

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

July 12, 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
Marco Barcena, Alternate Director from Bell Gardens, via teleconference
Sonny Santa Ines, Director from Bellflower
Bruce Barrows, Director from Cerritos
Emma Sharif, Director from Compton
Claudia Frometa, Director from Downey, via teleconference
Suely Saro, Alternate Director from Long Beach
Jennifer Perez, Alternate Director from Norwalk
Tony Ding, Alternate Director from San Gabriel
Maria Avalos, Director from South Gate
Crystal Larios, Director from Vernon
Janice Hahn, Director from Los Angeles County
Cathy Warner, Chairperson, Alternate Director from Whittier

Absent: Hugo Argumedo, Director from Commerce
Paul Krekorian, Director from Los Angeles City
David Torres, Director from Montebello
Jose Sanchez, Director from Monterey Park
Isabel Aguayo, Director from Paramount
Erik Lutz, Director from Pico Rivera

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

RE: DIRECTORS REQUEST TO PARTICIPATE BY TELECONFERENCE - - APPROVE Director Barcena, City of Bell Gardens, and Director Frometa, City of Downey, requested to attend the Board meetings virtually, utilizing the "just cause" provisions of Assembly Bill (AB) 2449, while they are traveling to New York for city business. The Directors participated through both audio and visual technology. At the beginning of the meeting, each Director gave a general description of the circumstances relating to their need to appear remotely, stated that other than themselves, there were no individuals, 18 years of age or older, present in the room at the remote location. This item is consistent with the Districts' Guiding Principle to provide transparent communication to our Boards and the public.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Board approved the Directors' requests to participate by teleconference and utilized "just cause" as the purpose per Assembly Bill (AB) 2449, California Government Code, Section 54953(f) and (j).

CONSENT AGENDA

Upon motion of Director Taj, 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: MINUTES The minutes of the regular meeting held June 28, 2023, were approved.

RE: DISTRICT EXPENSES

The following expenses for the month of April 2023 were presented and approved:

	District No. 2	Joint Administration	Technical Support	Joint Outfall System	Solid Waste System	Stormwater
Operations & Maintenance	<u>\$46,419</u>	\$4,359,135	\$5,203,406	\$24,989,885	\$8,636,383	<u>\$9,446</u>
Capital		<u>346,097</u>	<u>276,201</u>	15,562,371	490,398	
Allocated Expenses:						
Joint Administration				4,571,643	1,707,451	
Joint Outfall Technical Support				<u>4,322,105</u>	<u>244,475</u>	
Total Expenses:	<u>\$46,419</u>	<u>\$4,705,232</u>	<u>\$5,479,607</u>	<u>\$49,446,004</u>	<u>\$11,078,707</u>	<u>\$9,446</u>

RE: WASTEWATER MANAGEMENT
PUENTE HILLS INTERMODAL FACILITY
AND RAILROAD IMPROVEMENTS
USS CAL BUILDERS, INC. - CONTRACT
NO. 4585 - ACCEPTANCE OF THE WORK

USS Cal Builders, Inc., has completed the work in connection with Contract No. 4585 for construction of the *Puente Hills Intermodal Facility and Railroad Improvements* (Project) within the time allowed by the contract, and in accordance with its terms. The Project consisted of the construction of an intermodal yard and modifica-

tions to approximately 3.5 miles of Union Pacific Railroad corridor to accommodate unit trains bound for Mesquite Regional Landfill. The Project also included construction of two railroad bridges, approximately 2 miles of retaining walls, vehicle crossing improvements and an access road, office and maintenance buildings, and a railroad maintenance yard. A total of \$26,613,877.61 in change orders was approved for this Project. A recommendation was made to accept this work.

The work in connection with Contract No. 4585, entered into by USS Cal Builders, Inc., on August 19, 2010, for construction of the *Puente Hills Intermodal Facility and Railroad Improvements*, was approved and accepted by this Board of Directors; the Assistant Chief Engineer and Assistant General Manager was directed to execute and record a Notice of Completion with respect to this work of improvement; and final payment of \$105,196,605.61 was authorized in accordance with the terms of the contract.

