

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

May 24, 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.

There were present: Adele Andrade-Stadler, Director from Alhambra
Ali Sajjad Taj, Alternate Director from Artesia
Ali Saleh, Alternate Director from Bell
Sonny Santa Ines, Director from Bellflower
Bruce Barrows, Director from Cerritos
Hugo Argumedo, Director from Commerce
Emma Sharif, Director from Compton
Claudia Frometa, Director from Downey
Suely Saro, Alternate Director from Long Beach
Tim McOsker, Alternate Director from Los Angeles City
Jennifer Perez, Alternate Director from Norwalk
Isabel Aguayo, Director from Paramount
Tony Ding, Alternate Director from San Gabriel
Maria Avalos, Director from South Gate
Judith Merlo, Alternate Director from Vernon
Cathy Warner, Chairperson, Alternate Director from Whittier

Absent: Alejandra Cortez, Director from Bell Gardens
David Torres, Director from Montebello
Jose Sanchez, Director from Monterey Park
Erik Lutz, Director from Pico Rivera
Janice Hahn, Director from Los Angeles County

Also present: Kimberly S. Christensen, Secretary to the Board
Jessica Lienau, District Counsel

CONSENT AGENDA

Upon motion of Director Frometa, duly seconded and unanimously carried, 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 to Board on any matters.

RE: DIRECTOR FROM CITY OF COMMERCE A certificate from the City Clerk of the City of Commerce was presented to the Secretary stating that at a meeting of the City Council held April 25, 2023, Mr. Hugo Argumedo was elected Mayor of the City of Commerce, which is the designation of the presiding officer of the governing body of that city and automatically places Mr. Argumedo on this Board, was accepted and ordered filed.

RE: DIRECTOR FROM CITY OF VERNON A certificate from the Administrative Secretary of the City Clerk of the City of Vernon was presented to the Secretary stating that at a meeting of the City Council held May 2, 2023, Ms. Crystal Larios was elected Mayor of the City of Vernon, which is the designation of the presiding officer of the governing body of that city and automatically places Ms. Larios on this Board, was accepted and ordered filed.

RE: MINUTES The minutes of the regular meeting held May 10, 2023, were approved.

RE: LEGAL SERVICES
PAYMENT AND
REIMBURSEMENT OF
EXPENSES ADVANCED

An invoice dated April 21, 2023, from Lewis Brisbois, Bisgaard & Smith LLP, in the amount of \$160,913 for professional services rendered and reimbursement of expenses advanced in various Districts' matters during the month of March 2023, was approved, and the Chief

Engineer and General Manager was authorized to have a warrant drawn in full payment of the invoice, the charges to be distributed to the affected Districts.

REGULAR AGENDA

RE: WASTEWATER MANAGEMENT
OAK STREET-CENTER AVENUE TRUNK
SEWER REHABILITATION - AWARD
CONTRACT NO. 5532 TO INSITUFORM
TECHNOLOGIES, LLC
ORDER SECRETARY TO EXECUTE

The *Oak Street-Center Avenue Trunk Sewer Rehabilitation* (Project) will consist of rehabilitation of approximately 13,594 feet of existing 22-inch to 27-inch-diameter corroded concrete pipe and appurtenant structures that were constructed in the 1920s. The work is located within the City of Inglewood and unincorporated area of Los Angeles County as 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 Section 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 April 20, 2023, for construction of the Project are as follows:

<u>BIDDER</u>	<u>TOTAL BID</u>
Insituform Technologies, LLC	\$3,644,748.00
SAK Construction, LLC	\$4,758,775.00

The bid of Insituform Technologies, LLC, was the lowest bid received and that Insituform Technologies, LLC, was the lowest, regular, responsible bidder for the work, and a recommendation was made to award a contract to Insituform Technologies, LLC, at the unit prices stated in its bid amounting to approximately \$3,644,748. 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 Insituform Technologies, LLC, for construction of the Project.

Upon motion of Director Frometa, duly seconded and unanimously carried, Contract No. 5532 for construction of the *Oak Street-Center Avenue Trunk Sewer Rehabilitation* was awarded to the lowest, regular, responsible bidder, to wit: Insituform Technologies, LLC, at the unit prices stated in its bid amounting to approximately \$3,644,748. 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 Insituform Technologies, LLC, for construction of the Project.

