomplete documents without specific written authorization by the Consultant will be at OCSD's sole risk and without liability to Consultant. Consultant shall ensure that all its subconsultants shall provide for assignment to OCSD of any documents or materials prepared by them.

18. Ownership of Intellectual Property

18.1 Consultant agrees that all designs, plans, reports, specifications, drawings, schematics, prototypes, models, inventions, and all other information and items made during the course of this Agreement and arising from the Services (hereinafter referred to as "New Developments") shall be and are assigned to OCSD as its sole and exclusive property.

18.2 Consultant agrees to promptly disclose to OCSD all such New Developments. Upon OCSD's request, Consultant agrees to assist OCSD, at OCSD's expense, to obtain patents or copyrights for such New Developments, including the disclosure of all pertinent information and data with respect thereto, the execution of all applications, specifications, assignments, and all other instruments and papers which OCSD shall deem necessary to apply for and to assign or convey to OCSD, its successors and assigns, the sole and exclusive right, title and interest in such New Developments. Consultant agrees to obtain or has obtained written assurances from its employees and contract personnel of their agreement to the terms hereof with regard to New Developments and confidential information.

18.3 Consultant warrants that Consultant has good title to any New Developments, and the right to assign New Developments to OCSD free of any proprietary rights of any other party or any other encumbrance whatever.

18.4 The originals of all computations, drawings, designs, graphics, studies, reports, manuals, photographs, videotapes, data, computer files, and other documents prepared or caused to be prepared by Consultant or its subconsultants in connection with these Services shall be delivered to and shall become the exclusive property of OCSD. OCSD may utilize these documents for OCSD applications on other projects or extensions of this project, at its own risk.

19. No Solicitation of Employees

- 19.1 Consultant agrees that it shall not, during the term of this Agreement and for a period of one (1) year immediately following termination of this Agreement, or any extension hereof, call on, solicit, or take away any of the employees whom Consultant became aware of as a result of Consultant's Services to OCSD.
- 19.2 Consultant acknowledges that OCSD's employees are critical to its business and OCSD expends significant resources to hire, employ, and train employees. Should Consultant employ or otherwise engage OCSD's employees during the term of this Agreement and for a period of one (1) year following termination of this Agreement, Consultant will pay OCSD fifty percent (50%) of the former employee's most recent annual salary earned at OCSD to accurately reflect the reasonable value of OCSD's time and costs. This payment is in addition to any other rights and remedies OCSD may have at law.

20. Independent Contractor Capacity

- 20.1 The relationship of Consultant to OCSD is that of an independent contractor and nothing herein shall be construed as creating an employment or agency relationship.
- 20.2 Consultant shall act independently and not as an officer or employee of OCSD. OCSD assumes no liability for Consultant's action and performance, nor assumes responsibility for taxes, funds, payments or other commitments, implied or expressed, by or for Consultant.
- 20.3 Consultant shall not be considered an agent of OCSD for any purpose whatsoever, nor shall Consultant have the right to, and shall not, commit OCSD to any agreement, contract or undertaking. Consultant shall not use OCSD's name in its promotional material or for any advertising or publicity purposes without expressed written consent.
- 20.4 Consultant shall not be entitled to any benefits accorded to those individuals listed on OCSD's payroll as regular employees including, without limitation, worker's compensation, disability insurance, vacation, holiday or sick pay. Consultant shall be responsible for providing, at Consultant's expense, disability, worker's compensation or other insurance as well as licenses and permits usual or necessary for conducting the Services hereunder.
- 20.5 Consultant shall be obligated to pay any and all applicable Federal, State and local payroll and other taxes incurred as a result of fees hereunder. Consultant hereby indemnifies OCSD for any claims, losses, costs, fees, liabilities, damages or penalties suffered by OCSD arising out of Consultant's breach of this provision.
- 20.6 Consultant shall not be eligible to join or participate in any benefit plans offered to those individuals listed on OCSD's payroll as regular employees. Consultant shall remain ineligible for such benefits or participation in such benefit plans even if a court later decides that OCSD misclassified Consultant for tax purposes.

- 21. Licenses, Permits** Consultant represents and warrants to OCSD that it has obtained all licenses, permits, qualification and approvals of whatever nature that are legally required to engage in this work. Any and all fees required by Federal, State, County, City and/or municipal laws, codes and/or tariffs that pertain to work performed under the terms of this Agreement will be paid by Consultant.

- 22. Consultant's Representations** In the performance of duties under this Agreement, Consultant shall adhere to the highest fiduciary standards, ethical practices and standards of care and competence for their trade/profession. Consultant agrees to comply with all applicable Federal, State and local laws and regulations.

23. **Familiarity with Work** By executing this Agreement, Consultant warrants that: 1) it has investigated the work to be performed; 2) it has investigated the site of the work and is aware of all conditions there; and 3) it understands the facilities, difficulties and restrictions of the work under this Agreement. Should Consultant discover any latent or unknown conditions materially differing from those inherent in the work or as represented by OCSD, it shall immediately inform OCSD of this and shall not proceed, except at Consultant's risk, until written instructions are received from OCSD.
24. **Right to Review Services, Facilities, and Records**
- 24.1 OCSD reserves the right to review any portion of the Services performed by Consultant under this Agreement, and Consultant agrees to cooperate to the fullest extent possible.
- 24.2 Consultant shall furnish to OCSD such reports, statistical data, and other information pertaining to Consultant's Services as shall be reasonably required by OCSD to carry out its rights and responsibilities under its agreements with its bondholders or noteholders and any other agreement relating to the development of the project(s) and in connection with the issuance of its official statements and other prospectuses with respect to the offering, sale, and issuance of its bonds and other obligations.
- 24.3 The right of OCSD to review or approve drawings, specifications, procedures, instructions, reports, test results, calculations, schedules, or other data that are developed by Consultant shall not relieve Consultant of any obligation set forth herein.
25. **Force Majeure** Neither party shall be liable for delays caused by accident, flood, acts of God, fire, labor trouble, war, acts of government or any other cause beyond its control, but said party shall use reasonable efforts to minimize the extent of the delay. Work affected by a Force Majeure condition may be rescheduled by mutual consent or may be eliminated from the Agreement.
26. **Severability** If any section, subsection, or provision of this Agreement, or any agreement or instrument contemplated hereby, or the application of such section, subsection, or provision is held invalid, the remainder of this Agreement or instrument in the application of such section, subsection or provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby, unless the effect of such invalidity shall be to substantially frustrate the expectations of the Parties.
27. **Waiver** The waiver of either party of any breach or violation of, or default under, any provision of this Agreement, shall not be deemed a continuing waiver by such party of any other provision or of any subsequent breach or violation of this Agreement or default thereunder. Any breach by Consultant to which OCSD does not object shall not operate as a waiver of OCSD's rights to seek remedies available to it for any subsequent breach.
28. **Remedies** In addition to other remedies available in law or equity, if the Consultant fails to make delivery of the goods or Services or repudiates its obligations under this Agreement, or if OCSD rejects the goods or Services or revokes acceptance of the goods or Services, OCSD may (1) terminate the Agreement; (2) recover whatever amount of the purchase price OCSD has paid, and/or (3) "cover" by purchasing, or contracting to purchase, substitute goods or Services for those due from Consultant. In the event OCSD elects to "cover" as described in (3), OCSD shall be entitled to recover from Consultant as damages the difference between the cost of the substitute goods or Services and the Agreement price, together with any incidental or consequential damages.

29. **Governing Law** This Agreement shall be governed by and interpreted under the laws of the State of California and the Parties submit to jurisdiction in Orange County, in the event any action is brought in connection with this Agreement or the performance thereof.
30. **Environmental Compliance** Consultant shall, at its own cost and expense, comply with all Federal, State, and local environmental laws, regulations, and policies which apply to the Consultant, its sub-consultants, and the Services, including, but not limited to, all applicable Federal, State, and local air pollution control laws and regulations.
31. **Attorney's Fees** If any action at law or inequity or if any proceeding in the form of an Alternative Dispute Resolution (ADR) is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which it may be entitled.
32. **Dispute Resolution**
- 32.1 In the event of a dispute as to the construction or interpretation of this Agreement, or any rights or obligations hereunder, the Parties shall first attempt, in good faith, to resolve the dispute by mediation. The Parties shall mutually select a mediator to facilitate the resolution of the dispute. If the Parties are unable to agree on a mediator, the mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Agreement, through the alternate dispute resolution procedures of Judicial Arbitration through Mediation Services of Orange County ("JAMS"), or any similar organization or entity conducting an alternate dispute resolution process.
- 32.2 In the event the Parties are unable to timely resolve the dispute through mediation, the issues in dispute shall be submitted to arbitration pursuant to California Code of Civil Procedure, Part 3, Title 9, Sections 1280 et seq. For such purpose, an agreed arbitrator shall be selected, or in the absence of agreement, each party shall select an arbitrator, and those two (2) arbitrators shall select a third. Discovery may be conducted in connection with the arbitration proceeding pursuant to California Code of Civil Procedure Section 1283.05. The arbitrator, or three (3) arbitrators acting as a board, shall take such evidence and make such investigation as deemed appropriate and shall render a written decision on the matter in question. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California. The arbitrator's decision and award shall be subject to review for errors of fact or law in the Superior Court for the County of Orange, with a right of appeal from any judgment issued therein.
33. **Damage to OCSD's Property** Any OCSD property damaged by Consultant will be subject to repair or replacement by Consultant at no cost to OCSD.
34. **OCSD Safety Standards** OCSD requires Consultant and its subconsultants to follow and ensure their employees follow all Federal, State and local regulations as well as OCSD Safety Standards while working at OCSD locations. If during the course of the Agreement it is discovered that OCSD Safety Standards do not comply with Federal, State or local regulations, then the Consultant is required to follow the most stringent regulatory requirement at no additional cost to OCSD. Consultant and all of its employees and subconsultants, shall adhere to all applicable OCSD Safety Standards attached hereto in Exhibit "D" and the Human Resources Policies (Exhibit "E").
35. **Freight (F.O.B. Destination)** Consultant assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Agreement.

