

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 2

To be held at the OFFICE OF THE DISTRICT
1955 Workman Mill Road, Whittier, California

For the public to join the meeting virtually, click <https://us02web.zoom.us/j/8091438308> or enter the Meeting ID 809 143 8308 into the Zoom app on your smartphone or computer. Alternatively, you may join by phone by calling (669) 900-9128 and entering the Meeting ID. The meeting is not required to be broadcast via Zoom, but as a courtesy for public attendance. You may find further information at: <http://www.lacsd.org/agendas>

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

| WEDNESDAY | May 22, 2024 | At 1:30 P.M. |
|--------------------|--------------|----------------------|
| Governing Body | Director | Alternate |
| ALHAMBRA | MAZA | PEREZ |
| ARTESIA | LIMA | TAJ |
| BELL | GALLARDO | SALEH |
| BELL GARDENS | GOMEZ | BARCENA |
| BELLFLOWER | KOOPS | DUNTON |
| CERRITOS | SOLANKI | BARROWS |
| COMMERCE | ARGUMEDO | ALTAMIRANO |
| COMPTON | SHARIF | ----- |
| DOWNEY | TRUJILLO | SOSA |
| LONG BEACH | RICHARDSON | SARO |
| LOS ANGELES CITY | KREKORIAN | MC OSKER |
| MONTEBELLO | PERALTA | MELLENDEZ |
| MONTEREY PARK | WONG | ----- |
| NORWALK | RIOS | RAMIREZ |
| PARAMOUNT | DELGADILLO | AGUAYO |
| PICO RIVERA | LARA | CAMACHO |
| SAN GABRIEL | J. WU | DING |
| SOUTH GATE | HURTADO | DAVILA |
| VERNON | MERLO | ----- |
| WHITTIER | VINATIERI | WARNER (Chairperson) |
| LOS ANGELES COUNTY | HORVATH | SOLIS |

CONSENT AGENDA

1. Public Comment
2. Receive and Order Filed Certificate of Ms. Judith Merlo, Presiding Officer of the City of Vernon
3. Approve Minutes of Regular Meeting Held May 8, 2024
4. Authorize Payment to Lewis, Brisbois, Bisgaard & Smith LLP, in Amounts of \$147,998.65 and \$207,645.32, for Legal Services Rendered and Reimbursement of Expenses Advanced in Various Districts’ Matters for Months of February 2024 and March 2024, Respectively
5. Accept Contract No. 5438 and Order Final Payment to Perimeter Security Group for Construction of *Long Beach Water Reclamation Plant Security Fence and Entrance Gate Improvements* (Project); Resulting in Total Contract Amount of \$1,928,536.11

Summary: This Project consisted of removal and replacement of the existing chain link perimeter fencing and gates with eight-foot-tall steel mesh security fencing and gates, installation of a manual and automated vehicle and pedestrian access gate, and appurtenant work to improve facility security, reliability, and safety. Five change orders totaling \$70,986.11 were approved for this Project.

REGULAR AGENDA

1. Report on Bids, Award and Order Executed Contract, and Order Staff to Review Insurance and Surety Bonds for Performance and Payments, and, if Sufficient, Order Secretary to Execute Contracts Evidencing Approval of Bonds and Insurance as Follows:
 - (a) With Lucas Builders, Inc., in Amount of Approximately \$5,564,391, for Construction of Scholl Canyon Landfill Flare Station Improvements (Project)

1. Contd.

Summary: The Project consists of the installation of two new ultra-low emission flares at the Scholl Canyon Landfill to meet more stringent emission standards imposed by the Southern California Air Quality Management District. The Project will include construction of the associated equipment foundations, electrical and instrumentation systems, mechanical piping, and related site improvements. The bid summary/recommendation to award is attached. Staff has determined that the Project is exempt or otherwise not subject to the provisions of 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 15302 and 15304. A Notice of Exemption was filed for the Project in November 2021. This item is consistent with the Districts’ Guiding Principles to protect financial and facility assets through prudent investments and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

- (b) With Insituform Technologies, LLC, in Amount of Approximately \$1,248,744, for Construction of East Artesia Trunk Sewer Rehabilitation (Project)

Summary: The Project will consist of rehabilitation of approximately 2,398 feet of 18- and 21-inch-diameter corroded concrete pipe, cracked vitrified clay pipe and appurtenant structures that were constructed in 1958. The work is located within the cities of Cerritos, Hawaiian Gardens, and Lakewood as shown on the attached map. The bid summary/recommendation to award is attached. 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).

2. Report on Bids and Award of Orders as Follows:

- (a) For *Information Technology VMware Cluster Project* (Project)

Summary: The Districts utilizes a centralized data center at the Joint Administration Office to provide computing services for all business functions across the enterprise. The Board previously authorized a purchase order to convert a portion of the data center to virtual servers, which has improved operational efficiencies and will reduce the level of effort for future data center redundancy projects. The proposed Project will convert the remaining compatible servers to virtual servers. The bid summary/recommendation to award is attached. 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).

- (b) For *Microsoft Volume Licensing Enterprise Agreement Renewal for Three-Year Period*

Summary: The Districts utilizes various Microsoft Enterprise software to conduct business throughout all facilities. The Districts’ Volume Licensing Enterprise Agreement is due for renewal and this award is to cover the next three years. The bid summary/recommendation to award is attached. 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).