RE: SOLID WASTE MANAGEMENT
SCHOLL CANYON LANDFILL
INSTALLATION OF ELECTRICAL
CONDUIT AND WIRE - REPORT ON
BIDS AND AWARD OF ORDER

On April 6, 2023, four bids were received at the District's office for *Installation of Electrical Conduit and Wire at Scholl Canyon Landfill (SCLF) Maintenance Yard*. To ensure continuous operations during the final waste placement at the SCLF, the maintenance yard will require relocation to the north. Although the relocation

of the structures and facilities can be performed by the Districts, the electrical services will be performed by the contractor. The electrical services performed by the contractor will be to construct, furnish, wire, and install an electrical distribution system for the relocated maintenance yard. The bid summary/recommendation to award was attached to the agenda. This item is consistent with the Districts' Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to award a purchase order to the low bidder, Industrial Pro Power Services, LLC, in the amount of approximately \$274,575.

Upon motion of Director Frometa, duly seconded and unanimously carried, the Purchasing Agent was authorized to issue a purchase order to the low bidder, Industrial Pro Power Services, LLC, for *Installation of*

Electrical Conduit and Wire at Scholl Canyon Landfill Maintenance Yard, in the amount of approximately \$274,575 and in accordance with the bids received April 6, 2023.

RE: WASTEWATER MANAGEMENT
FILTER MEDIA ANTHRACITE - REPORT
ON BIDS AND AWARD OF ORDER

On March 28, 2023, three bids were received at the District's office to *Furnish and Deliver Filter Media Anthracite*. Anthracite is used as media in the filters that provide tertiary treatment at the water reclamation plants. Over time, the anthracite breaks down and the smaller particles eventually wash out of the filter bed, reducing filter performance and requiring periodic replenishment of the filter media. The bid summary/recommendation to award was attached to the agenda. This item is consistent with the Districts' Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to award a purchase order to the low bidder, Anthracite Filter Media, in the amount of approximately \$151,810.

Upon motion of Director Frometa, duly seconded and unanimously carried, the Purchasing Agent was authorized to issue a purchase order to the low bidder, Anthracite Filter Media, to *Furnish and Deliver Filter Media Anthracite*, in the amount of approximately \$151,810 and in accordance with the bids received March 28, 2023.

RE: JOINT ADMINISTRATION
LONG-TERM DISABILITY INSURANCE
COVERAGE - AUTHORIZE ISSUANCE
OF PURCHASE ORDER TO
CIGNA INSURANCE COMPANY

Group Long-Term Disability (LTD) insurance is provided for Districts' employees with lengths of coverage specified in employee labor agreements. Cook Insurance Services, the Districts' broker, solicited quotes from LTD insurance companies. Cigna Insurance Company (Cigna), our current carrier, proposed to lower their rate from 19 cents per \$100 of covered salary to 18 cents per \$100 of covered salary, for a three-year period. The change in rate results in a savings of approximately \$18,201 per year. There were no LTD insurance companies that proposed a lower rate. This item is consistent with the Districts' Guiding Principles to maintain salaries and benefits, based on metrics, to attract and retain a dedicated and talented staff; and commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue a purchase order to Cigna in the amount of approximately \$982,838 for LTD Insurance Coverage for a three-year period.

Upon motion of Director Frometa, duly seconded and unanimously carried, the Purchasing Agent was authorized to issue a purchase order to Cigna Insurance Company for long-term disability insurance coverage for a three-year period, at a cost of approximately \$982,838.

RE: FACILITIES PLANNING - GARDENA
PUMPING PLANT FACILITY REPLACEMENT
APPROVE ADDENDUM TO FINAL INITIAL
STUDY/MITIGATED NEGATIVE
DECLARATION - MAKE FINDINGS
REQUIRED BY LAW APPROVE PROJECT