REGULAR AGENDA

RE: WASTEWATER MANAGEMENT
CATIONIC EMULSION POLYMER FOR
DEWATERING SLUDGE - REPORT ON
BIDS AND AWARD OF ORDER

On May 16, 2023, two bids were received at the District's office for *Furnish and Deliver Cationic Emulsion Polymer for Dewatering Sludge*. The Valencia Water Reclamation Plant uses cationic emulsion polymer for biosolids dewatering. The Districts solicited bids to furnish and deliver

cationic emulsion polymer for a three-year period with the option of two 1-year renewals. Two vendors expressed interest and participated in the qualification process, and Polydyne, Inc., was the lowest responsive bidder. The bid summary/recommendation to award was attached to the agenda. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and 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, Polydyne, Inc., in the amount of approximately \$459,391.32.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue a purchase order to the low bidder, Polydyne, Inc., to *Furnish and Deliver Cationic Emulsion Polymer for Dewatering Sludge*, in the amount of approximately \$459,391.32 and in accordance with the bids received May 16, 2023.

RE: WASTEWATER MANAGEMENT
JOINT OUTFALL J – UNIT 1F FORCE MAIN
GUARD RAILS - AUTHORIZE ISSUANCE OF
PURCHASE ORDER TO HORIZONS
CONSTRUCTION COMPANY INT'L., INC.

The Joint Outfall J – Unit 1F force mains consist of two parallel pipelines that run aboveground along the shoulder of Palos Verdes Drive South for approximately 7,200 feet. The force mains convey raw sewage and include valves to isolate segments of the pipelines for maintenance and emergency response. Only 6 of a total

of 16 of these valves have guard rails that protect them from vehicular collision. The remaining 10 valves require guard rails to improve protection of the pipeline and minimize the risk of a sanitary sewer overflow caused by a valve being damaged by vehicular collisions. Pursuant to authority previously granted by the Board, the project

will be completed utilizing the Job Order Contracting Program, which relies on pre-established competitively bid construction tasks that will accelerate project delivery and reduce administration and design costs. 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 Principle to protect financial and facility assets through prudent investment and maintenance programs. A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue a purchase order to Horizons Construction Company Int’l., Inc., in the amount of approximately \$134,444 for the Joint Outfall J – Unit 1F force main guard rails.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue a purchase order to Horizons Construction Company Int’l., Inc., for the Joint Outfall J – Unit 1F force main guard rails, at a cost of approximately \$134,444.

RE: WASTEWATER MANAGEMENT
POMONA WATER RECLAMATION PLANT
HIGH-SPEED TURBO BLOWER AND
ASSOCIATED EQUIPMENT - AUTHORIZE
ISSUANCE OF PURCHASE ORDER TO
APGN INC., DBA APG-NEUROS

Process air compressors (PACs) provide compressed air for biological treatment, which is critical for compliant Water Reclamation Plant (WRP) operation. In 2021, the Board authorized issuance of a purchase order to APGN Inc., dba APG-Neuros (APGN), for a turbo blower to replace one of three PACs, original to the plant, which had failed and reached the end of its useful life. The new

turbo blower, which was uniquely constructed with an integrated electrical transformer that allowed it to fit within the existing footprint, has been successfully commissioned and has been in operation since February 2023. Staff recommends purchase of a second turbo blower to replace one of the two remaining original PACs in order to match the turbo blower in operation and ensure adequate redundancy and resiliency for biological treatment. APGN is the only supplier that has turbo blowers that meet the District’s needs and that are operating in wastewater treatment facilities within the United States. 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). A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue a purchase order to APGN in the amount of approximately \$456,000 for a high-speed turbo blower and associated equipment at the Pomona WRP.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue a purchase order to APGN Inc., dba APG-Neuros, for a high-speed turbo blower and associated equipment at the Pomona Water Reclamation Plant, at a cost of approximately \$456,000.