3. Authorize Issuance of Purchase Orders as Follows:

- (a) To Reeves & Woodland Industries, Inc., (R&W) in Amount of Approximately \$108,824 for Boiler Air Preheater Maintenance at Puente Hills Gas-to-Energy (PERG) Facility

Summary: The PERG Facility’s boilers utilize preheaters to increase efficiency and aid burner flame stabilization. Functional preheaters are essential for boiler operation and require periodic maintenance to operate reliably. Wear items such as seals, bearings and heating elements are replaced as needed. R&W is the only local contractor that specializes in maintaining such equipment and has satisfactorily completed repairs multiple times at the PERG Facility since 2003. This work would be performed on one boiler during the upcoming maintenance outage in October 2024. 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 Resource 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).

3. Contd.

- (b) To Xylem Water Solutions USA, Inc., (Xylem) in Amount of Approximately \$687,566 for Membrane Diffusers at San Jose Creek Water Reclamation Plant (WRP)

Summary: Recent efforts at San Jose Creek WRP have been directed toward modernizing and upgrading the aeration system which is an integral part of the biological treatment process necessary for compliant wastewater treatment and improved energy efficiency. A critical element of the modernization and performance optimization efforts is the implementation of an automated aeration control system that delivers air to diffusers. The WRP has historically utilized ceramic diffusers to transfer the air needed for microorganisms for treatment. However, ceramic diffusers do not perform as well as membrane diffusers at low air conditions, which will be implemented under the automated control system. Xylem, under its Sanitaire Products line, offers a membrane diffuser that is interchangeable with its ceramic diffusers. In addition, membrane diffusers are less expensive than ceramic diffusers and much lighter, which makes them easier and safer to install. This item is consistent with the Districts' Guiding Principles of commitment to continual improvement; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

- (c) To Inland Empire Regional Composting Authority (IERCA) in Amount of \$750,000 for One-Half of Capital Costs of Inland Empire Regional Composting Facility Budgeted for Fiscal Year (FY) 2023-2024

Summary: The Board previously approved the Joint Powers Agreement (JPA) forming the IERCA, the purpose of which was to design, construct, and operate a biosolids composting facility along with the Inland Empire Utilities Agency (IEUA). The composting facility has been operational since 2007 and has a capacity of 150,000 tons of biosolids per year, approximately 75,000 tons each for IEUA and the Districts. On May 1, 2023, the IERCA Board of Directors approved a budget for FY 2023-2024, which identified \$1,500,000 in additional capital funds that cannot be accrued through normal operating revenue sources. The specific capital projects in the FY 2023-2024 budget included replacement of material receiving equipment, replacement of the compost storage structure, and the expansion of the facility lunchroom. The additional capital funds would be used to replenish the capital reserve fund to meet the minimum fund balance threshold that is established in the IERCA Capital Reserve Policy after payment for these capital projects. Under the terms of the JPA, the Districts is responsible for one-half of the capital costs, or \$750,000. Staff has determined that the activities described herein are 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 expenditure 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).

- (d) To RES Environmental, Inc., (RES) in Amount of Approximately \$920,732 for Surface Gas Emission Monitoring Services at Puente Hills Landfill and Palos Verdes Landfill for Four-Year Period

Summary: The Districts operates landfill gas control systems and conducts quarterly monitoring in compliance with South Coast Air Quality Management District Rule 1150.1. The monitoring program includes ambient air, surface gas emissions, landfill gas, and perimeter probes. The surface gas emissions monitoring is the largest effort and requires walking the entire landfill footprint. Support through a services contract is recommended to supplement Districts staff and ensure this work is completed within required timelines. On January 25, 2024, the Districts released a Request for Proposals (RFP) to five companies. Three proposals were received and all were deemed responsive with RES submitting the highest rated and lowest cost proposal. In accordance with the RFP, the purchase order will have a one-year initial term with three additional one-year extensions upon mutual agreement. The cost is estimated to be approximately \$920,732 for four years. 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).

- (e) To ABB, Inc., (ABB) in Amount of Approximately \$1,299,792 for Software and Hardware Support Services for Distributed Control System (DCS) at A.K. Warren Water Resource Facility (Warren Facility) and Puente Hills Gas-to-Energy (PERG) Facility for Five-Year Period

Summary: The DCS, which provides computer-based control over all major unit processes at the Warren Facility and PERG Facility, consists of ABB software and hardware, which are critical to the automated operations of these facilities. Previous service agreements with ABB have proven to be a cost-effective method for providing required maintenance and support. ABB has agreed to a five-year renewal of the service support contract that will continue to provide the required services with a 6 percent inflation adjustment for each of the following years. In addition, during the term of the contract agreement, the Districts will receive up to \$75,000 for repair or replacement parts, a 25 percent discount for engineering

3. Contd.

field support, and a 35 percent discount for all new hardware purchases. It is in the best interest of the Districts to approve this purchase order to ABB, given the mission critical hardware and software support that is essential to maintain automated operations at the Warren and PERG Facilities. The activities described herein do not constitute a "Project" as that term is defined in California Public Resources Code ("PRC") Section 21065 and Title 14 of the California Code of Regulations ("CEQA Guidelines Section 15378. Staff has determined that the activities described are not subject to the provisions of CEQA. 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).