36. **Assignments** Consultant shall not delegate any duties nor assign any rights under this Agreement without the prior written consent of OCSD. Any such attempted delegation or assignment shall be void.
37. **Conflict of Interest and Reporting**
- 37.1 Consultant shall at all times avoid conflicts of interest or appearance of conflicts of interest in performance of this Agreement.
- 37.2 Consultant affirms that to the best of its knowledge there exists no actual or potential conflict between Consultant's families, business or financial interest or its Services under this Agreement, and in the event of change in either its private interests or Services under this Agreement, it will raise with OCSD any question regarding possible conflict of interest which may arise as a result of such change.
38. **Third Party Rights** Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than OCSD and Consultant.
39. **Non-Liability of OCSD Officers and Employees** No officer or employee of OCSD shall be personally liable to Consultant, or any successor-in-interest, in the event of any default or breach by OCSD or for any amount which may become due to Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.
40. **Authority to Execute** The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the Parties are formally bound.
41. **Read and Understood** By signing this Agreement, Consultant represents that it has read and understood the terms and conditions of the Agreement.
42. **Entire Agreement** This Agreement constitutes the entire agreement of the Parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the Parties with respect to the subject matter hereof.

- 43. Notices** All notices under this Agreement must be in writing. Written notice shall be delivered by personal service or sent by registered or certified mail, postage prepaid, return receipt requested, or by any other overnight delivery service which delivers to the noticed destination and provides proof of delivery to the sender. Any facsimile notice must be followed within three (3) days by written notice. Rejection or other refusal to accept or the inability to deliver because of changed address for which no notice was given as provided hereunder shall be deemed to be receipt of the notice, demand or request sent. All notices shall be effective when first received at the following addresses:

OCSD: Jackie Lagade
Principal Buyer
Orange County Sanitation District
10844 Ellis Avenue
Fountain Valley, CA 92708-7018

Consultant: Edward Bonar
Operations Manager
Corrpro
10260 Matern Place
Santa Fe Springs, CA 90670

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

IN WITNESS WHEREOF, intending to be legally bound, the Parties hereto have caused this Agreement to be signed by the duly authorized representatives.

ORANGE COUNTY SANITATION DISTRICT

Dated: _____

By: _____
David John Shawver
Chair, Board of Directors

Dated: _____

By: _____
Kelly A. Lore
Clerk of the Board

Dated: _____

By: _____
Ruth Zintzun
Purchasing and Contracts Manager

CORRPRO

Dated: _____

By: _____

Print Name and Title of Officer



Orange County Sanitation District

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

BOARD OF DIRECTORS

Agenda Report

File #: 2020-881

Agenda Date: 1/22/2020

Agenda Item No: 6.

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

SUBJECT:

REQUEST FOR FUNDING - WASTEWATER FLOW & LOADING STUDY

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Approve the Orange County Sanitation District's on-going participation in the California Association of Sanitation Agencies wastewater flow and loading study and the Participating Agency Contribution Pledge of \$410,676.

BACKGROUND

The Orange County Sanitation District's (Sanitation District) goal has always been to fairly and equitably allocate the cost of wastewater management to all its customers in a cost-effective manner. Agencies throughout the state, including the Sanitation District, use engineering estimates of average loadings (wastewater flowrates and strength data according to use category) to proportionately allocate wastewater management costs and minimize administrative expenses. Water suppliers have established more aggressive water conservation measures in response to drought conditions and, therefore, it is prudent to review the wastewater loadings at this time and update them, if necessary, to ensure that they accurately reflect current wastewater characteristics. The California Association of Sanitation Agencies (CASA) has coordinated a statewide wastewater flow and loading study that is funded by participating sanitation agencies across the state. The cost of the study is shared amongst participating agencies in proportion to discharge volume. The Sanitation District contributed \$510,399 toward the cost of the initial RFP, Phase 1, and Phase 2A of the study. In return, the Sanitation District is participating in structuring the study and will have access to the results of the study.

CASA is now preparing for Phase 2B of the study. The estimated total cost of Phase 2B is \$2,840,000, with the Sanitation District's contribution being \$410,676. Phase 2B consists of the expanded non-residential sampling study and a return to sewer/water consumption data analysis. These are included in the original contract as tasks requiring funding by each of the participating agencies. Due to additional agencies joining in the study, the Sanitation District's costs are lower than originally anticipated.

Phase 2B is expected to be completed in fiscal year 2020-21, along with the data analysis and handbook with results of the study.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent

PROBLEM

Water suppliers have established more aggressive water conservation measures in response to drought conditions; therefore, it is prudent to review the wastewater loadings at this time and update them, if necessary, to ensure that they accurately reflect current wastewater characteristics.

PROPOSED SOLUTION

CASA has coordinated a statewide wastewater flow and loading study to be funded by participating sanitation agencies across the state.

TIMING CONCERNS

In order to move forward with Phase 2B of the wastewater flow and loading study, CASA needs the commitment and payment from the Sanitation District no later than February 15, 2020.

RAMIFICATIONS OF NOT TAKING ACTION

Without the commitment of the Sanitation District, the sampling pilot study will not be able to move forward and maintain the timeline that is needed to collect accurate flow and loading information.

PRIOR COMMITTEE/BOARD ACTIONS

May 2018 - Board approved a contribution of \$360,149 toward the cost of Phase 2A of the flow and loading study (\$360,149 was the actual amount spent).

June 2017 - Board approved a contribution of \$83,600 toward the cost of Phase 1B of the flow and loading study (\$67,750 was the actual amount spent).

November 2016 - Board approved a contribution of \$82,500 toward the cost of the first phase of the flow and loading study.

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

This contribution pledge of \$410,676 has not been budgeted entirely. \$350,000 was budgeted for 2019-20. \$200,000 was budgeted for 2018-19 and was not spent. Budgeted funds are available from other budgeted line items with expected savings and, upon Board approval, these funds will be transferred to cover this item. In total, actual operating costs for FY 2019-20 will not exceed the annual operating budget.

ATTACHMENT

The following attachment(s) is included in hard copy and may also be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Participating Agency Contribution Pledge Form - CASA Flow and Loading Study

California Association of Sanitation Agencies
Flow and Loading Study Project
Phase 2B
Participating Agency Contribution Pledge Form

Please Respond by February 15, 2020

Agency: Orange County Sanitation District

Contact Name: _____

Telephone &
Email: _____

My agency is committed to contributing the following amount to the Flow and Loading Study project being managed by CASA. I understand that CASA will be sending an invoice (or series of invoices) for the following total contribution amount in the future:

\$ 410,676.00

The relative agency contribution levels have been determined per the funding share agreement that was previously distributed to all counsel.

Please return Contribution Commitment Form to:

Adam D. Link, CASA Executive Director
1225 8th Street, Suite 595
Sacramento, CA 95814
Telephone: (916) 446-0388
E-Mail: alink@casaweb.org

You do not need to send a check at this time.
You will receive an invoice based upon your pledge.

Signature: _____

Date: _____

Thank You!



Orange County Sanitation District

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

BOARD OF DIRECTORS

Agenda Report

File #: 2020-882

Agenda Date: 2/5/2020

Agenda Item No: 7.

FROM: James D. Herberg, General Manager
Originator: James D. Herberg, General Manager

SUBJECT:

GENERAL MANAGER'S FISCAL YEAR 2019-2020 WORK PLAN MID-YEAR UPDATE

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Receive and file the General Manager's Fiscal Year 2019-2020 Work Plan Mid-Year Update and Memorandum.

BACKGROUND

Each year, the General Manager prepares a work plan of activities to be accomplished during the fiscal year. Attached is the mid-year update for the General Manager's Fiscal Year 2019-2020 work plan.

RELEVANT STANDARDS

- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard
- Plan for and execute succession, minimizing vacant position times
- Cultivate a highly qualified, well-trained, and diverse workforce
- Maintain and adhere to appropriate internal planning documents: Biosolids, Odor, and Energy Master Plans
- Use all practical and effective means for resource recovery

PRIOR COMMITTEE/BOARD ACTIONS

September 2019 - Presentation of the General Manager's Fiscal Year 2019-2020 Work Plan to the Steering Committee and Board of Directors for approval.

August 2019 - Draft work plan reviewed by the Steering Committee and Board of Directors.

ADDITIONAL INFORMATION

The General Manager's Work Plan includes goals for the fiscal year. At mid-year, seven items have reached completion and all remaining items are on track to be completed by, or prior to, the end of the fiscal year and the deadline of the overall work plan.

FINANCIAL CONSIDERATIONS

All items included in the General Manager's Work Plan are budgeted in the FY 2019-2020 Budget.

ATTACHMENT

The following attachment(s) is included in hard copy and may also be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- General Manager's FY 2019-2020 Work Plan Mid-Year Update and Memorandum



January 22, 2020

TO: Chairman and Members of the Board of Directors

FROM: James D. Herberg, General Manager

SUBJECT: **General Manager's Fiscal Year 2019-2020 Work Plan Mid-Year Update**

I am pleased to present the mid-year update for my Fiscal Year 2019-20 Work Plan. The Work Plan has 20 individual goals organized under the five focus areas of safety and security, succession planning, resource recovery, reliability, and operational optimization. This Work Plan was first reviewed with the Steering Committee and Board of Directors on August 28, 2019 and finalized and approved by the Board of Directors on September 25, 2019.

1. Safety and Security

- **Emergency Preparedness** – Develop and conduct an external emergency response and recovery drill by June 30, 2020 that tests the Integrated Emergency Response Plan (IERP).

UPDATE: The Great Shakeout Exercise was conducted on October 17, 2019 to test the IERP. The exercise included Care Ambulance as external evaluators to provide feedback on any areas of opportunity for improvement, which will be folded into our current plan.

- **Safety Engineering Solutions** – Complete six of the remaining eight Safety Improvement Construction Projects by June 30, 2020.

UPDATE: Five of the eight Safety Improvement Construction Projects were completed by December 31, 2019. Two of the remaining three are on schedule to be completed by June 30, 2020.

