

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 2
HELD AT THE OFFICE OF THE DISTRICT
VIA TELECONFERENCE

February 8, 2023
1:30 o'clock, P.M.

The Board of Directors of County Sanitation District No. 2 of Los Angeles County met in regular session via teleconference.

There were present: Adele Andrade-Stadler, Director from Alhambra
Ali Sajjad Taj, Alternate Director from Artesia
Ali Saleh, Alternate Director from Bell
Alejandra Cortez, Director from Bell Gardens
Sonny Santa Ines, Director from Bellflower
Bruce Barrows, Alternate Director from Cerritos
Ivan Altamirano, Alternate Director from Commerce
Emma Sharif, Director from Compton
Claudia Frometa, Director from Downey
Tim McOsker, Alternate Director from Los Angeles City
David Torres, Director from Montebello
Jose Sanchez, Director from Monterey Park
Jennifer Perez, Alternate Director from Norwalk
Vilma Cuellar Stallings, Director from Paramount
Leticia Lopez, Director from Vernon
Janice Hahn, Director from Los Angeles County
Cathy Warner, Chairperson, Alternate Director from Whittier

Absent: Rex Richardson, Director from Long Beach
Erik Lutz, Director from Pico Rivera
Tony Ding, Director from San Gabriel
Maria Avalos, Director from South Gate

Also present: Kimberly S. Christensen, Secretary to the Board
Wes Beverlin, District Counsel

CONSENT AGENDA

Upon motion of Director Santa Ines, duly seconded and unanimously carried by a roll-call vote, the Consent Agenda was approved as follows:

RE: PUBLIC COMMENT

The Chairperson announced this was the time for any questions or comments by members of the public. There were no public comments or questions to address the

Board on any matters.

RE: ALTERNATE DIRECTOR
FROM CITY OF LOS ANGELES

The Secretary presented a copy of a letter dated February 1, 2023, from the Los Angeles City Council President Paul Krekorian, appointing Mr. Tim McOsker,

a member of the City Council of the City of Los Angeles, as the alternate Director from the city, was accepted and ordered filed.

RE: DIRECTOR FROM
CITY OF MONTEBELLO

A certificate from the Senior Deputy City Clerk of the City of Montebello was presented to the Secretary stating that at a meeting of the City Council held January

11, 2023, Mr. David Torres was elected Mayor of the City of Montebello, which is the designation of the presiding officer of the governing body of that city and automatically places Mr. Torres on this Board, was accepted and ordered filed.

RE: ALTERNATE DIRECTOR
FROM CITY OF MONTEBELLO

A copy of an action taken by the City Council of the City of Montebello at a meeting held January 11, 2023 was presented to the Secretary stating that Ms. Angie

Jimenez, a member of the City Council of the City of Montebello, was appointed to serve as alternate Director from the city, was accepted and ordered filed.

RE: MINUTES The minutes of the regular meeting held January 25, 2023, were approved.

RE: DISTRICT EXPENSES The following expenses for the month of November 2022 were presented and approved:

	District No. 2	Joint Outfall System	Solid Waste System	Stormwater
Operations & Maintenance	<u>\$11,284.56</u>	\$23,071,374.28	\$11,043,682.35	<u>\$12,327.97</u>
Capital		24,035,066.59	1,435,363.72	
Allocated Expenses:				
Joint Administration		4,330,325.14	1,584,654.90	
Technical Support		<u>3,651,873.19</u>	<u>209,267.69</u>	
Total Expenses	<u>\$11,284.56</u>	<u>\$55,088,639.20</u>	<u>\$14,272,968.66</u>	<u>\$12,327.97</u>

RE: WASTEWATER MANAGEMENT DISTRICT 5 INTERCEPTOR SEWER REHABILITATION PHASE 1 INSITUFORM TECHNOLOGIES, LLC CONTRACT NO. 5401 - ACCEPTANCE OF THE WORK Insituform Technologies, LLC, has completed the work in connection with Contract No. 5401 for construction of the *District 5 Interceptor Sewer Rehabilitation Phase 1* (Project) within the time allowed by the contract, and in accordance with its terms. The Project consisted of rehabilitation of approximately 2,950 feet of 54-inch-diameter corroded reinforced concrete pipe and appurtenant structures. The work was located in the City of Torrance. Two change orders totaling \$101,355.46 were approved for this Project. A recommendation was made to accept this work.