- (f) To ADS Corp. (ADS) in Amount of Approximately \$4,456,487 for Phase II Flow Monitoring Services in Support of Development of System-Wide Hydraulic Model of Sewer System in Various Districts

Summary: Following the December 2021 sewer spill in the City of Carson, an independent external audit recommended that the Districts develop and utilize a hydraulic model of the sewer system to assist in its operation and prevent sewer spills. Accordingly, the Board previously authorized purchase orders to the consulting firm GHD to prepare an implementation plan for the sewer model and to conduct a pilot study by modeling the sewer system within District No. 8; and to ADS to provide flow monitoring services for the pilot study. The implementation plan created by GHD identified additional sewer flow monitoring data to be collected in two phases over a three-year period to support the system-wide model development. For Phase I the Board previously authorized purchase orders to ADS and McCrometer to provide flow monitoring services at approximately 600 locations. This flow monitoring is underway and successfully collected flow data during the past rainy season. For Phase II, it is recommended that approximately 18 months of sewer flow monitoring data be collected at approximately 226 locations. Proposals were solicited and received from three qualified flow monitoring firms. ADS submitted a cost-effective proposal that demonstrated their ability to meet the schedule and data quality requirements. To ensure timely completion, staff recommends issuance of a purchase order to ADS. This item is consistent with the Districts' Guiding Principles of commitment to continual improvement; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

4. Re: New Heavy Equipment

- (a) Authorize Issuance of Purchase Orders as Follows:

- 1) To West-Mark in Amount of Approximately \$138,013 for One Tanker Trailer
- 2) To Inland Kenworth in Amount of Approximately \$520,347 for Two Fuel and Lube Trucks
- 3) To Bejac Corporation in Amount of Approximately \$1,155,352 for Two Liebherr L566 XPower Wheel Loaders

- (b) Find that Five Pieces of Heavy Equipment are No Longer Required for Districts' Purposes and Authorize Disposal

Summary: The purchase of heavy equipment is required to replace equipment at various Districts' solid waste facilities that is no longer cost effective to maintain. Staff recommends the purchase of heavy equipment through the Sourcewell Cooperative Purchase Agreements (Sourcewell). Sourcewell provides nationally leveraged and competitively solicited purchasing contracts. Sourcewell has contracts with Kenworth, Liebherr-America, and West-Mark. Inland Kenworth is the local Kenworth dealer, and Bejac Corporation is the local Liebherr-America dealer. Purchasing the equipment through Sourcewell is the most cost-effective means of procurement. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

5. Confirm Issuance of Purchase Orders as Follows:

- (a) To Tetra Tech, Inc., (Tetra Tech) in Amount of Approximately \$520,000 to Provide Operation and Maintenance for Biogas Conditioning System (BCS) for Approximately Two Years at A.K. Warren Water Resource Facility (Warren Facility)

Summary: The BCS converts digester gas from the Warren Facility into renewable natural gas vehicle fuel that is dispensed at the Warren Facility's compressed natural gas fueling station. Tetra Tech designed and constructed the BCS. In March 2023, the Board approved issuance of a purchase order to Tetra Tech in the amount of \$250,000 to operate and maintain the BCS for a one-year period with options for two 1-year extensions. Tetra Tech's support is still necessary; the requested purchase order would provide for Tetra Tech to operate and maintain the BCS for the two 1-year extensions for a total of approximately \$520,000. TetraTech would conduct inspections, routine services, preventative maintenance, and emergency call-out services to ensure proper function of the BCS. 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).

5. Contd.

- (b) To Sancon Technologies, Inc., (Sancon) in Amount of Approximately \$2,500,000, for *Emergency Repair of Joint Outfall F Unit 4 Between Manholes 18 0126 and F 0096* (Project)

Summary: On May 5, 2024, during routine inspection of a sewer in the City of Norwalk, Districts' staff discovered large holes with voids and exposed rebar in six sewer reaches. Due to the severely corroded condition of the sewer, it is necessary to repair these reaches now on an emergency basis. Sancon was selected to perform this emergency repair work due to their qualifications, immediate availability, and their familiarity with this type of sewer repair work. The Project will consist of rehabilitation of approximately 1,200 feet of existing 30- to 36-inch-diameter corroded concrete pipe and appurtenant structures. The work is located within the City of Norwalk as shown on the attached map. Staff has determined that the activities described herein are 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 of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

6. Authorize Extension of Purchase Order with Tamco Chemical, Inc., (Tamco) in Amount of Approximately \$122,400 to Furnish and Deliver Professional Water Services and Water Treatment Chemicals for Various Water Reclamation Plants (WRPs) for One-Year Period

Summary: Professional water services and water treatment chemicals are required to prevent scaling, fouling of metal surfaces, and corrosion loss of metal in boilers at various WRPs. On May 5, 2022, proposals were solicited from qualified suppliers to develop and implement a water treatment program and provide the necessary chemical products for the program. Tamco provided a comprehensive proposal that met all the Districts' requirements at the lowest cost and was awarded a two-year contract with provisions for additional one-year renewals if mutually agreeable. This is the first one-year renewal. Tamco has offered to provide the same services and chemicals at a 2 percent price increase. Tamco has not increased its prices since 2022, and the additional costs are attributed to higher material and operational costs and are reasonable compared to increases to the consumer price index and chemical services over this time period. Tamco has been providing satisfactory water treatment services and chemicals to various WRPs since 2013, and a one-year extension is in the best interest of the Districts. This item is consistent with the Districts' Guiding Principle of protecting financial and facility assets through prudent investment and maintenance programs.

7. Authorize Payment to Aon Risk Services, Inc., (Aon) for Umbrella General Liability Insurance Coverage from Great American Assurance Company (GAAC) and Allied World National Assurance Company (AWAC) for All Districts' Operations at Annual Premium of \$705,000

Summary: Proposals were solicited from 45 companies through 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 GAAC, the Districts' current carrier, with an excess layer from AWAC. Given prevailing market conditions and our willingness to bear additional risk which will be mitigated by the Districts' self-insured retention fund, increasing the self-insured retention from \$5 million to \$10 million retention is recommended. The self-insured retention increase will result in a premium decrease of 27 percent. The recommended coverage is for one year with a \$20 million limit, including a \$10 million self-insured retention. The Districts procures \$1 million of underlying automobile liability insurance and self-insures for both automobile liability and general liability up to the \$10 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.

