

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

May 26, 2021
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: Katherine Lee, Alternate Director from Alhambra
Ali Sajjad Taj, Director from Artesia
Ali Saleh, Director from Bell
Marco Barcena, Director from Bell Gardens
Ray Dunton, Alternate Director from Bellflower
Grace Hu, Director from Cerritos
Leonard Mendoza, Director from Commerce
Michelle Chambers, Alternate Director from Compton
Claudia M. Frometa, Director from Downey
Robert Garcia, Director from Long Beach
Joe Buscaino, Alternate Director from Los Angeles City
Kimberly Ann Cobos-Cawthorne, Director from Montebello
Yvonne Yiu, Director from Monterey Park
Jennifer Perez, Director from Norwalk
Brenda Olmos, Director from Paramount
Gustavo Camacho, Alternate Director from Pico Rivera
Chin Ho Liao, Director from San Gabriel
Maria Davila, Alternate Director from South Gate
Melissa Ybarra, Director from Vernon
Hilda Solis, Director from Los Angeles County
Cathy Warner, Chairperson, Alternate Director from Whittier

Absent: None

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

CONSENT AGENDA

Upon motion of Director Frometa, 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 May 12, 2021, were approved.

RE: LEGAL SERVICES
PAYMENT AND
REIMBURSEMENT OF
EXPENSES ADVANCED An invoice dated April 19, 2021, from Lewis Brisbois, Bisgaard & Smith LLP, in the amount of \$246,332.62 for legal services rendered and reimbursement of expenses advanced in various Districts' matters during the month of March 2021, 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
FURNISH AND DELIVER FILTER MEDIA
ANTHRACITE TO FOUR DISTRICTS'
LOCATIONS - REPORT ON BIDS AND
AWARD OF ORDER**

On April 29, 2021, three bids were received at the District's office to *Furnish and Deliver Filter Media Anthracite to Four Districts' Locations*. 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 responsive bidder, CarbonFilt LLC, in the amount of approximately \$322,300.

Upon motion of Director Frometa, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue a purchase order to the low responsive bidder, CarbonFilt LLC, to *Furnish and Deliver Filter Media Anthracite to Four Districts' Locations*, in the amount of approximately \$322,300, in accordance with the bids received April 29, 2021.

**RE: FACILITIES PLANNING
IBM WEBSHERE SOFTWARE
MAINTENANCE - AUTHORIZE
ISSUANCE OF PURCHASE
ORDER TO CDW-G**

The Districts uses IBM WebSphere software to develop and host custom web applications to conduct Districts' business over the internet such as wastewater and solid waste billing, landfill transaction processing, and liquid waste disposal. IBM requires annual maintenance and support renewals to use its software. CDW-G is a reseller

of IBM WebSphere software and provides maintenance coverage pricing through the California National Association of State Procurement Officials ValuePoint cooperative purchasing agreement, which allows state and local governments to procure IT-related products and services at cooperative prices without the expense of conducting a competitive bid process. 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 issue a purchase order to CDW-G in the amount of approximately \$175,000 for the purchase of IBM WebSphere software maintenance for a three-year period.

Upon motion of Director Frometa, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue a purchase order to CDW-G for IBM WebSphere software maintenance for a three-year period, at a cost of approximately \$175,000.

**RE: JOINT ADMINISTRATION
DENTAL PLAN - HMO - AUTHORIZE
ISSUANCE OF - PURCHASE ORDER TO
DELTACARE**

The Districts provides employees one indemnity (PPO) and two prepaid dental (HMO) plans. Last year, the Districts' insurance broker solicited bids for one and two-year rates from several dental insurance carriers. The Board approved a DeltaCare USA HMO plan for

one year. All other dental plans remain in effect. A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue a purchase order to DeltaCare USA in the amount of approximately \$167,000 for an HMO dental plan for a one-year period with no increase to the rate.

Upon motion of Director Frometa, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue a purchase order to DeltaCare USA for a prepaid dental (HMO) plan for a one-year period, at a cost of approximately \$167,000.

