Orange County Sanitation District
Minutes for the
ADMINISTRATION COMMITTEE

Wednesday, November 13, 2019
5:00 PM
Board Room
Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

CALL TO ORDER

A regular meeting of the Administration Committee of the Orange County Sanitation District was called to order by Committee Chairman Chad Wanke on November 13, 2019 at 5:04 p.m. in the Administration Building of the Orange County Sanitation District. Director Erik Peterson led the Flag Salute.

DECLARATION OF QUORUM:

A quorum was declared present as follows:

Present:	Chad Wanke, James Ferryman, Cecilia Iglesias, Peter Kim, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Christina Shea, David Shawver, John Withers, Kim Nichols (Alternate) and Dean Grose (Alternate)
Absent:	None

STAFF 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; Tina Knapp, Assistant Clerk of the Board; Janine Aguilar; Kim Cardenas; Daisy Covarrubias; Rhea de Guzman; Al Garcia; Bryce Hockensmith; Laura Maravilla; Riaz Moinuddin; Nasrin Nasrollahi; Adam Nazaroff; Ddaze Phuong; Tyler Ramirez; Kevin Schuler; Eros Yong; and Ruth Zintzun.

OTHERS PRESENT:

Brad Hogin, General Counsel; Amanda Eom and Peter George, Macias Gini & O'Connell (MGO).

PUBLIC COMMENTS:

None.

REPORTS:

Chair Wanke and General Manager Jim Herberg did not provide reports.

Lorenzo Tyner, Assistant General Manager, reported that a firm was recently selected to conduct internal audit services for the next fiscal year.

CONSENT CALENDAR:

1. APPROVAL OF MINUTES 2019-640

Originator: Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

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

Ayes: Chad Wanke, James Ferryman, Peter Kim, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Christina Shea, David Shawver and John Withers

Noes: None

Absent: Cecilia Iglesias, Kim Nichols (Alternate) and Dean Grose (Alternate)

Abstentions: None

2. 2019 CONFLICT OF INTEREST CODE 2019-666

Originator: Kelly Lore

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

Adopt Resolution No. OCSD 19-XX entitled, "A Resolution of the Board of Directors of Orange County Sanitation District adopting a Conflict of Interest Code which supersedes all prior Conflict of Interest Codes and amendments previously adopted".

Ayes: Chad Wanke, James Ferryman, Peter Kim, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Christina Shea, David Shawver and John Withers

Noes: None

Absent: Cecilia Iglesias, Kim Nichols (Alternate) and Dean Grose (Alternate)

Abstentions: None

3. UPDATE TO THE ESTABLISHED RULES OF PROCEDURE FOR THE CONDUCT OF BUSINESS OF THE ORANGE COUNTY SANITATION DISTRICT 2019-699

Originator: Kelly Lore

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

Adopt Resolution No. OCSD 19-XX entitled, "A Resolution of the Board of Directors of Orange County Sanitation District establishing Rules of Procedure for the Conduct of Business of the Orange County Sanitation District; and repealing Resolution No. OCSD 18-12".

Ayes: Chad Wanke, James Ferryman, Peter Kim, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Christina Shea, David Shawver and John Withers

Noes: None

Absent: Cecilia Iglesias, Kim Nichols (Alternate) and Dean Grose (Alternate)

Abstentions: None

4. GENERAL MANAGER APPROVED PURCHASES AND ADDITIONS TO THE PRE-APPROVED OEM SOLE SOURCE LIST 2019-709

Originator: Lorenzo Tyner

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

A. Receive and file Orange County Sanitation District purchases made under the General Manager's authority for the period of July 1, 2019 to September 30, 2019; and

B. Approve the following additions to the pre-approved OEM Sole Source List for the period of July 1, 2019 to September 30, 2019:

- ALLEN-BRADLEY - Medium Voltage Variable Frequency Drive
- CLEAVER-BROOKS - Burner Elements
- EATON - Self-Cleaning Strainers
- SONETICS - Wireless headsets and system
- TRM/Maximo - Rules Manager SE and Lock out Tag Out (LOTO) Software
- VAUGHAN - Mixing Nozzles

Ayes: Chad Wanke, James Ferryman, Peter Kim, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Christina Shea, David Shawver and John Withers

Noes: None

Absent: Cecilia Iglesias, Kim Nichols (Alternate) and Dean Grose (Alternate)

Abstentions: None

5. CONSOLIDATED FINANCIAL REPORT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019 2019-707

Originator: Lorenzo Tyner

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

Receive and file the Orange County Sanitation District First Quarter Financial Report for the period ended September 30, 2019.

Ayes: Chad Wanke, James Ferryman, Peter Kim, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Christina Shea, David Shawver and John Withers

Noes: None

Absent: Cecilia Iglesias, Kim Nichols (Alternate) and Dean Grose (Alternate)

Abstentions: None

6. LEASE AGREEMENT WITH MEGDAL GREEN, LLC PROVIDING ORANGE COUNTY SANITATION DISTRICT PARCEL FOR PARKING AND/OR RELATED ACTIVITIES 2019-702

Originator: Lorenzo Tyner

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

Approve a five-year lease agreement with Megdal Green, LLC, a California limited liability company, to allow paving, striping, parking, and related improvements over a 4-foot wide portion of the Orange County Sanitation District's 50-foot wide utility corridor which abuts 21532 South Brookhurst Street in Huntington Beach owned by Megdal Green, LLC, at an annual cost of $250, for a term of five-years.