8. Adopt *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)* and Find that Ordinance is Exempt from California Environmental Quality Act Under Public Resources Code Section 21080(b)(8) and Title 14 of California Code of Regulations ("CEQA Guidelines") Section 15273 (**required two-thirds vote – 14 affirmative votes**)

Summary: 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 at the May 8, 2024, Board meeting. A copy of the letter and the proposed Ordinance accompanies the agenda. The Ordinance would increase the municipal solid and inert waste (MSW) rate at the Puente Hills MRF from \$93.99 per ton to \$99.16 per ton, and the MSW rate at the SGTS would increase from \$101.04 per ton to \$106.60 per ton, effective July 1, 2024. Changes to the rates for hard-to-handle, bulky items and pull-offs are also proposed at both facilities. The proposed rate increases are necessary to offset increasing

8. Contd.

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.

9. Approve and Order Executed [Engineering Services Agreement](#) with Hazen and Sawyer, D.P.C., (Hazen) in Amount of Approximately \$7,015,000 for Engineering Services for *A.K. Warren Water Resource Facility* (Warren Facility) *Sidestream Centrate Treatment Facility* (Project)

Summary: Engineering support is required to assist Districts' staff in the design of a treatment process to reduce nitrogen loadings in the Warren Facility effluent that is currently discharged to the ocean and subject to future regulatory requirements. Proposals were solicited and received from four engineering firms. Hazen was ranked as the most qualified engineering firm to provide the required services. Hazen has extensive experience with design of nitrogen removal treatment processes and has the expertise and resources to complete the work in the time required. Hazen submitted a cost-effective proposal, and their proposed hourly rates are comparable to the other engineering firms. Grant funding in the amount of \$1 million dollars will be used. The Board previously adopted a resolution authorizing the Districts to accept this grant funding from the United States Bureau of Reclamation (USBR) for preliminary engineering activities related to the Pure Water Southern California (PWSC) project. This project supports the PWSC since if implemented, would reduce nitrogen loading in the Warren Facility's effluent and would allow the effluent to be used as source water. Eligibility for other grant funds will continue to be investigated. 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).

10. Approve Revised Settlement with Former Districts' Employee Hector Cardenas and Authorize District Counsel to Execute Compromise and Release in Connection with Pending Workers' Compensation Appeals Board Proceedings

Summary: During employment with the Districts, Hector Cardenas sustained an injury to the left hip and other parts of the body after falling off a truck. Initially, Hector Cardenas' attorney and District Counsel agreed on a proposed settlement in the form of Compromise and Release in the amount of \$150,000, which was approved by the Board at the July 12, 2023, Board meeting. At that time, it was estimated that approximately \$90,000 was required for future medical care. The remaining approximately \$60,000 represented the settlement amount for permanent disability. However, due to his ongoing medical treatment, Mr. Cardenas' attorney has advised that they can go no lower than \$175,000 to resolve this matter. Increasing the settlement amount by \$25,000 would allow the Districts to conclude this matter, releasing all future liability for the Districts which is estimated to be in excess of \$25,000. District Counsel believes the amended settlement is cost-effective and recommends that the proposed settlement be approved.

11. CLOSED SESSION – *Conference with Legal Counsel Pursuant to Government Code Section 54956.9(d)(4) – Potential Litigation Regarding Scholl Canyon Landfill*

Summary: The Chief Engineer and General Manager and District Counsel will discuss this matter in closed session.

Adjourn

Status Report: Prior to or during the meeting session, the Chief Engineer and General Manager may update the Directors on various matters concerning the Districts that may be of current interest to the Directors.

Public Comment: Members of the public may address the Board of Directors on any item shown on the agenda or matter under the Board's authority. A "Request to Address Board of Directors" form is available. In compliance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Secretary to the Boards' Office (562) 908-4288, extension 1100. Notification of 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to this meeting. (28CFR 35.101 et seq. ADA Title II).

Document Requests: Links to supporting documents are available online at the time of posting. Agendas and supporting documents or other writings that will be distributed to Board members in connection with matters subject to discussion or consideration at this meeting that are not exempt from disclosure under the Public Records Act are available for inspection following the posting of this agenda at the office of the Secretary to the Boards of Directors located at the Districts' Joint Administration Building, 1955 Workman Mill Road, Whittier, California, 90601, or at the time of the meeting at the address posted on this agenda.

TO: BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. R-1(a)

FOR BOARD MEETING May 22, 2024

BIDS were received at the District Office on February 28, 2024

FOR SCHOLL CANYON LANDFILL FLARE STATION IMPROVEMENTS

No. of Bids Received: 4

| <u>BIDDER</u> | <u>TOTAL BID</u> |
|----------------------------------|------------------|
| Lucas Builders, Inc. | \$5,564,391.00 |
| W.M. Lyles Co. | \$5,691,200.00 |
| Environmental Construction, Inc. | \$6,904,975.00 |
| SCS Field Services | \$9,066,610.00 |

RECOMMENDATION:

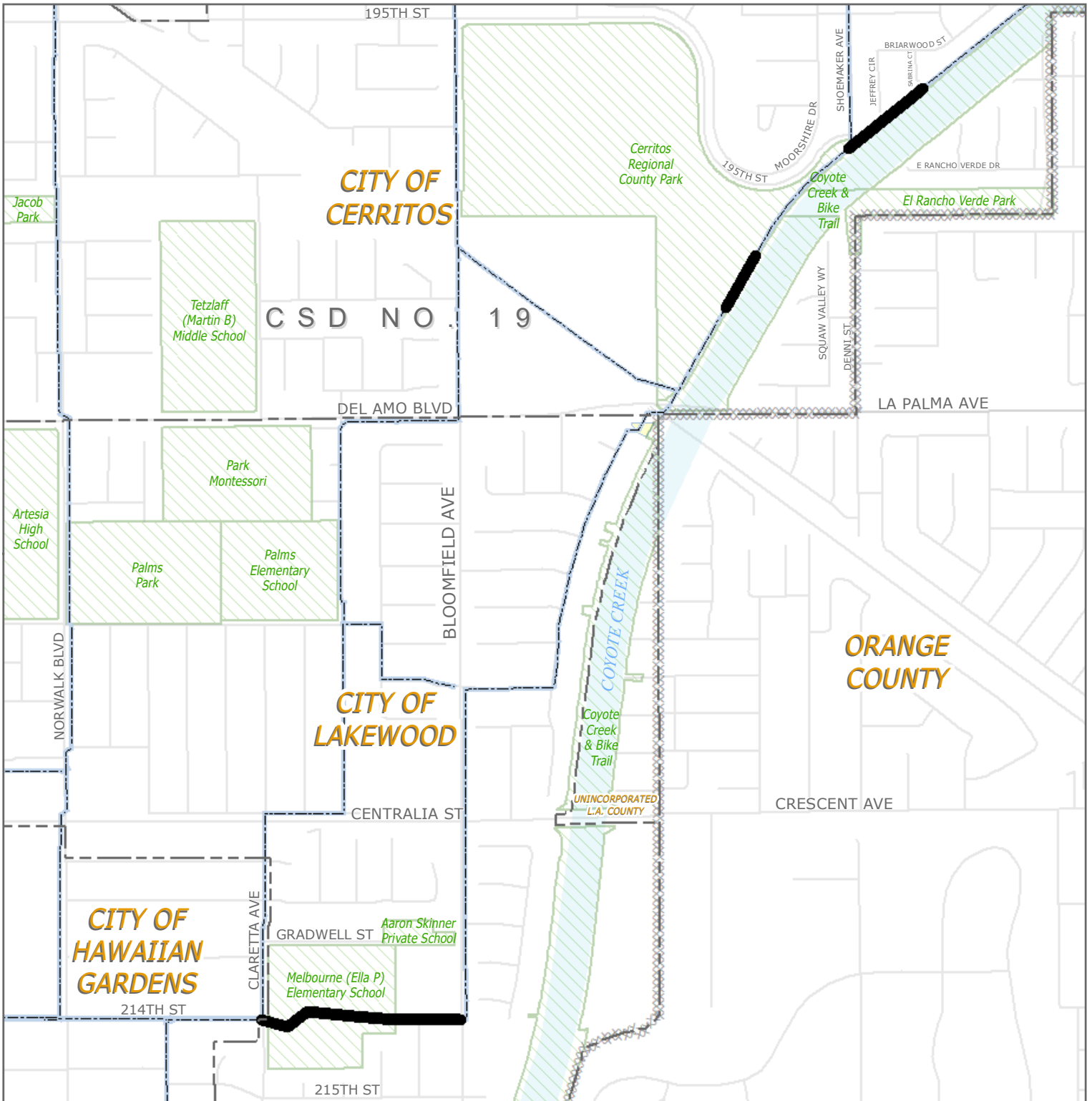
Award contract to Lucas Builders, Inc., low bidder, in the amount of approximately \$5,564,391.

Engineer's Estimate: \$5,600,000

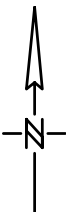


Robert C. Ferrante
Chief Engineer and
General Manager

EAST ARTESIA TRUNK SEWER REHABILITATION



 PROJECT ROUTE



TO: BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. R-1(b)

FOR BOARD MEETING May 22, 2024

BIDS were received at the District Office on April 16, 2024

FOR EAST ARTESIA TRUNK SEWER REHABILITATION

No. of Bids Received: 2

| <u>BIDDER</u> | <u>TOTAL BID</u> |
|------------------------------|-----------------------|
| Insituform Technologies, LLC | <u>\$1,248,744.00</u> |
| Sancon Technologies, Inc. | <u>\$1,314,078.00</u> |

RECOMMENDATION:

Award contract to Insituform Technologies, LLC, low bidder, in the amount of approximately \$1,248,744.00.

Engineer's Estimate: \$1,300,000.00



Robert C. Ferrante
Chief Engineer and
General Manager

TO: BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. R-2(a)

FOR BOARD MEETING MAY 22, 2024

BIDS were received at the District Office on Tuesday, April 9, 2024 at 11:00 a.m.

FOR INFORMATION TECHNOLOGY (IT) VMWARE CLUSTER PROJECT

No. of Bids Received: 4

| <u>BIDDER</u> | <u>TOTAL BID</u> |
|------------------------------------|------------------|
| Hypertec USA, Inc. | \$364,660.81 |
| Golden Star Technology, Inc. (GST) | \$394,676.22 |
| Nth Generation Computing, Inc. | \$438,399.00 |
| Kambrian Corporation | \$872,046.37 |

RECOMMENDATION:

Award purchase order to Hypertec USA, Inc., the lowest, responsive, and responsible bidder, in the amount of approximately \$364,660.81 for IT VMware Cluster Project.