- **Voluntary Protection Plan (VPP) Certification** – Apply for the VPP certification for Plant No. 1 by June 30, 2020.

UPDATE: Staff continues to prepare for OCSD's forthcoming VPP application by addressing findings from the 2018 VPP Gap Analysis and meeting with our VPP mentor site, Eastern Municipal Water District, in October 2019. Additionally, staff attended a Cal/OSHA VPP Workshop in December 2019 to obtain updates on the application process. Application will be submitted prior to June 30, 2020.

- **Physical Security Plan** – Complete the development and implementation of a Physical Security Plan by June 30, 2020.

UPDATE: Staff is developing a scope of work for the Physical Security Plan. The scope of work is scheduled to be completed by December 31, 2019, with implementation to be completed by June 30, 2020.

- **Cyber Security Plan** – Complete the development and implementation of a Cyber Security Plan by June 30, 2020.

UPDATE: Development of the Cyber Security Plan is underway with a preliminary draft targeted for the end of January 2020.

2. Succession Planning

- **Leadership Development** – Provide at least two specialized trainings tailored to the Supervisory Level and one for the EMT/ Managers by June 30, 2020.

UPDATE: Staff developed and conducted a *Return to Work Training* for all management staff in September 2019. Currently, staff is developing a "*Back to Basics*" training targeted for various levels of management to provide the tools and resources needed to navigate the core functions of OCSD. The training should be completed and ready for implementation by June 30, 2020.

3. Resource Recovery

- **Groundwater Replenishment System (GWRS) Final Expansion** – Meet the following milestones to support the final expansion of GWRS:

- Advertise for Construction of Project P2-122, Headworks Modifications at Plant No. 2 for GWRS Expansion by January 31, 2020.

UPDATE: The Headworks Modification at Plant No. 2 Project advertised for Construction on October 10, 2019, two weeks ahead of its original schedule.

- Issue Construction Contract Notice to Proceed for Project P2-122, Headworks Modifications at Plant No. 2 for GWRS Expansion by June 30, 2020.

UPDATE: A recommendation to award a construction contract for the Headworks Modification at Plant No.2 project is scheduled for the January 2020 Board of Directors Meeting.

- **Emerging Contaminants** – Work with industry, academic, and agency partners to develop science-based regulations and an adaptive plan by June 30, 2020 to address the potential impact of PFAS to OCSD.

UPDATE: PFAS regulations for water, wastewater, solids waste, and biosolids are under early development at the federal and state levels. In the interim, OCSD is collaborating with multiple partners to develop analytical methods for non-potable water samples and pragmatic source control strategies in preparation for anticipated Santa Ana Water Regional Control Board's Phase 3 Investigative Order for PFAS.

- **Food Waste Digestion Pricing Policy** – Present a draft policy and pricing plan to the Board of Directors by June 30, 2020.

UPDATE: Staff have gathered data from California sister agencies with food waste digestion pricing experience and consulted with General Counsel on business model options such as cost-recovery and revenue-generating. A draft policy is on track to be presented to the Board of Directors.

4. Reliability

- **Asset Management Plan** – Develop an Asset Management Plan by December 31, 2019 that includes an inventory of critical assets for each process area and the collection system; an evaluation of their condition and performance; and an implementation plan to maintain, rehabilitate, and replace these assets to meet the required levels of service at the lowest life cycle cost and at an acceptable level of risk.

UPDATE: A draft Asset Management Plan was developed and reviewed in September 2019. The Plan was finalized in December 2019 and will be presented at the March 2020 Operations and Administration Committee Meetings as an informational item.

- **Central Generation Engines** – Implement an in-house heavy mechanical maintenance team and award a contract by December 31, 2019 to overhaul two Central Generation Engines.

UPDATES: A Heavy Mechanical Maintenance team was implemented in October 2019 and a contract to overhaul two Central Generation Engines was awarded in November 2019.

- **Pump Station Bypass Exercises** – Bypass pump two Pump Stations to prove emergency readiness and use the exercise to do critical valve and electrical maintenance at those Pump Stations by June 30, 2020.

UPDATES: MacArthur Pump Station was bypassed on August 3, 2019 to replace a failed force main valve. Contract services were utilized to perform the bypass operation due to the long run of temporary pipe installation. The second pump station will be bypassed prior to June 30, 2020.

5. Operational Optimization

- **OCSD Headquarters Building** – Advertise for Construction for Headquarters Complex Site Preparation, Contract No. P1-128C by February 29, 2020. Obtain City of Fountain Valley approvals for the Headquarters Building by June 30, 2020.

UPDATE: The advertisement for Construction for Project P1-128C is scheduled for February 2020. The plans and specifications for the new Headquarters will be finalized and ready for submission to the City of Fountain Valley in March 2020. This effort is on schedule.

- **Document Management** – Complete Records Management and Trusted System Needs Assessment by November 30, 2019.

UPDATE: The records management survey, document inventory, workflow workshops, taxonomy sessions, and staffing evaluation are all completed. The schedule has been pushed back with a current anticipated finish date of January 22, 2020 as a result of staffing changes. Findings & Recommendations draft submitted in November; current system evaluation and future recommendations draft submitted in December; and assessment of OCSD's Records Management program draft due in January 2020.

- **Communications Audit** – Complete the audit and provide a report to the Legislative and Public Affairs Committee by March 30, 2020.

UPDATE: The Communications Audit is complete, and a report will be submitted to the Legislative and Public Affairs Committee by March 30, 2020.

- **Capital Project Delivery** – Complete a formal design review framework by June 30, 2020. Complete a framework for regular updates of engineering policies and procedures, design guidelines, and engineering standards by June 30, 2020.

UPDATE: The Engineering Department conducted a retreat with the department Managers and Supervisors in October 2019 to prepare for a design review framework and a departmental strategy for an updated standard for documentation maintenance. Management staff have developed a draft design review framework and standard for

maintaining policies and procedures, design guidelines, and engineering standards. Formal implementation plans will be finalized by June 30, 2020.

- **Solids Handling Optimization** – Complete commissioning and optimize performance of new solids handling facilities at each plant by December 31, 2019.

UPDATE: The new solids handling facilities at both facilities were commissioned and optimized in October 2019.

- **Strategic Plan** – Complete new Strategic Plan for adoption by the Board of Directors by November 30, 2019.

UPDATE: The Strategic Plan was finalized and adopted by the Board of Directors on November 20, 2019.

- **Two Year Budget** – Complete new two-year budget for adoption by the Board of Directors on June 24, 2020.

UPDATE: The two-year budget process is set to begin in January 2020 and be submitted to the Board of Directors for adoption in June 2020.



Orange County Sanitation District

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

BOARD OF DIRECTORS

Agenda Report

File #: 2019-677

Agenda Date: 1/22/2020

Agenda Item No: 8.

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

SUBJECT:

HEADWORKS MODIFICATIONS AT PLANT NO. 2 FOR GWRS FINAL EXPANSION, PROJECT NO. P2-122

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Headworks Modifications at Plant No. 2 for GWRS Final Expansion, Project No. P2-122;
- B. Award a Construction Contract to Shimmick Construction Co., Inc. for Headworks Modifications at Plant No. 2 for GWRS Final Expansion, Project No. P2-122, for a total amount not to exceed \$14,487,735; and
- C. Approve a contingency of \$1,448,773 (10%).

BACKGROUND

Sewage from four trunk lines is blended in the Orange County Sanitation District's (Sanitation District) Plant No. 2 Headworks. One of the trunk lines is non-reclaimable because it includes flows from the Santa Ana River Interceptor and non-reclaimable side streams generated at Plant No. 1 and the Orange County Water District (OCWD). Several Plant No. 2 side streams are also non-reclaimable.

This project is necessary for the final expansion of the Groundwater Replenishment System (GWRS) and will be reimbursed by OCWD per an existing agreement dated March 2019.

RELEVANT STANDARDS

- Meet volume and water quality needs for the GWRS
- Use all practical and effective means for resource recovery
- Comply with California Public Contract Code Section 20103.8, award construction contract to lowest responsible bidder

PROBLEM

Reclaimable and non-reclaimable flows are currently combined in the Plant No. 2 Headworks, which makes all of Plant No. 2 effluent non-reclaimable. To recover reclaimable flows, the two streams must be separated.

PROPOSED SOLUTION

Award a Construction Contract for Headworks Modifications at Plant No. 2 for GWRS Final Expansion, Project No. P2-122. This contract will modify the Headworks by installing new gates and a diversion pipe to separate flows, replacing three of the main sewage pumps, adding recirculation piping, and rerouting internal non-reclaimable side stream flows.

TIMING CONCERNS

If awarded in January 2020, substantial completion of this project would be expected in December 2022.

OCWD's GWRS Final Expansion projects will be completed by December 2022 but cannot be placed into service until portions of three of the Sanitation District's projects, including all of this project, are completed. At present, the critical path for startup of the GWRS Final Expansion is completion of the Plant Water Pump Station expected in June 2023 under Outfall Low Flow Pump Station, Contract No. J-117B.

RAMIFICATIONS OF NOT TAKING ACTION

Not awarding this project would not allow recovery of 30 mgd of reclaimable flow.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION**Construction Contract Solicitation**

The Sanitation District advertised Project No. P2-122 for bids on October 10, 2019 and five sealed bids were received on December 17, 2019. A summary of the bid opening follows:

Engineer's Estimate: \$24,900,000

<u>Bidder</u>	<u>Amount of Bid</u>
Shimmick Construction Co., Inc.	\$14,487,735
PCL Construction, Inc.	\$16,413,000
Steve P. Rados Inc.	\$16,726,000
J.F. Shea Construction, Inc.	\$18,268,000
Myers and Sons Construction, Inc.	\$21,395,000

The bids were evaluated in accordance with the Sanitation District's policies and procedures. A notice was sent to all bidders on December 31, 2019 informing them of the intent of Sanitation District staff to recommend award of the Construction Contract to Shimmick Construction Co., Inc.

Staff recommends awarding a construction contract to the lowest responsive bidder, Shimmick Construction Co., Inc. for Headworks Modifications at Plant No. 2 for GWRS Final Expansion, Project No. P2-122, for a total amount not to exceed \$14,487,735.