In 2019, the District No. 5 Board adopted a Final Initial Study/Mitigated Negative Declaration (Final IS/MND) and approved the *Gardena Pumping Plant Facility Replacement* (Project), which involves construction of a new wastewater pumping plant to replace the existing Gardena Pumping Plant. The new pumping plant will be located adjacent to the existing plant on property owned by the Districts. Subsequent to Project approval, changes were made to the design including increasing the height and footprint of the proposed pumping plant and installation of additional equipment. The *Addendum to Final Initial Study/Mitigated Negative Declaration* (Addendum) evaluates the environmental impacts associated with these changes and compares them to the original Project. Staff has reviewed the Final IS/MND and the Addendum and determined that, based on staff's independent judgment, the changes to the approved Project would not result in any new environmental impacts and would not trigger any additional or new mitigation measures. Therefore, preparation of a subsequent MND is not required and the Addendum is appropriate in accordance with the provisions of the California Environmental Quality Act (CEQA). In July 2022, a Joint Outfall Agreement was approved by the Boards of 17 Districts (including Districts Nos. 2 and 5) that made certain local sewerage facilities, including the Gardena Pumping Plant, part of the Joint Outfall System, for which District No. 2 is the appointed agent. Consequently, lead agency responsibility for the Project under CEQA has transferred from District No. 5 to District No. 2. This item is consistent with the Districts' Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). A recommendation was made to approve the Addendum for the Project and recommended project described therein.

Upon motion of Director Frometa, duly seconded and unanimously carried, an *Addendum to Final Initial Study/Mitigated Negative Declaration* for the *Gardena Pumping Plant Facility Replacement* was approved.

RE: TECHNICAL SERVICES
 JOINT WATER POLLUTION CONTROL
 PLANT - MANAGEMENT OF BIOSOLIDS
 SYNAGRO-WWT, INC., HOLLOWAY
 ENVIRONMENT SOLUTIONS, LLC, AND
 DENALI WATER SOLUTIONS, LLC
 CONTRACTS NOS. 5537, 5536, AND 5535
 APPROVE

Biosolids are produced in the wastewater treatment process. The majority of the biosolids generated in the Districts' system are produced at the Joint Water Pollution Control Plant (JWPCP). The JWPCP biosolids are managed through a diversified portfolio of three private contractors, the Tulare Lake Compost Facility which is owned and operated by the Districts, and the Inland Empire Regional Compost Facility, a Joint Powers Authority between the Districts and the Inland

Empire Utilities Agency. Staff allocates loads to various facilities to cost effectively ensure reliability and diversity of reuse options, vendors, and geographic areas. Three existing biosolids management agreements will expire on May 31, 2023. A Request for Proposals for biosolids management services was released and three proposals are recommended for award as follows:

<u>Contractor</u>	<u>Management Technology</u>	<u>Base Fee (\$/wet ton)</u>	<u>Annual Costs</u>
Synagro-WWT, Inc.	Composting	\$63.37 to \$95.00	\$11.7M
Denali Water Solutions, LLC	Land application	\$65.33	\$3.6M
Holloway Environment Solutions, LLC	Landfilling	\$68.00	\$3.6M

The December 2022 weighted average JWPCP biosolids management fee, including fuel price adjustments, was \$62.31/Wet Ton (WT). Based on the recommended allocations and proposed fees, the weighted average biosolids management fee would increase to \$71.90/WT, which represents a \$9.59/WT, or 15 percent, increase. This increase reflects not only inflation, but also the inclusion of prevailing wage requirements for the transport component of the contracted work. All of the proposed Agreements would begin on June 1, 2023, for a three-year term, with two optional one-year extensions. Staff has determined that the Project is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations ("CEQA Guidelines") Sections 15301. This item is consistent with the Districts' Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). A recommendation was made to approve and order executed Agreements for the *Removal, Transportation and Reuse of Biosolids* with Synagro-WWT, Inc., *Removal, Transportation and Reuse of Biosolids* with Holloway Environment Solutions, LLC, and *Removal, Transportation and Reuse of Biosolids* with Denali Water Solutions, LLC.

Upon motion of Director Frometa, duly seconded and unanimously carried, 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 Agreements for the *Removal, Transportation and Reuse of Biosolids* with Synagro-WWT, Inc., *Removal, Transportation and Reuse of Biosolids* with Holloway Environment Solutions, LLC, and *Removal, Transportation and Reuse of Biosolids* with Denali Water Solutions, LLC, providing for biosolids management services, as set forth in the Agreements and under terms and conditions contained therein. All the terms and conditions of the *Removal, Transportation and Reuse of Biosolids*, Contract No. 5537, dated May 24, 2023, *Removal, Transportation and Reuse of Biosolids*, Contract No. 5536, dated May 24, 2023, and *Removal, Transportation and Reuse of Biosolids*, Contract No. 5535, dated May 24, 2023, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreements on behalf of the District.