The work in connection with Contract No. 5401, entered into by Insituform Technologies, LLC, on November 24, 2021, for construction of the *District 5 Interceptor Sewer Rehabilitation Phase 1*, was approved and accepted by this Board of Directors; the Chief Engineer and General Manager was directed to execute and record a Notice of Completion with respect to this work of improvement; and final payment of \$3,107,037.31 was authorized in accordance with the terms of the contract.

REGULAR AGENDA

RE: WASTEWATER MANAGEMENT DISTRICT 18 TRUNK SEWERS GROUP 1 REHABILITATION - AWARD CONTRACT NO. 5507 TO SANCON TECHNOLOGIES, INC. ORDER SECRETARY TO EXECUTE The *District 18 Trunk Sewers Group 1 Rehabilitation* (Project) will consist of rehabilitation of approximately 20,627 feet of 8-inch to 33-inch corroded concrete pipe, cracked vitrified clay pipe and appurtenant structures that were constructed between 1950 and 1972. The work is located within the City of Whittier and unincorporated

Los Angeles County as was shown on the map attached to the agenda. The bid summary/recommendation to award was attached to the agenda. Staff has determined that the Project is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Sections 21080(b)(4) and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15301. This item is consistent with the Districts’ Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). The bids received at the District’s office on January 17, 2023, for construction of the Project are as follows:

<u>BIDDER</u>	TOTAL BID
Sancon Technologies, Inc.	\$6,225,258.00
Insituform Technologies	\$6,364,300.00
Southwest Pipeline & Trenchless Corp.	\$7,485,826.00
Nor-Cal Pipeline	\$8,212,541.00
SAK Construction, LLC	\$10,377,810.00

The bid of Sancon Technologies, Inc., was the lowest bid received and that Sancon Technologies, Inc., was the lowest, regular, responsible bidder for the work, and a recommendation was made to award a contract to Sancon Technologies, Inc., at the unit prices stated in its bid amounting to approximately \$6,225,258. Furthermore, a recommendation was made to order staff to review the insurance and surety bonds for

performance and payment and, if sufficient, order the Secretary to execute the contract with Sancon Technologies, Inc., for construction of the Project.

Upon motion of Director Santa Ines, duly seconded and unanimously carried by a roll-call vote, Contract No. 5507 for construction of the *District 18 Trunk Sewers Group 1 Rehabilitation* was awarded to the lowest, regular, responsible bidder, to wit: Sancon Technologies, Inc., at the unit prices stated in its bid amounting to approximately \$6,225,258. Furthermore, the Board of Directors of County Sanitation District No. 2 of Los Angeles County ordered the staff to review the insurance and surety bonds for performance and payment and, if sufficient, ordered the Secretary to execute the contract with Sancon Technologies, Inc., for construction of the Project.

RE: WASTEWATER MANAGEMENT
 POMONA WATER RECLAMATION
 PLANT PRIMARY STRUCTURES
 CONCRETE LINING AND BIOTRICKLING
 FILTERS - AWARD CONTRACT NO. 5508
 TO STEVE P. RADOS, INC.
 ORDER SECRETARY TO EXECUTE

The *Pomona Water Reclamation Plant (WRP) Primary Structures Concrete Lining and Biotrickling Filters* (Project) will repair corroded concrete surfaces and install a protective lining system in the primary treatment tanks and channels at the Pomona WRP. The Project will also replace deteriorated equipment including the primary and secondary sludge collection systems, gates, valves, piping and the associated electrical power and

control systems. In addition, the Project will construct a new biotrickling filter odor control system and replace tank and channel covers to provide reliable treatment of foul air generated during the wastewater treatment process. The bid summary/recommendation to award was attached to the agenda. Staff has determined that the Project is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21084 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Sections 15301 and 15302. This item is consistent with the Districts’ Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). The bids received at the District’s office on January 5, 2023, for construction of the Project are as follows:

<u>BIDDER</u>	TOTAL BID
Steve P. Rados, Inc.	\$15,834,500.00
Garney Pacific, Inc.	\$16,506,370.00
J.F. Shea Construction, Inc.	\$18,138,200.00
J.R. Filanc Construction Company, Inc.	\$18,191,000.00

The bid of Steve P. Rados, Inc., was the lowest bid received and that Steve P. Rados, Inc., was the lowest, regular, responsible bidder for the work, and a recommendation was made to award a contract to Steve P. Rados, Inc., at the unit prices stated in its bid amounting to approximately \$15,834,500. Furthermore, a recommendation was made to order staff to review the insurance and surety bonds for performance and payment and, if sufficient, order the Secretary to execute the contract with Steve P. Rados, Inc., for construction of the Project.

Upon motion of Director Santa Ines, duly seconded and unanimously carried by a roll-call vote, Contract No. 5508 for construction of the *Pomona Water Reclamation Plant (WRP) Primary Structures Concrete Lining and Biotrickling Filters* was awarded to the lowest, regular, responsible bidder, to wit: Steve P. Rados, Inc., at the unit prices stated in its bid amounting to approximately \$15,834,500. Furthermore, the Board of Directors of County Sanitation District No. 2 of Los Angeles County ordered the staff to review the insurance and surety bonds for performance and payment and, if sufficient, ordered the Secretary to execute the contract with Steve P. Rados, Inc., for construction of the Project.

RE: WASTEWATER MANAGEMENT
 EL NIDO TRUNK SEWER REHABILITATION
 REPORT ON BIDS - REJECT - READVERTISE

The *El Nido Trunk Sewer Rehabilitation* (Project) will rehabilitate approximately 12,228 feet of 12-inch and 21-inch corroded nonreinforced concrete pipe and appurtenant structures in the cities of Redondo Beach

and Torrance. The apparent low bidder did not meet the minimum qualifications set forth in the contract documents and therefore their bid was deemed to be nonresponsive. Typically, the second low bidder would be awarded the Project; however, in this case there was an administrative error that led to the deletion of two bids that were received prior to bid closing and inadvertently excluded them from the bidding process. After further discussion with Districts’ legal counsel, it is recommended that all bids for the Project be rejected, and the Project be rebid. The bid summary/recommendation to reject bids and re-advertise was attached to the agenda. The bids received at the District’s office on January 12, 2023, for construction of the Project are as follows:

BIDDER

TOTAL BID

Nu Line Technologies, LLC	\$2,169,778.00
Insituform Technologies	\$2,731,273.00
Nor-Cal Pipeline	\$3,444,715.00

A recommendation was made that all bids be rejected and that the Chief Engineer and General Manager be authorized to establish a date for readvertisement and receipt of bids.

Upon motion of Director Santa Ines, duly seconded and unanimously carried by a roll-call vote, all bids received on January 12, 2023, for construction of the *El Nido Trunk Sewer Rehabilitation* were rejected, and the Chief Engineer and General Manager was authorized to establish a new date for receipt of bids, and to readvertise for bids for the construction of the Project.

RE: HUMAN RESOURCES - PROFESSIONAL ASSESSMENT OF DISTRICTS' FUNCTIONS AND ORGANIZATION AUTHORIZE ISSUANCE OF PURCHASE ORDER TO BAKER TILLY US, LLP

Staff recommends hiring a consultant with Human Resources (HR) assessment expertise in the public sector. The consultant will provide a comprehensive assessment of the Districts' current state of HR including examining HR staffing levels, organization structure, policies, procedures, and processes. The consultant will

also be required to identify opportunities for improvement and efficiency and make recommendations. A Request for Proposals was sent to five consulting firms and two responded and both were interviewed. Baker Tilly US, LLP, (Baker Tilly) submitted the highest ranked proposal based on qualifications, technical capabilities and expertise and cost. This item is consistent with the Districts' Guiding Principles to provide leadership in our industry through innovation, compliance, and cost effectiveness; and to maximize use of our assets and resources (recycled water, recyclables, and energy). A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue a purchase order to Baker Tilly in the amount of approximately \$205,000 to provide professional assessment of Districts' Human Resources functions and organization.