Staff, in consultation with the design consultant, have reviewed the Engineer's Estimate to identify reasons for the large difference between the estimate and the bids. Some of the identified factors include a \$1.8 million escalation calculation error, conservative shoring system cost assumptions, and equipment and material suppliers offering contractors lower prices than quoted to the design consultant. Other factors may be specific to the low bidder, such as self-performing work that most general contractors subcontract out and overhead savings due to already being mobilized on site for other construction projects. Staff believes that the low bid is valid and recommends award as stated above.

Groundwater Replenishment System (GWRS)

The Sanitation District and OCWD have partnered to enable the GWRS to provide a reliable water supply for Orange County. Currently, the Sanitation District provides all the secondary effluent (100 mgd) from Plant No. 1 to GWRS. The final expansion of GWRS will increase production capacity from 100 million gallons per day (mgd) to 130 mgd by using effluent from Plant No. 2. The Effluent Reuse Study/GWRS Final Expansion Implementation Plan, Project No. SP-173, recommended modifying Plant No. 2 to separate reclaimable and non-reclaimable flows.

The Sanitation District is implementing these modifications through two capital projects. The Plant Water Pump Station is being relocated by Outfall Low Flow Pump Station, Contract No. J-117B; and Headworks modifications and rerouting of side stream flows will be performed by this project. Per an existing agreement, OCWD will reimburse the Sanitation District for the cost of these projects up to \$50 million.

CEQA

To comply with the California Environment Quality Act, the Sanitation District as a responsible agency approved the lead agency OCWD Program EIR/EIS GWRS Final Expansion Project Addendum No. 6 on November 16, 2016. This addendum covered Project No. P2-122.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted (FY 2019-20 Budget Update, Appendix A, Page A-9). The budget is sufficient for the recommendation action.

Costs for this project will be reimbursed by OCWD per the current GWRS agreement dated March 2019.

ATTACHMENT

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

- Construction Contract

SN:dm:sa

PART A
CONTRACT AGREEMENT

TABLE OF CONTENTS

CONTRACT AGREEMENT

SECTION – 1	GENERAL CONDITIONS	1
SECTION – 2	MATERIALS AND LABOR.....	4
SECTION – 3	PROJECT	4
SECTION – 4	PLANS AND SPECIFICATONS	5
SECTION – 5	TIME OF COMMENCEMENT AND COMPLETION	5
SECTION – 6	TIME IS OF THE ESSENCE	5
SECTION – 7	EXCUSABLE DELAYS	6
SECTION – 8	EXTRA WORK.....	6
SECTION – 9	CHANGES IN PROJECT.....	7
SECTION – 10	LIQUIDATED DAMAGES FOR DELAY	7
SECTION – 11	CONTRACT PRICE AND METHOD OF PAYMENT	7
SECTION – 12	SUBSTITUTION OF SECURITIES IN LIEU OF RETENTION OF FUNDS	9
SECTION – 13	COMPLETION	10
SECTION – 14	CONTRACTOR'S EMPLOYEES COMPENSATION.....	10
SECTION – 15	SURETY BONDS	12
SECTION – 16	INSURANCE.....	13
SECTION – 17	RISK AND INDEMNIFICATION.....	23
SECTION – 18	TERMINATION	23
SECTION – 19	WARRANTY	24
SECTION – 20	ASSIGNMENT	25
SECTION – 21	RESOLUTION OF DISPUTES	25
SECTION – 22	SAFETY & HEALTH	25
SECTION – 23	NOTICES.....	26

CONTRACT AGREEMENT
ORANGE COUNTY SANITATION DISTRICT

PROJECT NO. P2-122

HEADWORKS MODIFICATIONS AT PLANT 2 FOR GWRS FINAL EXPANSION

THIS AGREEMENT is made and entered into, to be effective, this January 22, 2020, by and between Shimmick Construction Co., Inc., hereinafter referred to as "CONTRACTOR" and the Orange County Sanitation District, hereinafter referred to as "OCSD".

WITNESSETH

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

SECTION – 1 GENERAL CONDITIONS

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

A. Contract Documents Order of Precedence

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

CONFORMED

C-CA-072619
PROJECT NO. P2-122
HEADWORKS MODIFICATIONS AT PLANT 2 FOR GWRS FINAL EXPANSION

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

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

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

B. Definitions

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

SECTION – 2 MATERIALS AND LABOR

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

SECTION – 3 PROJECT

The Project is described as:

PROJECT NO. P2-122

HEADWORKS MODIFICATIONS AT PLANT 2 FOR GWRS FINAL EXPANSION

SECTION – 4 PLANS AND SPECIFICATONS

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

PROJECT NO. P2-122

HEADWORKS MODIFICATIONS AT PLANT 2 FOR GWRS FINAL EXPANSION

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

[REVISED PER ADDENDUM NO. 1 ISSUED ON OCTOBER 15, 2019]

SECTION – 5 TIME OF COMMENCEMENT AND COMPLETION

CONTRACTOR agrees to commence the Project within 15 calendar days from the date set forth in the "Notice to Proceed" sent by OCSD, unless otherwise specified therein and shall diligently prosecute the Work to completion within one thousand one hundred two (1,102) calendar days from the date of the "Notice to Proceed" issued by OCSD, excluding delays caused or authorized by OCSD as set forth in Sections 7, 8, and 9 hereof, and applicable provisions in the General Conditions. The time for completion includes twenty (20) calendar days determined by OCSD likely to be inclement weather when CONTRACTOR will be unable to work.

SECTION – 6 TIME IS OF THE ESSENCE

Time is of the essence of this Contract. As required by the Contract Documents, CONTRACTOR shall prepare and obtain approval of all shop drawings, details and samples, and do all other things necessary and incidental to the prosecution of CONTRACTOR's Work in conformance with an approved construction progress schedule. CONTRACTOR shall coordinate the Work covered by this Contract with that of all other contractors, subcontractors and of OCSD, in a manner that will facilitate the efficient completion of the entire Work and accomplish the required milestone(s), if any, by the applicable deadline(s) in accordance with Section 5 herein. OCSD shall have the right to assert complete control of the premises on

CONFORMED

C-CA-072619
PROJECT NO. P2-122
HEADWORKS MODIFICATIONS AT PLANT 2 FOR GWRS FINAL EXPANSION

which the Work is to be performed and shall have the right to decide the time or order in which the various portions of the Work shall be installed or the priority of the work of subcontractors, and, in general, all matters representing the timely and orderly conduct of the Work of CONTRACTOR on the premises.

SECTION – 7 EXCUSABLE DELAYS

CONTRACTOR shall only be excused for any delay in the prosecution or completion of the Project as specifically provided in General Conditions, “Extensions for Delay”, and the General Requirements, “By CONTRACTOR or Others – Unknown Utilities during Contract Work”.

Extensions of time and extra compensation arising from such excusable delays will be determined in accordance with the General Conditions, “Extension of Time for Delay” and “Contract Price Adjustments and Payments”, and extensions of time and extra compensation as a result of incurring undisclosed utilities will be determined in accordance with General Requirements, “By CONTRACTOR or Others – Unknown Utilities during Contract Work”.

OCSD’s decision will be conclusive on all parties to this Contract.

SECTION – 8 EXTRA WORK

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

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

SECTION – 9 CHANGES IN PROJECT

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

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

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

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

SECTION – 10 LIQUIDATED DAMAGES FOR DELAY

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

SECTION – 11 CONTRACT PRICE AND METHOD OF PAYMENT

- A. OCSD agrees to pay and the CONTRACTOR agrees to accept as full consideration for the faithful performance of this Contract, subject to any additions or deductions as provided in approved Change Orders, the sum of Fourteen Million Four Hundred Eighty-Seven Thousand Seven Hundred Thirty-Five Dollars (\$14,487,735) as itemized on the Attached Exhibit "A".

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

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

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

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

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

The processing of payments shall not be considered as an acceptance of any part of the Work.

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

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

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

SECTION – 13 COMPLETION

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

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

SECTION – 14 CONTRACTOR’S EMPLOYEES COMPENSATION

A. Davis-Bacon Act:

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

B. General Prevailing Rate:

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

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

C. Forfeiture for Violation:

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

D. Apprentices:

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

E. Workday:

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

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

F. Registration; Record of Wages; Inspection:

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

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

SECTION – 15 SURETY BONDS

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

Civil Procedure Section 995.630. Each Bond shall be executed in the name of the Surety insurer under penalty of perjury, or the fact of execution of each Bond shall be duly acknowledged before an officer authorized to take and certify acknowledgments, and either one of the following conditions shall be satisfied:

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

SECTION – 16 INSURANCE

CONTRACTOR shall purchase and maintain, for the duration of the Contract, insurance against claims for injuries to persons, or damages to property which may arise from or in connection with the performance of the Work hereunder, and the results of that Work by CONTRACTOR, its agents, representatives, employees, or Subcontractors, in amounts equal to the requirements set forth below. CONTRACTOR shall not commence Work under this Contract until all insurance required under this Section is obtained in a form acceptable to OCSD, nor shall CONTRACTOR allow any Subcontractor to commence Work on a subcontract until all insurance required of the Subcontractor has been obtained. CONTRACTOR shall maintain all of the foregoing insurance coverages in force through the point at which the Work under this Contract is fully completed and accepted by OCSD pursuant to the provisions of the General Conditions, "Final Acceptance and Final Completion". Furthermore, CONTRACTOR shall maintain all of the foregoing insurance coverages in full force and effect throughout the warranty period, commencing on the date of Final Acceptance. The requirement for carrying the foregoing insurance shall not derogate from the provisions for indemnification of OCSD by CONTRACTOR under Section 17 of this Contract. Notwithstanding nor diminishing the

obligations of CONTRACTOR with respect to the foregoing, CONTRACTOR shall subscribe for and maintain in full force and effect during the life of this Contract, inclusive of all changes to the Contract Documents made in accordance with the provisions of the General Conditions, "Request for Change (Changes at CONTRACTOR's Request)" and/or "OWNER Initiated Changes", the following insurance in amounts not less than the amounts specified. OCSD reserves the right to amend the required limits of insurance commensurate with the CONTRACTOR's risk at any time during the course of the Project. No vehicles may enter OCSD premises/worksites without possessing the required insurance coverage.