**RE: WASTEWATER MANAGEMENT
JOINT WATER POLLUTION CONTROL
PLANT - PAVING AND FENCING
AUTHORIZE ISSUANCE OF PURCHASE
ORDER TO HORIZONS CONSTRUCTION
COMPANY INT'L, INC.**

Districts' property at the Joint Water Pollution Control Plant (JWPCP) on the north side of Sepulveda Boulevard was vacated by Color Spot Nurseries in December 2018. Without an ongoing presence, the property has been subject to vandalism. One of the two sewer maintenance workgroups currently located at the Compton Field Office will be relocated to this property, which will

provide a Districts' presence, alleviate the crowded conditions at the Compton Field Office, and strategically locate the workgroup closer to its maintenance territory. An existing 8,500-square-foot warehouse building in the southeast corner of the property is suitable for re-purposing for the sewer maintenance workgroup, but access to the building and the surrounding pavement require improvement. In addition, the exterior chain-link fencing

along the perimeter of the property is in disrepair and frequently breached by vandals. The paving and fencing improvements addressed by the project include construction of an interior access road, pavement repairs, new entrance gates, and installation of wrought-iron perimeter fencing and interior chain-link security fencing. 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 activities described are not subject to the provisions of California Environmental Quality Act (CEQA). The activities described herein do not constitute a "Project" as that term is defined in 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 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 Horizons Construction Company Int'l, Inc., in the amount of approximately \$394,598 for paving and fencing at JWPCP.

Upon motion of Director Frometa, 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 paving and fencing at the Joint Water Pollution Control Plant, at a cost of approximately \$394,598.

RE: SOLID WASTE MANAGEMENT
PUENTE HILLS INTERMODAL
FACILITY AND RAILROAD
IMPROVEMENTS - USS CAL
BUILDERS, INC. CONTRACT
NO. 4585 APPROVE CHANGE
ORDER NO. 127 - EXTRA WORK

As part of the *Puente Hills Intermodal Facility and Railroad Improvements* (Project), a *Project Suspension Agreement and Amendment to Contract* (Agreement) was executed on October 12, 2016. Temporary suspension of the Project was necessary while new requirements from Union Pacific Railroad were incorporated into the design and new easements were obtained. Per the Agreement, the contractor is entitled to be compensated for office over-

head costs incurred during the suspension period and upon resumption of work. The contractor submitted invoices for office overhead costs for the period of July 2019 through March 2021. This item is consistent with the Districts' Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). The claim has been reviewed and the work determined to be beyond the scope of the plans and specifications. A recommendation was made to approve Change Order No. 127 to Contract No. 4585 with USS Cal Builders, Inc., for construction of the *Puente Hills Intermodal Facility and Railroad Improvements*, resulting in a payment of \$322,695 for extra work.

Upon motion of Director Frometa, duly seconded and unanimously carried by a roll-call vote, Change Order No. 127 to Contract No. 4585 with USS Cal Builders, Inc., for construction of the *Puente Hills Intermodal Facility and Railroad Improvements*, resulting in a payment of \$322,695, was approved.

RE: INSURANCE - UMBRELLA GENERAL
LIABILITY COVERAGE - ALL OPERATIONS
AUTHORIZE ISSUANCE OF PURCHASE
ORDER TO AON RISK SERVICES, INC.

Proposals were solicited from 22 companies through Aon Risk Services, Inc., 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, the Districts' current carrier, with an excess layer from Landmark American Insurance Company. The overall premium increased by approximately 5 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 a payment to Aon Risk Services, Inc., for umbrella general liability insurance coverage from Great American Assurance Company and Landmark American Insurance Company for Districts' operations at an annual premium of \$812,257.

Upon motion of Director Frometa, duly seconded and unanimously carried by a roll-call vote, the Purchasing Agent was authorized to issue a purchase order to Aon Risk Services, Inc., for umbrella general liability insurance coverage from Great American Assurance Company and Landmark American Insurance Company for Districts' operations, in the amount of \$812,257.

RE: SOLID WASTE MANAGEMENT
GAS SERVICES AGREEMENT - STATE
OF CALIFORNIA DEPARTMENT OF
GENERAL SERVICES - CONTRACT
NO. 5364 - APPROVE - AUTHORIZE
CHIEF ENGINEER AND GENERAL
MANAGER TO EXECUTE

The Total Energy Facility at the Joint Water Pollution Control Plant (Facility) is fueled primarily by digester gas, but at times has to supplement the fuel with natural gas to ensure stable operation and meet plant load demands. Under California Public Utilities Code rules, the Facility is classified as a “non-core” user of natural gas and natural gas must be purchased from independent suppliers rather than from Southern California Gas Company. The

Districts has purchased non-core gas from the State of California Department of General Services (DGS) since 2004. DGS purchases gas under a mix of long-term and short-term gas prices to create a pool of gas that is purchased by numerous agencies, cities, and counties. Purchasing a mix of long term and short-term gas provides for increased price certainty and limits the impact of short-term price fluctuations. The current agreement expires June 30, 2021. The proposed *Gas Services Agreement* (Agreement) is for five years and will expire June 30, 2026. Staff has determined that the “Project” is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21084 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15301. This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to approve and order executed an Agreement with the State of California Department of General Services program. Furthermore, a recommendation was made to authorize the Chief Engineer and General Manager to execute future addenda, amendments, and all related documents.