RE: WASTEWATER MANAGEMENT
CARSON FIELD OFFICE - REPLACEMENT OF
NON-SLIP SURFACE COATING SYSTEM FOR
WALKWAY - AUTHORIZE ISSUANCE OF
PURCHASE ORDER TO RITE-WAY ROOFING
CORPORATION

The pedestrian walkways for the Carson Field Office were constructed in 2014 and subsequently coated with a non-slip surface coating system for safety purposes. The non-slip surface coating system has exceeded its useful life expectancy and now requires a complete replacement. Pursuant to authority previously granted by the Board, the project will be completed utilizing the Job

Order Contracting Program, which relies on pre-established competitively bid construction tasks that will accelerate project delivery and reduce administration and design costs. 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”) Section 15301. This item is consistent with the Districts’ Guiding Principle to protect financial and facility assets through prudent investment and maintenance programs. A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue a purchase order to Rite-Way Roofing Corporation in the amount of approximately \$134,089.89 for the replacement of the non-slip surface coating system for the walkway at the Carson Field Office.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue a purchase order to Rite-Way Roofing Corporation for the replacement of the non-slip surface coating system for the walkway at the Carson Field Office, at a cost of approximately \$134,089.89.

RE: WASTEWATER MANAGEMENT
AMMONIUM HYDROXIDE SOLUTION TO
VARIOUS WATER RECLAMATION PLANTS
AUTHORIZE EXTENSION OF PURCHASE
ORDER TO HILL BROTHERS CHEMICAL
COMPANY

In June 2019, subsequent to competitive bidding, the Board authorized issuance of a purchase order to Hill Brothers Chemical Company (Hill Brothers) to furnish and deliver ammonium hydroxide to the water reclamation plants (WRPs) for one year. Ammonium hydroxide is used in the disinfection process of the treated wastewater. The specifications allow for four 1-year

extensions based upon mutual agreement. In accordance with the specification, Hill Brothers has offered to extend the agreement with a price decrease of \$0.16 per gallon (the new price is \$1.51 per gallon vs. the previous price of \$1.67 per gallon); this is the fourth and final one-year extension. This price decrease is consistent with ammonia market costs. It would be in the best interest of the Districts to extend the agreement at this time. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and 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 issue a one-year extension of a purchase order with Hill Brothers in the amount of approximately \$966,400 to furnish and deliver ammonium hydroxide solution to various WRPs.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to extend the purchase order, for a one-year period, with Hill Brothers Chemical Company to furnish and deliver ammonium hydroxide solution to various water reclamation plants, at a cost of approximately \$966,400.

RE: JOINT ADMINISTRATION
RENEWAL OF DISTRICTS' FIRE AND THEFT
INSURANCE COVERAGE - AUTHORIZE
PAYMENT TO AON RISK SERVICES, INC.

The proposed insurance provides coverage for the majority of the Districts' buildings and contents, with a combined valuation of approximately \$614 million, with a \$100,000 deductible, and additional \$10,000,000 for business interruption coverage. Aon Risk Services, Inc.,

(Aon), the Districts' broker, requested quotes from 15 carriers. Only the current insurers responded with acceptable quotes. The overall average cost per \$100 in valuation is approximately 14 percent higher than last year's premium. All but six facilities are covered under one policy issued by Travelers Insurance (Travelers) up to the full value of those facilities. The Valencia Water Reclamation Plant (WRP) is insured under policies issued by Seneca Specialty Insurance Company (Seneca), Landmark American (Landmark), Arch Specialty (Arch), and Lexington, with a combined coverage limit of \$20 million. The Puente Hills Material Recovery Facility (PHMRF) is covered under a separate Travelers policy with a coverage limit of \$20 million. Compared to the primary Travelers policy, Valencia WRP and PHMRF policies cost significantly more per insured value and are limited in coverage due to fire risk at those facilities. Four District facilities are not covered under these policies: two facilities are self-insured and two have separate policies that renew in December. Insurance premiums continue to rise due to increased risks, especially for wildfires, combined with increasing construction costs. 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 in the amount of \$1,650,624 for the renewal of Districts' fire and theft insurance coverage with Travelers, Seneca, Landmark, Arch, and Lexington for a one-year period.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, payment of \$1,650,624 to Aon Risk Services, Inc., was authorized for the renewal of Districts' fire and theft insurance coverage with Travelers Insurance, Seneca Specialty Insurance Company, Landmark American, Arch Specialty, and Lexington for a one-year period.