Engineer's Estimate: \$400,000.00



Robert C. Ferrante
Chief Engineer and
General Manager

TO: BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. R-2(b)

FOR BOARD MEETING MAY 22, 2024

BIDS were received at the District Office on Friday, April 19, 2024 at 11:00 a.m.

FOR MICROSOFT VOLUME LICENSING ENTERPRISE AGREEMENT RENEWAL FOR THREE-YEAR PERIOD

No. of Bids Received: 3

| <u>BIDDER</u> | <u>TOTAL BID</u> |
|-------------------------------|-----------------------|
| SoftChoice Corporation | \$2,404,096.41* |
| Dell Marketing, LP | <u>\$2,449,234.17</u> |
| Crayon Software Experts, LLC. | \$2,462,860.82 |

*Bidder had a miscalculation in their bid and requested relief per Public Contract Code (PCC) sections 5101-5103.

RECOMMENDATION:

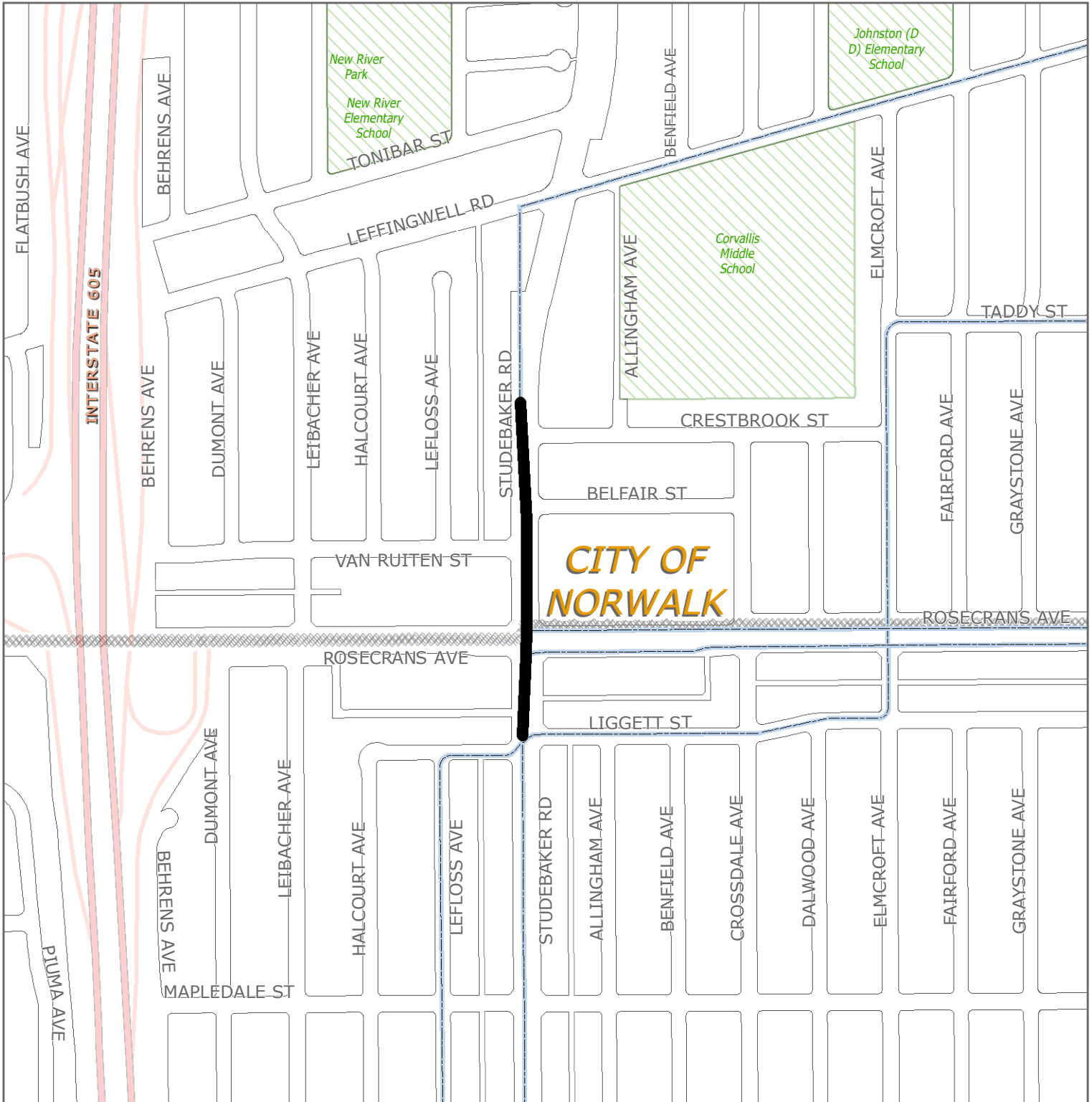
Award purchase order to Dell Marketing, LP., the lowest, responsive, and responsible bidder, in the amount of approximately \$2,449,234.17 for Microsoft Volume Licensing Enterprise Agreement for Three-Year Period.