Ayes: Chad Wanke, James Ferryman, Peter Kim, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Christina Shea, David Shawver and John Withers

Noes: None

Absent: Cecilia Iglesias, Kim Nichols (Alternate) and Dean Grose (Alternate)

Abstentions: None

NON-CONSENT:

Director Cecilia Iglesias arrived at 5:08 p.m., at the start of the presentations for Item No. 7.

7. ORANGE COUNTY SANITATION DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE YEAR END JUNE 30, 2019 2019-705

Originator: Lorenzo Tyner

Mr. Tyner introduced Wally Ritchie, Controller, who introduced various staff members and outside auditors that contributed to the preparation of the audit and provided a PowerPoint presentation on this item. The presentation included information on the purpose of the Consolidated Annual Financial Report (CAFR), an overview of the CAFR and three areas of review, financial position, capital assets, available resources, and financial performance - debt service and operations.

In response to a request from the Board Chair, staff committed to providing the Board with a summary of the amount the Sanitation District has potentially saved by paying off unfunded pension liability.

Mr. Ritchie introduced Peter George, MGO, who provided a PowerPoint presentation that included the responsibilities and deliverables of MGO and required communications to the Administration Committee.

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

Receive and file the Orange County Sanitation District's Comprehensive Annual Financial Report for the year ended June 30, 2019, prepared by staff and audited by Macias Gini & O'Connell LLP (MGO), Certified Public Accountants, along with the following reports prepared by MGO:

1. Report to the Board of Directors; and

2. Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets.

Ayes: Chad Wanke, James Ferryman, Cecilia Iglesias, Peter Kim, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Christina Shea, David Shawver and John Withers

Noes: None

Absent: Kim Nichols (Alternate) and Dean Grose (Alternate)

Abstentions: None

8. PROFESSIONAL RISK MANAGEMENT CONSULTANT AGREEMENT 2019-708

Originator: Lorenzo Tyner

Mr. Tyner provided a verbal report on this item including providing background on how this individual was selected.

MOVED, SECONDED, AND DULY CARRIED TO:

Approve a sole source Professional Consultant Services Agreement with John J. Preston, Specification No. SSJ 2174, to perform professional risk management consulting services for the Orange County Sanitation District, which includes overseeing property and general liability loss control and setting loss control requirements on public bids and contracts, risk transfer, loss prevention, and risk reduction in an amount not to exceed $150,000 per year, for a term of one year beginning December 1, 2019 - November 30, 2020; with a one-year renewal option.

Ayes: Chad Wanke, James Ferryman, Cecilia Iglesias, Peter Kim, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Christina Shea, David Shawver and John Withers

Noes: None

Absent: Kim Nichols (Alternate) and Dean Grose (Alternate)

Abstentions: None

Alternate Director Kim Nichols arrived at 5:23 p.m., prior to the verbal report on Item No. 9.

9. POSITION CHANGES FOR FISCAL YEAR 2019-20 2019-711

Originator: Celia Chandler

Celia Chandler, Director of Human Resources, provided a verbal report on this item. Ms. Chandler and Rob Thompson, Assistant General Manager, responded to questions from the Committee regarding this item. Staff agreed to provide milestone reports on preventative maintenance optimization on some recurring basis to be determined, perhaps quarterly.

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

Approve a position exchange and corresponding salary upgrade from a vacant Senior Mechanic (Salary Grade LOC67) position to Maintenance Specialist (Salary Grade PRO80).

Ayes: Chad Wanke, James Ferryman, Cecilia Iglesias, Peter Kim, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Christina Shea, David Shawver, John Withers and Kim Nichols (Alternate)

Noes: None

Absent: Dean Grose (Alternate)

Abstentions: None

INFORMATION ITEMS:

Board Vice-Chair Withers departed the meeting at 5:36 p.m., prior to Item No. 10.

Alternate Director Dean Grose arrived at 5:50 p.m., during the presentation on Item No. 10.

10. CLIMATE RESILIENCY STUDY, PROJECT NO. SP-152 2019-713

Originator: Kathy Millea

Kathy Millea, Director of Engineering, introduced Nasrin Nasrollahi, Senior Engineer, who provided a PowerPoint presentation on this item. The presentation included information on reducing greenhouse gas emissions, regulatory drivers, recent climate science references, planning horizons for vulnerability assessment, climate forces, extreme flow events, sea level rise, adaptation example, protecting the treatment plant, summary of impacted facilities, study recommendations, and OCSD policy. Ms. Nasrollahi and Mr. Thompson responded to questions from the Committee. Staff committed to researching the reduction of insurance costs in relationship to the expense of recommended protective efforts.

THIS ITEM WAS RECEIVED AS AN:

Information Item.

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

None.

BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:

None.

ADJOURNMENT:

Chair Wanke declared the meeting adjourned at 6:11 p.m. to the Regular meeting to be held on Wednesday, December 11, 2019 at 5:00 p.m.

Submitted by:

Tina Knapp

Tina Knapp, MMC
Assistant Clerk of the Board