RE: WASTEWATER MANAGEMENT
JOINT ADMINISTRATION OFFICE BUILDING
ACCESS IMPROVEMENTS - RELEASE
AGREEMENT - ARC CONSTRUCTION, INC.
CONTRACT NO. 5525A - APPROVE AND
TERMINATE FOR CONVENIENCE CONTRACT
NO. 5525

The *Joint Administration Office Building Access Improvements* (Project) consists of the installation of walkways, safety barriers, an Americans with Disabilities Act (ADA) ramp and other modifications to the main entrance, asphalt paving, and landscaping improvements to increase the safety of employees and visitors at the Joint Administration Office. After the Project was awarded and the contract documents had been fully executed, the contractor

notified the Districts that it had made an error in its bid by not accounting for the special working day requirements specified for this Project. The contractor indicated that, without a change to the working day requirements, it could not commit to completing the Project for the contracted amount and requested to be released from the contract. A review of the contract documents by staff and legal counsel determined that although the working day requirements were included in the specifications, they could have easily been misconstrued, as was the case. Because physical construction had yet to begin, staff and legal counsel determined that it would be in the Districts' best interest for the contractor to execute a *Release Agreement* to formally settle all matters, terminate the contract for convenience, allow the Districts to modify the specifications with regard to working day requirements, and for the Districts to rebid 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). A recommendation was made to approve and order executed a *Release Agreement* with ARC Construction, Inc., related to Contract No. 5525. Furthermore, a recommendation was made to terminate for convenience the Contract No. 5525 with ARC Construction, Inc., resulting in a total contract amount of \$0.

In response to Director Hahn, the Assistant Chief Engineer and Assistant General Manager stated that the work would ideally start now. However, after the Project was awarded and the contract documents had been fully executed, it was discovered that the contractor made an error in its bid by not accounting for the special working day requirements specified for this Project. The bid specifications provide for the work to take place after office hours and on weekends to minimize disruptions. The bid specifications will be re-evaluated, and the project will be rebid. The *Release Agreement* will formally settle all matters and terminate the contract.

Upon motion of Director Taj, 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 *Release Agreement* with ARC Construction, Inc., providing to formally settle all matters, terminate the contract for convenience, modify the specifications with regard to working day requirements, and rebid the Project, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Release Agreement*, Contract No. 5525A, dated July 12, 2023, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District. Furthermore, the Board approved to terminate for convenience the Contract No. 5525 with ARC Construction, Inc., resulting in a total contract amount of \$0.

RE: FACILITIES PLANNING - CALABASAS LANDFILL - AMENDED AND RESTATED CALABASAS LANDFILL JOINT POWERS AGREEMENT - COUNTY OF LOS ANGELES CONTRACT NO. 1367H - APPROVE AND AUTHORIZE CHIEF ENGINEER AND GENERAL MANAGER TO EXECUTE AND INTRODUCE AN ORDINANCE PRESCRIBING FEE AND CHARGE RATES FOR SOLID WASTE MANAGEMENT ACTIVITIES AT THE CALABASAS LANDFILL

The Calabasas Landfill (CALF) is owned by the County of Los Angeles (County) and operated by the Districts under a Joint Powers Agreement (JPA) approved in 1966 that has been amended six times to reflect changes in the responsibilities of the County and the Districts. The Districts and the County have negotiated the proposed *Amended and Restated Calabasas Landfill Joint Powers Agreement* (Agreement), which consolidates the original JPA and all previous amendments into a single document. Under the terms of the Agreement, the Districts will continue to operate the landfill at the County's sole cost until the landfill closes and will not be responsible