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

A. Limits of Insurance

1. General Liability: Five Million Dollars (\$5,000,000) per occurrence and a general aggregate limit of Ten Million Dollars (\$10,000,000) for bodily injury, personal injury and property damage unless aggregate applies separately to this project (via use of ISO CG 25 03 or 25 04), then aggregate limit = \$ 5 Million (i.e.; ½ the general aggregate). Coverage shall include each of the following:

- a. Premises-Operations.
- b. Products and Completed Operations, with limits of at least Five Million Dollars (\$5,000,000) per occurrence and a general aggregate limit of Ten Million Dollars (\$10,000,000) which shall be in effect at all times during the warranty period set forth in the Warranty section herein, and as set forth in the General Conditions, "Warranty (CONTRACTOR's Guarantee)", plus any additional extension or continuation of time to said warranty period that may be required or authorized by said provisions.
- c. Broad Form Property Damage, expressly including damage arising out of explosion, collapse, or underground damage.
- d. Contractual Liability, expressly including the indemnity provisions assumed under this Contract.
- e. Separation of Insured Clause, providing that coverage applies separately to each insured, except with respect to the limits of liability.
- f. Independent CONTRACTOR's Liability.

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

CONTRACTOR shall be responsible to pay any deductible or SIR.

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

- h. If divers will be used, the General Liability insurance will be endorsed to cover marine liability or its equivalent to cover the usage of divers.
2. Automobile Liability: The CONTRACTOR shall maintain a policy of Automobile Liability Insurance on a comprehensive form covering all owned, non-owned, and hired automobiles, trucks, and other vehicles providing the following minimum limits of liability coverage:
- Either (1) a combined single limit of Two Million Dollars (\$2,000,000) and a general aggregate limit of Two Million Dollars (\$2,000,000) for bodily injury, personal injury and property damage;
- Or alternatively, (2) Two Million Dollars (\$2,000,000) per person for bodily injury and Two Million Dollars (\$2,000,000) per accident for property damage.
3. Umbrella Excess Liability: The minimum limits of general liability and automobile liability insurance required, as set forth above, shall be provided for either in a single policy of primary insurance or a combination of policies of primary and umbrella excess coverage. Excess liability coverage shall be issued with limits of liability which, when combined with the primary insurance, will equal the minimum limits for general liability and automobile liability.
4. Drone Liability Insurance: If a drone will be used, drone liability insurance must be maintained by CONTRACTOR in the amount of One Million Dollars (\$1,000,000) in a form acceptable by OCSD.
- Worker's Compensation/Employer's Liability: CONTRACTOR shall provide such Worker's Compensation Insurance as required by the Labor Code of the State of

California, including employer's liability with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If an exposure to Jones Act liability may exist, the insurance required herein shall include coverage with regard to Jones Act claims.

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

5. Pollution Liability Insurance: CONTRACTOR shall purchase and maintain insurance for pollution liability covering bodily injury, property damage (including loss of use of damaged property or property that has not been physically injured or destroyed), cleanup costs, and defense costs (including costs and expenses for investigation,

defense, or settlement of claims). Coverage shall carry limits of at least One Million Dollars (\$1,000,000) and shall apply to sudden and non-sudden pollution conditions (including sewage spills), both at the site or needed due to migration of pollutants from the site, resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants, contaminants or pollutants.

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

6. Errors and Omissions/Professional Liability Insurance:

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

In the event of termination of said policy during this period, CONTRACTOR shall obtain continuing insurance coverage for the prior acts or omissions of CONTRACTOR during the course of performing Work under the terms of this

Contract. Said coverage shall be evidenced by either a new policy evidencing no gap in coverage or by separate extended "tail" coverage with the present or new carrier.

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

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

7. Limits are Minimums: If CONTRACTOR maintains higher limits than the minimums shown in this Section, OCSD requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR.

B. Deductibles and Self-Insured Retentions

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

C. Other Insurance Provisions

1. Each such policy of General Liability Insurance and Automobile Liability Insurance shall be endorsed to contain, the following provisions:
 - a. OCSD, its Directors, officers, agents, CONSULTANTS, and employees, and all public agencies from whom permits will be obtained, and their Directors, officers, agents, and employees are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of CONTRACTOR at or from any of the sites of OCSD in connection with this Contract, or acts and omissions of the additional insured in connection with its general supervision or inspection of said operations related to this Contract.
 - b. Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by OCSD shall be excess only and not contributing with insurance provided under this policy.
2. Each insurance policy required herein shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, and that coverage shall not be cancelled for non-payment of premium except after ten (10) days prior written notice by certified mail, return receipt requested. Should there be changes in coverage or an increase in deductible or SIR amounts, CONTRACTOR undertakes to procure a manuscript endorsement from its insurer giving 30 days prior notice of such an event to OCSD, or to have its insurance broker/agent send to OCSD a certified letter describing the changes in coverage and any increase in deductible or SIR amounts. The certified letter must be sent Attention: Risk Management and shall be received not less than

twenty (20) days prior to the effective date of the change(s). The letter must be signed by a Director or Officer of the broker/agent and must be on company letterhead, and may be sent via e-mail in pdf format.

3. Coverage shall not extend to any indemnity coverage for the active negligence of any additional insured in any case where an agreement to indemnify the additional insured would be invalid under California Civil Code Section 2782(b).
4. If required by a public agency from whom permit(s) will be obtained, each policy of General Liability Insurance and Automobile Liability Insurance shall be endorsed to specify by name the public agency and its legislative members, officers, agents, CONSULTANTS, and employees, to be additional insureds.

D. Acceptability of Insurers

Insurers must have an "A-", or better, Policyholder's Rating, and a Financial Rating of at least Class VIII, or better, in accordance with the most current A.M. Best Rating Guide.

OCSD recognizes that State Compensation Insurance Fund has withdrawn from participation in the A.M. Best Rating Guide process. Nevertheless, OCSD will accept State Compensation Insurance Fund for the required policy of worker's compensation insurance, subject to OCSD's option, at any time during the term of this Contract, to require a change in insurer upon twenty (20) days written notice. Further, OCSD will require CONTRACTOR to substitute any insurer whose rating drops below the levels herein specified. Said substitution shall occur within twenty (20) days of written notice to CONTRACTOR by OCSD or its agent.

E. Verification of Coverage

CONTRACTOR shall furnish OCSD with original certificates and mandatory endorsements affecting coverage. Said policies and endorsements shall conform to the requirements herein stated. All certificates and endorsements are to be received and approved by

OCSD before Work commences. OCSD reserves the right to require complete, certified copies of all required insurance policies, including endorsements, affecting the coverage required by these Specifications at any time.

F. Subcontractors

CONTRACTOR shall be responsible to establish insurance requirements for any Subcontractors hired by CONTRACTOR. The insurance shall be in amounts and types reasonably sufficient to deal with the risk of loss involving the Subcontractor's operations and work. OCSD and any public agency issuing permits for the Project must be named as "Additional Insured" on any General Liability or Automobile Liability policy obtained by a Subcontractor. The CONTRACTOR must obtain copies and maintain current versions of all Subcontractors' policies, Certificate of Liability and mandatory endorsements effecting coverage. Upon request, CONTRACTOR must furnish OCSD with the above referenced required documents.

G. Required Forms and Endorsements

1. Required ACORD Form

- a. Certificate of Liability Form 25

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

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

- a. Commercial General Liability Form CG-0001 10 01
- b. Additional Insured Including Products-Completed Operations Form CG-2010 10 01 **and**
Form CG-2037 10 01
- c. Waiver of Transfer of Rights of Recovery Against Others to Us/
Waiver of Subrogation Form CG-2404 11 85; **or**
Form CG-2404 10 93

3. Required State Compensation Insurance Fund Endorsements
 - a. Waiver of Subrogation Endorsement No. 2570
 - b. Cancellation Notice Endorsement No. 2065

4. Additional Required Endorsements

- a. Notice of Policy Termination Manuscript Endorsement

5. Pollution Liability Endorsements

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

OCSD, its directors, officers, agents, CONSULTANTS and employees and all public agencies from whom permits will be obtained as well as their directors, officers, agents, and employees shall be included as insureds under the policy. Any additional insured endorsement shall contain language at least as broad as the coverage language contained in ISO form CG 20 10 11 85 or alternatively in both CG 20 10 10 01 and CG 20 37 10 01 together.

SECTION – 17 RISK AND INDEMNIFICATION

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

SECTION – 18 TERMINATION

This Contract may be terminated in whole or in part in writing by OCSD in the event of substantial failure by the CONTRACTOR to fulfill its obligations under this Agreement, or it may be terminated by OCSD for its convenience provided that such termination is effectuated in a

CONFORMED

C-CA-072619
PROJECT NO. P2-122
HEADWORKS MODIFICATIONS AT PLANT 2 FOR GWRS FINAL EXPANSION

manner and upon such conditions set forth more particularly in General Conditions, "Termination for Default" and/or "Termination for Convenience", provided that no termination may be effected unless proper notice is provided to CONTRACTOR at the time and in the manner provided in said General Conditions. If termination for default or convenience is effected by OCSD, an equitable adjustment in the price provided for in this Contract shall be made at the time and in the manner provided in the General Conditions, "Termination for Default" and "Termination for Convenience".

SECTION – 19 WARRANTY

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

The CONTRACTOR guarantees for a period of at least one (1) year from the date of Final Acceptance of the Work, pursuant to the General Conditions, "Final Acceptance and Final Completion" that the completed Work is free from all defects due to faulty materials, equipment or workmanship and that it shall promptly make whatever adjustments or corrections which may be necessary to cure any defects, including repairs of any damage to other parts of the system resulting from such defects. OCSD shall promptly give notice to the CONTRACTOR of observed defects. In the event that the CONTRACTOR fails to make adjustments, repairs, corrections or other work made necessary by such defects, OCSD may do so and charge the CONTRACTOR the cost incurred. The CONTRACTOR's warranty shall continue as to any corrected deficiency until the later of (1) the remainder of the original one-year warranty period; or (2) one year after acceptance by OCSD of the corrected Work. The Performance Bond and the Payment Bond shall remain in full force and effect through the guarantee period.