RE: SOLID WASTE MANAGEMENT
 JOINT WATER POLLUTION CONTROL
 PLANT - EQUIPMENT DESIGN, BUILD
 AND OPERATIONS AGREEMENT
 TETRA TECH BAS, INC.
 CONTRACT NO. 5533 - APPROVE

The Districts has implemented a food waste recycling program at the Joint Water Pollution Control Plant (JWPCP) which has resulted in increased biogas production in the plant's digesters. The biogas is currently used at the JWPCP to generate electricity and to make vehicle fuel. With increasing deliveries of food waste slurry to the JWPCP, there is currently more biogas being

generated than the existing infrastructure at the site can beneficially use. The proposed project will install a new biogas conditioning system (BCS) to produce biomethane that meets SoCalGas standards for pipeline injection. In the short term, biomethane will be dispensed at the JWPCP fuel station, currently being expanded to serve heavy-duty trucks. A Request for Proposals was solicited from six BCS suppliers and two responded. Of these, Tetra Tech BAS, Inc., (Tetra Tech), was ranked higher with lower capital cost. Expected revenue from vehicle fuel and pipeline gas sales provides BCS-2 a five-year payback period. The *Equipment Design, Build and Operations Agreement* (Agreement) includes a lump sum design-build price of \$12,118,321 and three years of operation and maintenance services at \$1,080,372. Staff has determined that approval of the Agreement does not constitute a "Project" under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15378. The decision to proceed with the Project and the commencement of construction are contingent on the

Board approving the Project and adopting the related CEQA document at a subsequent meeting. This item is consistent with the Districts' Guiding Principles to maximize use of our assets and resources (recycled water, recyclables, and energy); and to provide leadership in our industry through innovation, compliance, and cost effectiveness. A recommendation was made to approve and order executed an Agreement with Tetra Tech in the amount of approximately \$13,198,693 for the JWPCP biogas conditioning system 2.

Upon motion of Director Frometa, duly seconded and unanimously carried, 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 an *Equipment Design, Build and Operations Agreement* with Tetra Tech BAS, Inc., providing for the design-build, operation and maintenance services, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Equipment Design, Build and Operations Agreement*, Contract No. 5533, dated May 24, 2023, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District.

RE: FACILITIES PLANNING
JOINT OUTFALL "B" UNIT 8H TRUNK
SEWER - SEWER RELOCATION AGREEMENT
DUARTE UNIFIED SCHOOL DISTRICT
CONTRACT NO. 5534 - APPROVE

To accommodate construction of a new gymnasium for Duarte High School, Duarte Unified School District (DUSD) has requested the Districts' permission to relocate approximately 500 feet of the Sewer located in an easement through DUSD property. The proposed *Sewer Relocation Agreement* (Agreement) requires

DUSD to prepare the necessary environmental documents and relocate the affected portion of the Joint Outfall "B" Unit 8H Trunk Sewer (Sewer) in accordance with the Districts' specifications at no cost to the Districts. In addition, DUSD must grant an easement to the Districts for access to and maintenance of the relocated Sewer at no cost, and the existing easement held by District No. 15 will be quitclaimed. Staff has determined that approval of the Agreement does not constitute a "Project" under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15378. As owner of the Sewer, District No. 2 must approve the Agreement, and District No. 15, as holder of the existing easement to be quitclaimed, must approve the action by District No. 2. This item is consistent with the Districts' Guiding Principles to provide reliable and responsible services with safety first; and to protect financial and facility assets through prudent investment and maintenance programs. A recommendation was made to approve and order executed an Agreement with DUSD for the relocation of a portion of the Sewer.

Upon motion of Director Frometa, duly seconded and unanimously carried, 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 *Sewer Relocation Agreement* with Duarte Unified School District providing for relocation of a portion of the Joint Outfall "B" Unit 8H Trunk Sewer, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Sewer Relocation Agreement*, Contract No. 5534, dated May 24, 2023, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District.

RE: INSURANCE - UMBRELLA GENERAL
LIABILITY INSURANCE COVERAGE - ALL
OPERATIONS - AUTHORIZE PAYMENT TO
AON RISK SERVICES, INC.