for post-closure maintenance or development. Additionally, as requested by the County, the Agreement will transfer rate-setting responsibility to the Districts to allow for more efficient rate setting and will create two additional post-closure funds requested by the County. The Agreement is pending final review by the County's Chief Executive Office and minor revisions may be requested in the coming weeks prior to approval by the Board of Supervisors. Authorizing the Chief Engineer and General Manager to execute the Agreement and incorporate any minor revisions will expedite its implementation and avoid further delays. The proposed ordinance, which is required because the Districts is taking over rate-setting responsibility, specifies the current tipping fee rates at CALF. The rate ordinance would go into effect the day after the County approves the Agreement and repeals its own rate ordinance for CALF. In the future, when a rate adjustment is deemed necessary by the Districts and the County, a new rate ordinance will be adopted by the Districts. 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. This item is consistent with the Districts' Guiding Principle of commitment to continual improvement. A recommendation was made to approve the Agreement with the County; and to authorize the Chief Engineer and General Manager to execute the Agreement and incorporate any minor revisions requested by the County.

Furthermore, a proposed ordinance titled *An Ordinance Prescribing Fee and Charge Rates for Solid Waste Management Activities at the Calabasas Landfill* (Ordinance) was presented to the Board for consideration and introduction. A copy of the Ordinance accompanied the agenda. A recommendation was made to waive the reading of the Ordinance in its entirety.

The Assistant Chief Engineer and Assistant General Manager advised that County staff recently requested a minor edit to the Ordinance, concerning its effective date, that is not reflected in the version that accompanies the agenda. This edit will be incorporated in the Ordinance prior to it being considered for adoption by the Board. Additionally, the Assistant Chief Engineer and Assistant General Manager stated that the Board is being asked to delegate authority to the Chief Engineer and General Manager to execute the Agreement so that any minor edits to the Agreement requested by the County in the coming weeks can be quickly incorporated to avoid further delays in implementing the Agreement.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, an amendment and restatement of the agreement entered into with the County of Los Angeles, Contract No. 1367 dated November 1, 1960, as amended April 1, 1966 (Contract No. 1367A), January 20, 1976 (Contract No. 1367B), February 13, 1991 (Contract No. 1367C), June 29, 1999 (Contract No. 1367D), December 6, 2005 (Contract No. 1367E), August 28, 2007 (Contract No. 1367F), and July 22, 2014 (Contract No. 1367G), which consolidates the original JPA and all previous amendments into a single document, as set forth therein, was

approved. All the terms and conditions of the *Amended and Restated Calabasas Landfill Joint Powers Agreement*, Contract No. 1367H (Agreement), were accepted and approved, and the Chief Engineer and General Manager was authorized to execute the Agreement on behalf of the District; and the Chief Engineer and General Manager, on behalf of the District, was authorized to incorporate into the Agreement any minor revisions requested by the County. Furthermore, *An Ordinance Prescribing Fee and Charge Rates for Solid Waste Management Activities at the Calabasas Landfill* was introduced, and after reading of the title thereof, further reading of the Ordinance was waived.

RE: HUMAN RESOURCES - HECTOR
CARDENAS - CLAIM - EXECUTE
COMPROMISE AND RELEASE PENDING
WORKERS' COMPENSATION APPEALS
BOARD PROCEEDINGS - AUTHORIZE
SETTLEMENT

During employment with the Districts, Hector Cardenas sustained an injury to left hip and other parts of the body after falling off a truck. Hector Cardenas' attorney and District Counsel have agreed on a proposed settlement in the form of Compromise and Release in the amount of \$150,000. Approximately \$90,000 is required for future medical care. The remaining approximately \$60,000

represents the settlement amount for permanent disability. District Counsel believes the settlement is cost effective and recommends that the proposed settlement be approved. A recommendation was made to approve the settlement with District employee Hector Cardenas and authorize District Counsel to execute a Compromise and Release in the amount of \$150,000 in connection with the pending Workers' Compensation Appeals Board proceedings.

Upon motion of Director Taj, duly seconded and unanimously carried by a roll-call vote, payment of \$150,000 to Hector Cardenas was authorized in full settlement of his claim for injury to left hip and other parts of the body after falling off a truck. Furthermore, District Counsel was authorized to execute a Compromise and Release in the amount of \$150,000 in connection with the pending Workers' Compensation Appeals Board proceedings.

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


CATHY WARNER
Chairperson

ATTEST:


KIMBERLY S. CHRISTENSEN
Secretary

/ee