The CONTRACTOR's obligations under this clause are in addition to the CONTRACTOR's other express or implied assurances under this Contract, including but not limited to specific

manufacturer or other extended warranties specified in the Plans and Specifications, or state law and in no way diminish any other rights that OCSD may have against the CONTRACTOR for faulty materials, equipment or Work.

SECTION – 20 ASSIGNMENT

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

SECTION – 21 RESOLUTION OF DISPUTES

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

SECTION – 22 SAFETY & HEALTH

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

SECTION – 23 NOTICES

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

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

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

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

TO CONTRACTOR: Shimmick Construction Co., Inc.
530 Technology Drive, Suite 300
Irvine, CA 92618

Copy to: W. Andrew Sloane, III, Executive Vice-President
Shimmick Construction Co., Inc.
530 Technology Drive, Suite 300
Irvine, CA 92618

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

CONTRACTOR: Shimmick Construction Co., Inc.
530 Technology Drive, Suite 300
Irvine, CA 92618

By_____

Printed Name

Its_____

CONTRACTOR's State License No. 594575 (Expiration Date – 05/31/2020)

OCSD: Orange County Sanitation District

By_____

David John Shawver
Board Chairman

By_____

Kelly A. Lore
Clerk of the Board

By_____

Ruth Zintzun
Purchasing & Contracts Manager

CONFORMED

C-CA-072619
PROJECT NO. P2-122
HEADWORKS MODIFICATIONS AT PLANT 2 FOR GWRS FINAL EXPANSION

EXHIBIT A
SCHEDULE OF PRICES

TABLE OF CONTENTS
EXHIBIT A
SCHEDULE OF PRICES

EXA-1 BASIS OF COMPENSATION..... 1

EXA-2 PROGRESS PAYMENTS 1

EXA-3 RETENTION AND ESCROW ACCOUNTS..... 1

EXA-4 STOP PAYMENT NOTICE..... 3

EXA-5 PAYMENT TO SUBCONTRACTORS 3

EXA-6 PAYMENT OF TAXES 3

EXA-7 FINAL PAYMENT 4

EXA-8 DISCOVERY OF DEFICIENCIES BEFORE AND AFTER FINAL PAYMENT ... 5

ATTACHMENT 1 – CERTIFICATION FOR REQUEST FOR PAYMENT 7

ATTACHMENT 2 – SCHEDULE OF PRICES..... 8

EXHIBIT A

SCHEDULE OF PRICES

EXA-1 BASIS OF COMPENSATION

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

EXA-2 PROGRESS PAYMENTS

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

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

EXA-3 RETENTION AND ESCROW ACCOUNTS

A. Retention:

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

B. Substitution of Securities:

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

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

C. Release of Retention:

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

D. Additional Deductibles:

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

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

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

EXA-4 STOP PAYMENT NOTICE

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

EXA-5 PAYMENT TO SUBCONTRACTORS

Requirements

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

EXA-6 PAYMENT OF TAXES

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

EXA-7 FINAL PAYMENT

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

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

acceptance by OCSD, the revised application for Final Payment will become the approved application for Final Payment.

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

EXA-8 DISCOVERY OF DEFICIENCIES BEFORE AND AFTER FINAL PAYMENT

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

1. The true and correct amount payable for the Work is different from that previously accepted;

2. The previously-accepted Work did not in fact conform to the Contract requirements, or;
3. A previous payment or portion thereof for Work was improperly made.

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

ATTACHMENT 1 – CERTIFICATION FOR REQUEST FOR PAYMENT

I hereby certify under penalty of perjury as follows:

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

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

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

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

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

Name

Title

Date

CONFORMED

C-EXA-080414
PROJECT NO. P2-122
HEADWORKS MODIFICATIONS AT PLANT 2 FOR GWRS FINAL EXPANSION

ATTACHMENT 2 – SCHEDULE OF PRICES

See next pages from the Bid Submittal Forms (Shimmick Construction Co., Inc.)

BF-14 Schedule of Prices, Pages 1-2

Bid Submitted By: Shimmick Construction Co., Inc.
(Name of Firm)

BF-14 SCHEDULE OF PRICES

INSTRUCTIONS

A. General

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

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

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

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

B. Basis of Award

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

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

Bid Submitted By: Shimmick Construction Co., Inc.

(Name of Firm)

EXHIBIT A
SCHEDULE OF PRICES

Item No.	Description	Unit of Measurement	Extended Price
1.	Mobilization as described in Division 01, Section 01155 and in conformance with the Contract Documents for the lump sum price of...	Lump Sum	\$800,000
2.	Sheeting, Shoring and Bracing: Furnish all labor, equipment and materials necessary to provide furnishing, erecting, maintaining, and removal of sheeting, shoring, and bracing and other equivalent methods, as required for protection of life and limb and utilities in trenches, open excavations and confined spaces, in conformance with the Contract Documents for the lump sum price of...	Lump Sum	\$ 399,000.00
3.	Contract Work: Furnish all labor, materials and equipment necessary for the completion of the Contract Work, except for the work specified in Bid Items 1, 2, and 4, in conformance with the Contract Documents for the lump sum price of...	Lump Sum	\$ 13,038,735.00
4.	Demobilization including final progress payment, clean-up, and restoration of the project site as described in Division 01, Section 01155 and in conformance with Contract Documents for a lump sum price of...	Lump Sum	\$250,000

TOTAL AMOUNT OF BID (BASIS OF AWARD)

\$ 14,487,735.00



BOARD OF DIRECTORS

Agenda Report

File #: 2019-854

Agenda Date: 1/22/2020

Agenda Item No: 9.

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

SUBJECT:

HEADWORKS MODIFICATIONS AT PLANT NO. 2 FOR GWRS FINAL EXPANSION, PROJECT NO. P2-122

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Professional Construction Services Agreement with CDM Smith Inc. to provide construction support services for Headworks Modifications at Plant No. 2 for GWRS Final Expansion, Project No. P2-122, for an amount not to exceed \$2,200,000; and
- B. Approve a contingency of \$220,000 (10%).

BACKGROUND

CDM Smith Inc. was selected as part of a competitive, qualifications-based solicitation process to design Headworks Modifications at Plant No. 2 for GWRS Final Expansion, Project No. P2-122. At the time of solicitation, the Orange County Sanitation District (Sanitation District) documented its intent to award a subsequent agreement to the design consultant for continuation of engineering services during construction.

This project is necessary for the final expansion of the Groundwater Replenishment system (GWRS) and will be reimbursed by Orange County Water District (OCWD) per an existing agreement dated March 2019.

RELEVANT STANDARDS

- Meet volume and water quality needs for the GWRS
- Use all practical and effective means for resource recover
- Comply with California Government Code Section 4526 to engage the best qualified firm "on the basis of demonstrated competence and qualifications" and "negotiate fair and reasonable fees"

PROBLEM

This project requires the design consultant to provide as-needed services during construction including submittal review, responding to Contractor's requests for information, reviewing construction change orders, participating in meetings, site visits, and preparing record drawings.

PROPOSED SOLUTION

Award a Professional Construction Services Agreement with the design consultant CDM Smith Inc. to provide engineering services during construction.

TIMING CONCERNS

Engineering support services will be required at the start of construction. Construction is anticipated to start in February 2020.

RAMIFICATIONS OF NOT TAKING ACTION

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

PRIOR COMMITTEE/BOARD ACTIONS

May 2017 - Approved a Professional Design Services Agreement with CDM Smith Inc. to provide engineering design services for the Headworks Modifications at Plant No. 2 for GWRS Final Expansion, Project No. P2-122, for an amount not to exceed \$5,319,930, and approved a 10% contingency (\$531,993).

ADDITIONAL INFORMATION

CDM Smith Inc. has successfully furnished engineering services for this project and their support services during construction will provide continuity through the completion of this project. Staff negotiated with CDM Smith Inc. for these support services in accordance with the Sanitation District's adopted policies and procedures. A review of the proposed price was conducted using estimated quantities of requests for support, as well as level of effort for preparing record drawings. Based on this review, staff determined the negotiated fee to be fair and reasonable for these services.

CEQA

To comply with the California Environment Quality Act, the Sanitation District as a responsible agency approved the lead agency OCWD Program EIR/EIS GWRS Final Expansion Project Addendum No. 6 on November 16, 2016. This addendum covered Project No. P2-122.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted (FY 2019-20 Budget Update, Appendix A, Page A-9). The budget is sufficient for the recommendation action.

Costs for this project will be reimbursed by OCWD per current GWRS agreement dated March 2019.

ATTACHMENT

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

- Professional Construction Services Agreement

SN:dm:sa

PROFESSIONAL CONSTRUCTION SERVICES AGREEMENT

THIS AGREEMENT, is made and entered into to be effective the 22nd day of January 2020 by and between the ORANGE COUNTY SANITATION DISTRICT, hereinafter referred to as "SANITATION DISTRICT", and CDM Smith Inc. for purposes of this Agreement hereinafter referred to as "CONSULTANT".

WITNESSETH:

WHEREAS, the SANITATION DISTRICT desires to engage a CONSULTANT to provide Construction Support Services for HEADWORKS MODIFICATIONS AT PLANT 2 FOR GWRS FINAL EXPANSION, PROJECT NO. P2-122; and,

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

WHEREAS, the SANITATION DISTRICT has adopted procedures in accordance with the SANITATION DISTRICT's Purchasing Ordinance Section 4.03(B) for the continuation of services and has proceeded in accordance with said procedures to perform this work; and,

WHEREAS, at its regular meeting on January 22, 2020, the Board of Directors, by Minute Order, accepted the recommendation of the Operations Committee pursuant to SANITATION DISTRICT's Purchasing Ordinance to approve this Agreement between the SANITATION DISTRICT and CONSULTANT.