Upon motion of Director Santa Ines, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue a purchase order to Baker Tilly, US, LLP, to provide professional assessment of Districts' Human Resources functions and organization, at a cost of approximately \$205,000.

RE: WASTEWATER MANAGEMENT LONG BEACH WATER RECLAMATION PLANT POWER DISTRIBUTION SYSTEM MODIFICATIONS - HELIX ELECTRIC, INC. CONTRACT NO. 5340 - APPROVE CHANGE ORDER NO. 21 - EXTRA WORK

As part of the *Long Beach Water Reclamation Plant Power Distribution System Modifications* (Project), the contractor was required to install panelboards, transformers and associated electrical conduits and conductors to upgrade the power systems at Long Beach Water Reclamation Plant. During construction, it was determined that the proposed electrical conduits could

not be installed as planned due to various utility crossings that were not shown on the contract drawings. The contractor was therefore directed to relocate the panelboards and modify the alignment of the electrical conduits as necessary to complete the Project. This item is consistent with the Districts' Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). The claim has been reviewed and the work determined to be beyond the scope of the plans and specifications. A recommendation was made to approve Change Order No. 21 to Contract No. 5340 with Helix Electric, Inc., for Construction of the *Long Beach Water Reclamation Plant Power Distribution System Modifications*; resulting in payment of \$248,484.28 for the extra work.

Upon motion of Director Santa Ines, duly seconded and unanimously carried by a roll-call vote, Change Order No. 21 to Contract No. 5340 with Helix Electric, Inc., for the construction of the *Long Beach Water Reclamation Plant Power Distribution System Modifications*, resulting in a payment of \$248,484.28, was approved.

RE: SOLID WASTE MANAGEMENT MOBILE FUELING SERVICE AGREEMENT - BOOSTER FUELS, INC. CONTRACT NO. 5511 - APPROVE AND AUTHORIZE ISSUANCE OF PURCHASE ORDER TO BOOSTER FUELS, INC.

In 2022, the San Jose Creek gasoline fuel station was decommissioned due to the State Water Resources Control Board requiring all single-walled underground storage tanks be removed from facilities. Staff reviewed the option of constructing a new gasoline fuel station and this was not recommended due to the Districts' ongoing efforts to transition to alternative fueled vehicles. Staff

identified a mobile fueling service provider, Booster Fuels, Inc., (Booster), that could directly fuel fleet vehicles onsite. The service was piloted for over a year on approximately 60 fleet vehicles. During that time, Booster provided a reliable and cost-effective service. Currently, Booster is the only mobile fueling service provider with an operating permit, issued by the South Coast Air Quality Management District, for dispensing gasoline fuel. Staff recommends expanding the service to approximately 200 vehicles at various Districts' facilities and entering into a service agreement with Booster. The initial term will be two years with options to extend the agreement for two additional two-year periods. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to approve and order executed an Agreement for *Mobile Fueling Service Agreement* with Booster. Furthermore, a recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue a purchase order to Booster in the amount of approximately \$1,300,000 for a two-year period.

Upon motion of Director Santa Ines, duly seconded and unanimously carried by a roll-call vote, the Board of Directors of County Sanitation District No. 2 of Los Angeles County found and determined that it would be to the advantage of the District to enter into a *Mobile Fueling Service Agreement* with Booster Fuels, Inc., providing mobile fueling services to approximately 200 vehicles at various Districts' facilities, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Mobile Fueling Service Agreement*, Contract No. 5511, dated February 8, 2023, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District. Furthermore, the Purchasing Agent was authorized to issue a purchase order to Booster Fuels, Inc., for mobile fueling services for a two-year period, at a cost of approximately \$1,300,000.