Engineer's Estimate: \$2,000,000.00



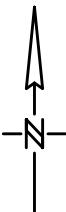
Robert C. Ferrante
Chief Engineer and
General Manager

EMERGENCY REPAIR OF JOINT OUTFALL F UNIT 4 BETWEEN MANHOLES 18 0126 AND F 0096



**CITY OF
NORWALK**

 PROJECT ROUTE





**LOS ANGELES COUNTY
SANITATION DISTRICTS**
Converting Waste Into Resources

Robert C. Ferrante

Chief Engineer and General Manager

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
(562) 699-7411 • www.lacsd.org

May 3, 2024

Board of Directors
County Sanitation Districts Nos. 1, 2, 3, 5,
8, 15, 16, 17, 18, 19, 21, 23, 29, and
South Bay Cities Sanitation District

Dear Directors:

**Rate Increase for Puente Hills Materials Recovery
Facility (MRF) and South Gate Transfer Station (SGTS)**

The agenda for the May 8, 2024, meeting of the Board of Directors of Sanitation District No. 2 includes an item to introduce a new rate Ordinance (Ordinance) for the Puente Hills MRF and SGTS. The proposed Ordinance would increase the Municipal Solid and Inert Waste (MSW) rate at the Puente Hills MRF from \$93.99 per ton to \$99.16 per ton and at SGTS from \$101.04 per ton to \$106.60 per ton. Changes to the rates for hard-to-handle, bulky items, and pull offs are also proposed at both facilities. The proposed Ordinance is attached to the agenda. If approved, the new Ordinance would take effect July 1, 2024.

The proposed rate increases are necessary to offset increasing operational and capital costs. A schedule of the current and proposed rates for all waste types is attached.

Should any Director have questions regarding the new rates, please contact me at extension 1501 or Mr. Mark Revilla, Solid Waste Management Department Head, at extension 2415.

Very truly yours,

Robert C. Ferrante

RCF:gc
Attachment

**PUENTE HILLS MATERIALS RECOVERY FACILITY
RECOMMENDED MSW AND RECYCLABLES RATES**

| | CURRENT RATE | RATE EFFECTIVE JULY 1, 2024 |
|---|-------------------------|--|
| Municipal Solid and Inert Waste (1-ton minimum charge) | \$93.99 per ton | \$99.16 per ton |
| Hard-to-Handle, Bulky Items (1-ton minimum charge) | \$108.99 per ton | \$114.16 per ton |
| Segregated Uncontaminated Green Waste (1-ton minimum charge) | \$89.37 per ton | \$94.29 per ton |
| Food Waste (1-ton minimum charge) | \$91.25 per ton | \$96.26 per ton |
| Food Waste/Green Waste Program (1-ton minimum charge) | \$117.67 per ton | \$124.14 per ton |
| Pull-Offs | \$57.66 per load | \$60.83 per load |

Notes:

- 1.) Uncovered Loads Capable of Producing Litter: \$5.06 per ton or \$5.06 per load surcharge.
- 2.) All rates include the following state, county, and local fees and taxes (fees expressed on a per ton basis do not apply to Green Waste, Food Waste, and Pull-Offs):
 - a) California Integrated Solid Waste Management Fee: \$1.40 per ton
 - b) Los Angeles County Solid Waste Management Fee: \$1.50 per ton
 - c) Los Angeles County Department of Health Services Regulatory Service Fee: \$0.41 per ton
- 3.) Rates for materials that benefit the operation of the facility or that promote solid waste management alternatives are subject to change without notice.
- 4.) All Food Waste placed with Green Waste must be in plastic bags.

**SOUTH GATE TRANSFER STATION
RECOMMENDED MSW AND RECYCLABLES RATES**

| | CURRENT RATE | RATE EFFECTIVE JULY 1, 2023 |
|---|-------------------------|--|
| Municipal Solid and Inert Waste (1-ton minimum charge) | \$101.04 per ton | \$106.60 per ton |
| Hard-to-Handle, Bulky Items (1-ton minimum charge) | \$116.04 per ton | \$121.60 per ton |
| Pull-Offs | \$57.66 per load | \$60.83 per load |

Notes:

- 1.) Uncovered Loads Capable of Producing Litter: \$5.06 per ton or \$5.06 per load surcharge.
- 2.) All rates include the following state, county, and local fees and taxes (fees expressed on a per ton basis do not apply to Pull-Offs):
 - a) California Integrated Solid Waste Management Fee: \$1.40 per ton
 - b) Los Angeles County Solid Waste Management Fee: \$1.50 per ton
 - c) Los Angeles County Department of Health Services Regulatory Service Fee: \$0.41 per ton

**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**

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:

SECTION 1. SHORT TITLE

This Ordinance shall be known as the *Sanitation Districts System Solid Waste Rate Ordinance*.

SECTION 2. PURPOSE

The purpose of this Ordinance is to establish the fee and charge rates for the Puente Hills MRF and the South Gate Transfer Station, to provide for the issuance of agreements for the acceptance of solid waste and other waste management services, and to provide for customer credit agreements.

SECTION 3. DISPOSAL FEES AND CHARGES

The following fee and charge rates are hereby prescribed for the following facilities, effective July 1, 2024, as listed below. These rates are subject to change as described in Section 6 and Section 11:

A. Puente Hills MRF

| | |
|--|---------------|
| Municipal Solid and Inert Waste (MSW) [1-ton minimum charge] | \$ 99.16 /ton |
| Hard-to-Handle, Bulky Items (1-ton minimum charge) | 114.16 /ton |
| Pull-Offs | 60.83 /load |

B. South Gate Transfer Station

| | |
|--|----------------|
| MSW (1-ton minimum charge) | \$ 106.60 /ton |
| Hard-to-Handle, Bulky Items (1-ton minimum charge) | 121.60 /ton |
| Pull-Offs | 60.83 /load |

SECTION 4. UNCOVERED LOADS

A surcharge of \$5.06/ton, subject to a minimum charge of \$5.06, will be charged with respect to all uncovered loads capable of producing litter.