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

1. SCOPE OF WORK

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

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

- C. In the event that work is not performed to the satisfaction of the SANITATION DISTRICT and does not conform to the requirements of this Agreement or any applicable industry standards, the CONSULTANT shall, without additional compensation, promptly correct or revise any errors or deficiencies in its designs, drawings, specifications, or other services within the timeframe specified by the Project Engineer/Project Manager. The SANITATION DISTRICT may charge to CONSULTANT all costs, expenses and damages associated with any such corrections or revisions.
- D. All CADD drawings, figures, and other work shall be produced by CONSULTANTS and Subconsultants using the SANITATION DISTRICT standard software. Conversion of CADD work from any other non-standard CADD format to the SANITATION DISTRICT format shall not be acceptable in lieu of this requirement.

Electronic files shall be subject to an acceptance period as stated in the Scope of Work during which the SANITATION DISTRICT shall perform appropriate acceptance tests. CONSULTANT shall correct any discrepancies or errors detected and reported within the acceptance period at no additional cost to the SANITATION DISTRICT.

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

2. COMPENSATION

Total compensation shall be paid to CONSULTANT for services in accordance with the following provisions:

- A. **Total Compensation**

Total compensation shall be in an amount not to exceed Two Million Two Hundred Thousand Dollars (\$2,200,000.00). Total compensation to CONSULTANT including burdened labor (salaries plus benefits), overhead, profit, direct costs, and Subconsultant(s) fees and costs shall not exceed the sum set forth in Attachment "E" - Fee Proposal.

- B. **Labor**

As a portion of the total compensation to be paid to CONSULTANT, the SANITATION DISTRICT shall pay to CONSULTANT a sum equal to the burdened salaries (salaries plus benefits) actually paid by CONSULTANT

charged on an hourly-rate basis to this project and paid to the personnel of CONSULTANT. Upon request of the SANITATION DISTRICT, CONSULTANT shall provide the SANITATION DISTRICT with certified payroll records of all employees' work that is charged to this project.

C. Overhead

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

D. Profit

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

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

E. Subconsultants

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

For any Subconsultant whose fees for services are less than \$100,000, CONSULTANT may pay to Subconsultant total compensation on an hourly-rate basis per the attached hourly rate Schedule and as specified in the Scope of Work. The SANITATION DISTRICT shall pay to CONSULTANT the actual costs of Subconsultant fees and charges in an amount not to exceed the sum set forth in Attachment "E" - Fee Proposal.

F. Direct Costs

The SANITATION DISTRICT shall pay to CONSULTANT and Subconsultants the actual costs of permits and associated fees, travel and licenses for an amount not to exceed the sum set forth in Attachment "E" - Fee Proposal. The SANITATION DISTRICT shall also pay to CONSULTANT actual costs for equipment rentals, leases or purchases with prior approval of the SANITATION DISTRICT. Upon request, CONSULTANT shall provide to the SANITATION

DISTRICT receipts and other documentary records to support CONSULTANT's request for reimbursement of these amounts, see Attachment "D" – Allowable Direct Costs. All incidental expenses shall be included in overhead pursuant to Section 2 - COMPENSATION above.

G. Other Direct Costs

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

H. Reimbursable Direct Costs

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

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

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

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

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

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

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

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

I. Limitation of Costs

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

3. REALLOCATION OF TOTAL COMPENSATION

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

4. PAYMENT

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

such supporting data, including a detailed breakdown of all costs incurred and project element work performed during the period covered by the statement, as may be required by the SANITATION DISTRICT.

Upon approval of such payment request by the SANITATION DISTRICT, payment shall be made to CONSULTANT as soon as practicable of one hundred percent (100%) of the invoiced amount on a per-project-element basis.

If the SANITATION DISTRICT determines that the work under this Agreement or any specified project element hereunder, is incomplete and that the amount of payment is in excess of:

- i. The amount considered by the SANITATION DISTRICT's Director of Engineering to be adequate for the protection of the SANITATION DISTRICT; or
- ii. The percentage of the work accomplished for each project element.

He may, at his discretion, retain an amount equal to that which insures that the total amount paid to that date does not exceed the percentage of the completed work for each project element or the project in its entirety.

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

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

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

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

6. DOCUMENT OWNERSHIP – SUBSEQUENT CHANGES TO PLANS AND SPECIFICATIONS

- A. Ownership of Documents for the Professional Services performed.

All documents, including but not limited to, original plans, studies, sketches, drawings, computer printouts and disk files, and specifications prepared in connection with or related to the Scope of Work or Professional Services, shall

be the property of the SANITATION DISTRICT. The SANITATION DISTRICT's ownership of these documents includes use of, reproduction or reuse of and all incidental rights, whether or not the work for which they were prepared has been performed. The SANITATION DISTRICT ownership entitlement arises upon payment or any partial payment for work performed and includes ownership of any and all work product completed prior to that payment. This Section shall apply whether the CONSULTANT's Professional Services are terminated: a) by the completion of the Agreement, or b) in accordance with other provisions of this Agreement. Notwithstanding any other provision of this paragraph or Agreement, the CONSULTANT shall have the right to make copies of all such plans, studies, sketches, drawings, computer printouts and disk files, and specifications.

- B. CONSULTANT shall not be responsible for damage caused by subsequent changes to or uses of the plans or specifications, where the subsequent changes or uses are not authorized or approved by CONSULTANT, provided that the service rendered by CONSULTANT was not a proximate cause of the damage.

7. INSURANCE

A. General

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

B. General Liability

The CONSULTANT shall maintain during the life of this Agreement, including the period of warranty, Commercial General Liability Insurance written on an occurrence basis providing the following minimum limits of liability coverage: One Million Dollars (\$1,000,000) per occurrence with Two Million Dollars (\$2,000,000) aggregate unless aggregate applies separately to this project (via use of ISO CG 25 03 or 25 04), then aggregate limit equals One Million Dollars (\$1,000,000) or ½ the general aggregate. Said insurance shall include coverage for the following hazards: Premises-Operations, blanket contractual liability (for this Agreement), products liability/completed operations (including any product manufactured or assembled), broad form property damage, blanket contractual liability,

independent contractors liability, personal and advertising injury, mobile equipment, owners and contractors protective liability, and cross liability and severability of interest clauses. A statement on an insurance certificate will not be accepted in lieu of the actual additional insured endorsement(s). If requested by SANITATION DISTRICT and applicable, XCU coverage (Explosion, Collapse and Underground) and Riggers/On Hook Liability must be included in the General Liability policy and coverage must be reflected on the submitted Certificate of Insurance.

C. Umbrella Excess Liability

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

D. Automotive/Vehicle liability Insurance

The CONSULTANT shall maintain a policy of Automotive Liability Insurance on a comprehensive form covering all owned, non-owned, and hired automobiles, trucks, and other vehicles providing the following minimum limits of liability coverage: Combined single limit of One Million Dollars (\$1,000,000) with Two Million Dollars (\$2,000,000) aggregate or alternatively, One Million Dollars (\$1,000,000) per person for bodily injury and One Million Dollars (\$1,000,000) per accident for property damage. A statement on an insurance certificate will not be accepted in lieu of the actual additional insured endorsement.

E. Drone Liability Insurance

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

F. Worker's Compensation Insurance

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

G. Errors and Omissions/Professional Liability

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

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

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

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

H. Proof of Coverage

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

- Certificate of Insurance ACORD Form 25 (5/2010) or equivalent.
- Additional Insurance (ISO Form) CG2010 11 85 or
 (General Liability) The combination of (ISO Forms)
 CG 2010 10 01 and CG 2037 10 01

All other Additional Insured endorsements must be submitted for approval by the SANITATION DISTRICT, and the SANITATION DISTRICT may reject alternatives that provide different or less coverage to the SANITATION DISTRICT.

- Additional Insured (Auto Liability) Submit endorsement provided by carrier for the SANITATION DISTRICT approval.
- Waiver of Subrogation State Compensation Insurance Fund Endorsement No. 2570 or equivalent.
- Cancellation Notice State Compensation Insurance Fund Endorsement No. 2065 or equivalent.

I. Cancellation Notice

Each insurance policy required herein shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days' prior written notice. The Cancellation Section of ACORD Form 25 (5/2010) shall state the required thirty (30) days' written notification. The policy shall not terminate, nor shall it be cancelled, nor the coverage reduced until thirty (30) days after written notice is given to the SANITATION DISTRICT except for nonpayment of premium, which shall require not less than ten (10) days written notice to the SANITATION DISTRICT. Should there be changes in coverage or an increase in deductible or SIR amounts, the CONSULTANT and its insurance broker/agent shall send to the SANITATION DISTRICT a certified letter which includes a description of the changes in coverage and/or any increase in deductible or SIR amounts. The certified letter must be sent to the attention of Risk Management, Div. 161, and shall be received by the SANITATION DISTRICT not less than thirty (30) days prior to the effective date of the change(s) if the change would reduce coverage or increase deductibles or SIR amounts or otherwise reduce or limit the scope of insurance coverage provided to the SANITATION DISTRICT.

J. Primary Insurance

All liability policies shall contain a Primary and Non Contributory Clause. Any other insurance maintained by the SANITATION DISTRICT shall be excess and not contributing with the insurance provided by CONSULTANT.

K. Separation of Insured

All liability policies shall contain a "Separation of Insureds" clause.

L. Non-Limiting (if applicable)

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

M. Deductibles and Self-Insured Retentions

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

N. Defense Costs

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

O. Subconsultants

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

P. Limits Are Minimums

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

8. SCOPE CHANGES

In the event of a change in the Scope of Work, requested by SANITATION DISTRICT, the parties hereto shall execute an amendment to this Agreement setting forth with particularity all terms of the new Agreement, including but not limited to any additional CONSULTANT's fees.

9. PROJECT TEAM AND SUBCONSULTANTS

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

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

10. ENGINEERING REGISTRATION

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

11. AUDIT PROVISIONS

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

12. LEGAL RELATIONSHIP BETWEEN PARTIES

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

13. NOTICES

All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of said notices in person or by depositing said notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid.