Proposals were solicited from 45 companies through Aon Risk Services, Inc., (Aon), the Districts' insurance broker, for renewal of umbrella general liability insurance, which covers wastewater, solid waste management, and energy recovery operations. Of the companies that were

approached, two companies provided quotes which, combined, will provide the desired coverage. The best offer was from Great American Assurance Company (GAAC), the Districts' current carrier, with an excess layer from Allied World National Assurance Company (AWAC). The overall premium increased by approximately 8 percent over last year. The recommended coverage is for one year with a \$20 million limit, including a \$5 million self-insured retention. The Districts procures \$1 million of underlying automobile liability insurance and self-insure for both automobile liability and general liability up to the \$5 million self-insured retention amount. Overall, this level of coverage is the most cost-effective and appropriate approach for excess liability insurance. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to authorize payment to Aon for umbrella general liability insurance coverage from GAAC and AWAC for all Districts' operations at an annual premium of \$962,740.

Upon motion of Director Frometa, duly seconded and unanimously carried, the Purchasing Agent was authorized to issue payment to Aon Risk Services, Inc., for umbrella general liability insurance coverage for all Districts' operations at an annual premium of \$962,740.

RE: FINANCIAL MANAGEMENT
ORDINANCE PRESCRIBING FEE AND
CHARGE RATES FOR SOLID WASTE
MANAGEMENT ACTIVITIES AT THE
PUENTE HILLS MATERIALS RECOVERY
FACILITY AND THE SOUTH GATE
TRANSFER STATION - ADOPT
FIND EXEMPT FROM CEQA

An Ordinance Prescribing Fee and Charge Rates for Solid Waste Management Activities at the Puente Hills Materials Recovery Facility (MRF) and the South Gate Transfer Station (SGTS) (Ordinance) was presented for the Board's consideration. A letter describing the recommended Board action and the rate increases planned was provided to the Directors prior to a public hearing and the introduction of the Ordinance on May 10, 2023. A

copy of the letter and the proposed Ordinance accompanied the agenda. The Ordinance would increase the municipal solid and inert waste (MSW) rate at the Puente Hills MRF from \$81.73 per ton to \$93.99 per ton, and the MSW rate at SGTS would increase from \$87.86 per ton to \$101.04 per ton, effective July 1, 2023. Changes to the rates for hard-to-handle and bulky items, pull-offs, and uncovered loads capable of producing litter, are also proposed at both facilities. The proposed rate increases are necessary to offset increasing operational and capital costs. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to plan for both short-term and long-term needs to minimize the need for significant rate increases. A recommendation was made to adopt the Ordinance.

Upon motion of Director Frometa, duly seconded and unanimously carried by the following vote:

AYES: Directors Andrade-Stadler, Taj, Saleh, Santa Ines, Barrows, Argumedo, Sharif, Frometa, Saro, McOsker, Perez, Aguayo, Ding, Avalos, Merlo, and Warner

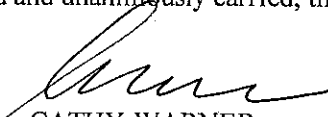
NOES: None

ABSTAIN: None

ABSENT: Directors Cortez, Torres, Sanchez, Lutz, and Hahn

An Ordinance Prescribing Fee and Charge Rates for Solid Waste Management Activities at the Puente Hills Materials Recovery Facility and the South Gate Transfer Station was adopted. Furthermore, the Board found that adoption of the Ordinance is exempt from the California Environmental Quality Act under Section 15273 of State Guidelines for Implementation of CEQA on the basis that CEQA does not apply to the modification of rates or other charges by the District which are for the purpose of meeting operating expenses, purchasing equipment, and funding capital projects necessary to maintain services within existing service areas; and that the proposed rate increases are for the purpose of (1) meeting operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment, or materials, (3) meeting financial reserve needs and requirements, or (4) obtaining funds for capital projects necessary to maintain service within existing service areas, as reported to the Board of Directors by the Chief Engineer and General Manager and as reflected in the official minutes of the District on file at the office of the District.

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


CATHY WARNER
Chairperson

ATTEST:



KIMBERLY S. CHRISTENSEN
Secretary

/ee