SECTION 5. RECYCLABLE MATERIALS

5.1 The Districts Chief Engineer and General Manager (Chief Engineer) may adjust any fee or charge rate for materials and services that benefit the operation of the facility, or that promote solid waste management alternatives. These materials may include, but are not restricted to, segregated shredded or unshredded organic material suitable for composting or recycling and various other recyclable materials.

5.2 The Chief Engineer shall determine the materials and services that are eligible for a rate adjustment and the amount of the rate adjustment. The Chief Engineer shall make the determination in writing, and it will be made available to members of the public on request.

- 5.3 The Chief Engineer may purchase loads of recyclable materials that have value to the District or that promote solid waste management alternatives. These materials may include, but are not restricted to: paper, cardboard, plastic containers, glass bottles, aluminum cans, scrap metal, scrap plastic, and commingled recyclables.

SECTION 6. ADJUSTMENT OF FEES AND CHARGES

- 6.1 The District's Chief Engineer may adjust the MSW rates in Section 3 from time-to-time as described in Sections 6.1.1 and 6.1.2.
- 6.1.1 *Upward* by up to five (5) percent, if the facility's Tons Received remains stable or increases averaged over any four consecutive calendar weeks. In no event will the rate exceed the District's reasonable costs of handling solid waste or increase by more than 20% in any consecutive 12 months.
- 6.1.2 *Downward* by up to five (5) percent, if the facility's Tons Received declines more than five (5) percent over any four consecutive calendar weeks, except that the MSW fee shall not be less than the MSW rate listed in Section 3.
- 6.2 For the purpose of this Section, "Tons Received" shall mean the number of tons of refuse received in a calendar week. An adjustment shall be made to the calculated Tons Received to compensate for unusual conditions such as holidays and/or interruptions to receiving or other conditions that make the Tons Received calculation not a representative average.
- 6.3 Adjustments to the Disposal Fees and Charges as a result of this Section shall be made with a minimum 21-day notice and become effective on the first day of the next calendar month. In no event will a facility's MSW rate be adjusted more than four times in any consecutive 12 months.
- 6.4 In the event of a change in the MSW rate the Hard-to-Handle, Bulky Items fees and charges rates will be set at the MSW rates plus \$15.00.

SECTION 7. SOLID WASTE MANAGEMENT SERVICES AGREEMENT

The District may enter into agreements with customers for the acceptance of agreed quantities of solid waste, recyclable materials, or other solid waste management services at the Puente Hills MRF and the South Gate Transfer Station. The agreements may establish fees and charges applicable to specific solid waste management services, including processing of commingled recyclables and dry commercial waste and commitments for delivery of agreed quantities of materials. The terms and conditions of agreements under this Section will supersede any fees and charges prescribed in Sections 3 and 6. To maintain adequate capacity for the general public, the combined committed tonnage of the waste services agreements will not exceed 50% of the combined capacity of the District's facilities.

SECTION 8. CREDIT AGREEMENTS

The Chief Engineer may offer credit agreements to solid waste facility customers for payment of fees and charges. The Chief Engineer shall establish and enforce policies for administration of credit agreements, subject to all applicable laws and regulations.

SECTION 9. COLLECTION OF FEES PURSUANT TO THE PUBLIC RESOURCES CODE

All fees and charges specified in this Ordinance include an amount necessary to cover fees required pursuant to Sections 48000 through 48008 of the Public Resources Code (imposed by the State of California under Section 48000), Sections 40900 through 41956 of the Public Resources Code (imposed by the County of Los Angeles under Section 41901), and Sections 43200 through 43610.1 of the Public Resources Code (imposed by the County of Los Angeles under Section 43213).

SECTION 10. COLLECTION OF FEES AND TAXES PURSUANT TO LOS ANGELES COUNTY ORDINANCES

All fees and charges specified in this Ordinance include an amount necessary to collect fees imposed by the County of Los Angeles pursuant to Los Angeles County Ordinances Nos. 2008-0056 and 2011-0042.

SECTION 11. ADJUSTMENTS FOR GOVERNMENTAL FEES AND CHARGES

Notwithstanding the requirements listed in Section 6, the Chief Engineer may increase or decrease, as appropriate and at any time, any fees and charges specified in Sections 3, 4, or 5 of this Ordinance by an amount estimated to equal any revision in the fees or taxes specified in Sections 9 and 10 of this Ordinance, or by an amount estimated to equal any other mandatory fees or taxes imposed by federal, state, or local government which must be paid by County Sanitation District No. 2 of Los Angeles County as operator of the facilities listed in Section 3.

SECTION 12. REPORTING

The Chief Engineer will make an annual presentation to the Board of Directors regarding the fees and charges established in this Ordinance. If any adjustments, as described in **Section 6**, are made after the last presentation to the Board of Directors, the Chief Engineer will report on the adjustments at the next regular meeting of the Board of Directors.

SECTION 13. SUPERSESION

This Ordinance supersedes the *Sanitation Districts System Solid Waste Rate Ordinance* adopted July 1, 2023, establishing fees or charges relating to the Puente Hills MRF and the South Gate Transfer Station.

SECTION 14. EFFECTIVE DATE

This Ordinance shall become effective on July 1, 2024.

ATTEST:

Clerk, Board of Directors
County Sanitation District No. 2
of Los Angeles County

Chairperson, Board of Directors
County Sanitation District No. 2
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 2 of Los Angeles County on _____, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Secretary, Board of Directors
County Sanitation District No. 2
of Los Angeles County