Notices shall be mailed to the SANITATION DISTRICT at:

ORANGE COUNTY SANITATION DISTRICT
10844 Ellis Avenue
Fountain Valley, CA 92708-7018
Attention: Clarice Marcin, Senior Contracts Administrator
Copy: Shahrzad Namini, Project Manager

Notices shall be mailed to CONSULTANT at:

CDM Smith Inc.
46 Discovery, Suite 250
Irvine, CA 92618
Attention: Hala Titus, Vice President

With copies to:

CDM Smith Inc.
46 Discovery, Suite 250
Irvine, CA 92618
Attention: Alberto Acevedo, Project Manager

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

14. TERMINATION

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

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

Notice of termination shall be mailed to the SANITATION DISTRICT and/or CONSULTANT in accordance with Section 13 - NOTICES.

15. DOCUMENTS AND STUDY MATERIALS

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

16. COMPLIANCE

A. Labor

CONSULTANT certifies by the execution of this Agreement that it pays employees not less than the minimum wage as defined by law, and that it does not discriminate in its employment with regard to race, color, religion, sex or national origin; that it is in compliance with all federal, state and local directives and executive orders regarding non-discrimination in employment; and that it agrees to demonstrate positively and aggressively the principle of equal opportunity in employment.

B. Air Pollution

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

17. AGREEMENT EXECUTION AUTHORIZATION

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

18. DISPUTE RESOLUTION

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

19. ATTORNEY'S FEES, COSTS AND NECESSARY DISBURSEMENTS

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

20. PROGRESS REPORTS

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

21. WARRANTY

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

22. INDEMNIFICATION

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

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

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

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

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

23. DUTY TO DEFEND

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

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

24. CONSULTANT PERFORMANCE

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

25. COMPLIANCE WITH SANITATION DISTRICT POLICIES AND PROCEDURES

CONSULTANT shall comply with all SANITATION DISTRICT policies and procedures including the OCS D Safety Standards, as applicable, all of which may be amended from time to time.

26. CLOSEOUT

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

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

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

CONSULTANT shall be required to provide adequate resources to fully support any administrative closeout efforts identified in this Agreement. Such support must be provided within the timeframe requested by the SANITATION DISTRICT.

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

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

27. ENTIRE AGREEMENT

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

IN WITNESS WHEREOF, this Agreement has been executed in the name of the SANITATION DISTRICT, by its officers thereunto duly authorized, and CONSULTANT as of the day and year first above written.

CONSULTANT: CDM Smith Inc.

By _____
Date _____

Printed Name & Title

ORANGE COUNTY SANITATION DISTRICT

By _____
David John Shawver
Board Chairman
Date _____

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

By _____
Ruth Zintzun
Purchasing & Contracts Manager
Date _____

Attachments: Attachment "A" – Scope of Work
Attachment "B" – Labor Hour Matrix
Attachment "C" – Not Used
Attachment "D" – Allowable Direct Costs
Attachment "E" – Fee Proposal
Attachment "F" – Not Used
Attachment "G" –Not Attached
Attachment "H" –Not Attached
Attachment "I" – Cost Matrix & Summary
Attachment "J" – Not Used
Attachment "K" – Minor Subconsultant Hourly Rate Schedule
Attachment "L" – OCSD Safety Standards

CMM



Orange County Sanitation District

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

BOARD OF DIRECTORS

Agenda Report

File #: 2020-873

Agenda Date: 1/22/2020

Agenda Item No: CS-1

FROM: James D. Herberg, General Manager

SUBJECT:

CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED LITIGATION - GOVERNMENT CODE SECTION 54956.9(D)(4)

RECOMMENDATION: Convene in Closed Session:

Number of Potential Cases: 1

Initiation of litigation regarding development fees and conditions at Project OCSD Headquarters
Building: City of Fountain Valley

BACKGROUND

During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chairperson may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters.

Reports relating to (a) purchase and sale of real property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

RELEVANT STANDARDS

- Government Code Sections 54956.8, 54956.9, 54957, or 54957.6, as noted

ATTACHMENT

The following attachment(s) are included in hard copy and may also be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Memorandum from General Counsel

MEMORANDUM

TO: Hon. Chair and Members of the Orange County Sanitation District Board of Directors


FROM: Bradley R. Hogin, Esq.
General Counsel

DATE: January 14, 2020

RE: Closed Session Items

The Board of Directors desires to hold a closed session on January 22, 2020 for the purpose of conferring with its legal counsel regarding potential litigation. Based on existing facts and circumstances, the Board is deciding whether to initiate litigation against another party. The closed session will be held pursuant to the authority of California Government Code Section 54956.9(d)(4). The facts and circumstances are as follows: a dispute has arisen between the City of Fountain Valley and the District regarding fees and conditions that the City seeks to impose on the District's construction of a new headquarters building. In the view of the District, these fees and conditions are unlawful.

Respectfully submitted,

By 
Bradley R. Hogin, General Counsel



Orange County Sanitation District

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

BOARD OF DIRECTORS

Agenda Report

File #: 2020-874

Agenda Date: 1/22/2020

Agenda Item No: CS-2

FROM: James D. Herberg, General Manager

SUBJECT:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS - GOVERNMENT CODE SECTION 54956.8

RECOMMENDATION: Convene in Closed Session:

Property: 18475 Bandilier Cir. Fountain Valley, CA - APN No.156-163-15;

Agency negotiators: General Manager, Jim Herberg; Assistant General Manager, Lorenzo Tyner; Assistant General Manager, Rob Thompson; and Director of Engineering, Kathy Millea.

Negotiating parties: Sukut Real Properties II, LLC

Under negotiation: Price and terms of payment

BACKGROUND

During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chairperson may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters.

Reports relating to (a) purchase and sale of real property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

RELEVANT STANDARDS

- Government Code Sections 54956.8, 54956.9, 54957, or 54957.6, as noted

ATTACHMENT

The following attachment(s) are included in hard copy and may also be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Memorandum from General Counsel

MEMORANDUM

TO: Hon. Chair and Members of the Orange County Sanitation District Board of Directors

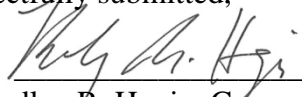
FROM: Bradley R. Hogin, Esq.
General Counsel

DATE: January 14, 2020

RE: Closed Session Items

The Board of Directors desires to hold a closed session on January 22, 2020 for the purpose of conferring with its negotiators regarding the purchase of real property. The property is 18475 Bandilier Cir. Fountain Valley, APN No. 156-163-15. The District's negotiators are Jim Herberg, Lorenzo Tyner, Rob Thompson and Kathy Millea. The adverse negotiators will be representatives of Sukut Real Properties, LLC. Said closed session will be held pursuant to authority of California Government Code Section 54956.8.

Respectfully submitted,

By: 
Bradley R. Hogin, General Counsel

ORANGE COUNTY SANITATION DISTRICT COMMON ACRONYMS

ACWA	Association of California Water Agencies	LAFCO	Local Agency Formation Commission	RWQCB	Regional Water Quality Control Board
APWA	American Public Works Association	LOS	Level Of Service	SARFPA	Santa Ana River Flood Protection Agency
AQMD	Air Quality Management District	MGD	Million Gallons Per Day	SARI	Santa Ana River Interceptor
ASCE	American Society of Civil Engineers	MOU	Memorandum of Understanding	SARWQCB	Santa Ana Regional Water Quality Control Board
BOD	Biochemical Oxygen Demand	NACWA	National Association of Clean Water Agencies	SAWPA	Santa Ana Watershed Project Authority
CARB	California Air Resources Board	NEPA	National Environmental Policy Act	SCADA	Supervisory Control And Data Acquisition
CASA	California Association of Sanitation Agencies	NGOs	Non-Governmental Organizations	SCAP	Southern California Alliance of Publicly Owned Treatment Works
CCTV	Closed Circuit Television	NPDES	National Pollutant Discharge Elimination System	SCAQMD	South Coast Air Quality Management District
CEQA	California Environmental Quality Act	NWRI	National Water Research Institute	SOCWA	South Orange County Wastewater Authority
CIP	Capital Improvement Program	O & M	Operations & Maintenance	SRF	Clean Water State Revolving Fund
CRWQCB	California Regional Water Quality Control Board	OCCOG	Orange County Council of Governments	SSMP	Sewer System Management Plan
CWA	Clean Water Act	OCHCA	Orange County Health Care Agency	SSO	Sanitary Sewer Overflow
CWEA	California Water Environment Association	OCSD	Orange County Sanitation District	SWRCB	State Water Resources Control Board
EIR	Environmental Impact Report	OCWD	Orange County Water District	TDS	Total Dissolved Solids
EMT	Executive Management Team	OOBS	Ocean Outfall Booster Station	TMDL	Total Maximum Daily Load
EPA	US Environmental Protection Agency	OSHA	Occupational Safety and Health Administration	TSS	Total Suspended Solids
FOG	Fats, Oils, and Grease	PCSA	Professional Consultant/Construction Services Agreement	WDR	Waste Discharge Requirements
gpd	gallons per day	PDSA	Professional Design Services Agreement	WEF	Water Environment Federation
GWRS	Groundwater Replenishment System	POTW	Publicly Owned Treatment Works	WERF	Water Environment & Reuse Foundation
ICS	Incident Command System	ppm	parts per million	WIFIA	Water Infrastructure Finance and Innovation Act
IERP	Integrated Emergency Response Plan	PSA	Professional Services Agreement	WIIN	Water Infrastructure Improvements for the Nation Act
JPA	Joint Powers Authority	RFP	Request For Proposal	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 the Orange County Sanitation District 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 Groundwater Replenishment System process and is eliminated using hydrogen peroxide with extra ultra-violet treatment.

NATIONAL BIOSOLIDS PARTNERSHIP (NBP) – An alliance of the National Association of Clean Water Agencies and Water Environment Federation, with advisory support from the US Environmental Protection Agency. 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.

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. Combined sewers carry both wastewater and urban runoff.

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.

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. The Orange County Sanitation District's service area is in the Santa Ana River Watershed.