RE: SOLID WASTE MANAGEMENT
VOLUME PAYMENT AND SETTLEMENT
AGREEMENT - WESTERN MESQUITE
MINES, INC. - CONTRACT NO. 5510
APPROVE AND AUTHORIZE CHIEF
ENGINEER AND GENERAL MANAGER
TO EXECUTE

Western Mesquite Mines, Inc., (WMMI) operates the gold mine located adjacent to the Districts' Mesquite Regional Landfill (MRLF) in Imperial County. The Mineral Lease and Landfill Facilities Lease Agreement (Lease) between WMMI and the Districts allows for mining operations on a portion of the landfill property. WMMI is proposing to increase the volume of material placed within the leased area on the future landfill

footprint. Districts' staff has determined that the additional material will negatively impact the future MRLF project by diminishing capacity, reducing revenue, and adding to future operational costs. The *Volume Payment and Settlement Agreement* (Agreement) provides for the potential compensation of up to approximately \$5 million to offset these impacts. Pursuant to the Lease and this Agreement, all mining and reclamation related activities, including work done on the landfill property, are the sole responsibility of the mine. Authority is requested for the Chief Engineer and General Manager to execute such documents necessary for WMMI to obtain permits to carry out the proposed project where authorization of the landowner is required. Staff has determined that the activities under this Agreement are covered under the Environmental Impact Report for the MRLF that was approved by the Board on August 9, 2000. The item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to approve and order executed the Agreement with WMMI, for placement of additional rock ore within the MRLF future operations area. Furthermore, a recommendation was made to authorize the Chief Engineer and General Manager to execute related documents necessary for WMMI to obtain permits for the Project covered by the Agreement.

Upon motion of Director Santa Ines, duly seconded and unanimously carried by a roll-call vote, the Board of Directors of County Sanitation District No. 2 of Los Angeles County found and determined that it would be to the advantage of the District to enter into a *Volume Payment and Settlement Agreement* with Western Mesquite Mines, Inc., providing for the potential compensation of up to approximately \$5 million to offset impacts to future MRLF operations, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Volume Payment and Settlement Agreement*, Contract No. 5510, dated February 8, 2023, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District. Furthermore, the Board authorized the Chief Engineer and General Manager to execute related documents necessary for Western Mesquite Mines, Inc., to obtain permits for the Project covered by the Agreement.

RE: ANNUAL COMPREHENSIVE
FINANCIAL REPORT FOR FISCAL
YEAR ENDING JUNE 30, 2022
RECEIVE AND ORDER FILED

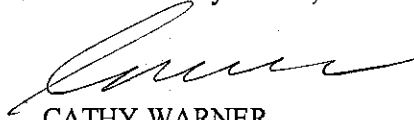
Prior to the meeting in regular session, the Chief Engineer and General Manager advised that the Districts' Annual Comprehensive Financial Report (ACFR) for fiscal year ending June 30, 2022, which includes the annual audit required by state and federal

laws, was previously distributed to the Directors, and was attached to the agenda. He stated that the first several pages in the ACFR include a management summary that discusses the Districts' capital projects, goals, and

upcoming major projects. The ACFR provides an overview of the Districts' operations and financial position. The ACFR was reviewed by an independent Certified Public Accounting firm and there were no findings. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to protect financial and facility assets through prudent investment and maintenance programs. A recommendation was made to receive and order filed the Districts' ACFR for fiscal year ending June 30, 2022.

Upon motion of Director Santa Ines, duly seconded and unanimously carried by a roll-call vote, the Annual Comprehensive Financial Report for the fiscal year ending June 30, 2022, which includes the annual audit required by state and federal laws, and was previously mailed to the Directors, was accepted and ordered filed.

Upon motion of Director Lopez, duly seconded and unanimously carried, the meeting was adjourned



CATHY WARNER
Chairperson

ATTEST:



KIMBERLY S. CHRISTENSEN
Secretary

/ee