Upon motion of Director Frometa, 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 *Gas Services Agreement* with State of California Department of General Services (DGS) Program providing for the purchase of non-core gas, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Gas Services Agreement*, Contract No. 5364, dated May 26, 2021, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District. Furthermore, the Chief Engineer and General Manager, on behalf of the District, was authorized to execute future addenda, amendments, and all related documents.

RE: SOLID WASTE MANAGEMENT
FIRST AMENDMENT TO LABOR SERVICES
AGREEMENT - MINUTE MAN, INC.
CONTRACT NO. 5040A - APPROVE

Labor services are required at Districts’ facilities to perform a variety of tasks including traffic direction, litter removal, cleaning duties, general labor, and grounds maintenance. In July 2017, subsequent to receipt of proposals, the Board approved and ordered executed the

Labor Services Agreement (Agreement) with Minute Man, Inc., (Minute Man) to provide labor services at Districts’ facilities for a two-year period. The Agreement provided for two additional two-year extension periods upon mutual agreement of the parties, with cost increases limited to specifically identified pass-through costs and to the Consumer Price Index. In April 2019, the Board approved the first of two extensions, which expires in June 2021. The California Supreme Court’s recent changes to the interpretation of prevailing wage requirements for special districts necessitates an increase in the billing rates paid to Minute Man for the services they provide. This *First Amendment to Labor Services Agreement* (Amendment) incorporates prevailing wage requirements and extends the Agreement for the second and final period through June 30, 2023. The approximate cost for this last extension period is approximately \$6.27 million. Minute Man has an excellent employee retention rate and safety record and has agreed to continue to provide the required services under all of the other terms and conditions of the Agreement. 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 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 approve and order executed an Amendment with Minute Man, Inc.

Upon motion of Director Frometa, duly seconded and unanimously carried by a roll-call vote, an amendment to the agreement entered into with Minute Man, Inc., Contract No. 5040 dated June 14, 2017, providing for labor services, as set forth therein, was approved. All the terms and conditions of the *First Amendment to Labor Services Agreement*, Contract No. 5040A, dated May 26, 2021, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Amendment on behalf of the District.

RE: SOLID WASTE MANAGEMENT
ORDINANCES PRESCRIBING FEE AND
CHARGE RATES FOR SOLID WASTE
MANAGEMENT ACTIVITIES - ADOPT

An Ordinance Prescribing Fee and Charge Rates for Solid Waste Management Activities at the Puente Hills Materials Recovery Facility (MRF), the South Gate Transfer Station (SGTS) and the Downey Area Recycling and Transfer (DART) Facility and An Ordinance

Prescribing Fee and Charge Rates for Solid Waste Management Activities at the Scholl Canyon Landfill (Ordinances) were presented for the Board's consideration. This matter was previously discussed with the Directors, and a letter describing the recommendation was provided to the Directors prior to a public hearing and the introduction of the Ordinances on May 12, 2021. A copy of the letter and the proposed Ordinances accompanied the agenda. The Ordinances would increase the municipal solid and inert waste (MSW) rate at the Puente Hills MRF from \$70.60 per ton to \$74.13 per ton. The MSW rate at SGTS would remain at \$79.70 per ton. The MSW rate at DART would increase from \$75.16 per ton to \$78.92 per ton. Changes to the rates for hard-to-handle and bulky items are also proposed at Puente Hills MRF and DART. The minimum charge at all Districts-owned facilities would be replaced with a one-ton minimum charge. The MSW rate at the Scholl Canyon Landfill would increase from \$53.88 per ton to \$56.57 per ton. Changes to the rates for minimum load, hard-to-handle, bulky items, tires, and special handling are also proposed at Scholl Canyon Landfill. The new rates would become effective July 1, 2021. These increases are needed to offset increasing operational and capital costs. The City of Glendale and Los Angeles County have concurred with the increases. 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 Ordinances. Furthermore, a recommendation was made that the Board find that the Ordinances are exempt from California Environmental Quality Act Under Public Resources Code Section 21080(b)(8) because rates and charges are for the purpose of meeting operational expenses, purchasing equipment, and funding capital projects necessary to maintain services within existing service areas.

Upon motion of Director Frometa, duly seconded and unanimously carried by a roll-call vote, *An Ordinance Prescribing Fee and Charge Rates for Solid Waste Management Activities at the Puente Hills Materials Recovery Facility (MRF), the South Gate Transfer Station (SGTS) and the Downey Area Recycling and Transfer (DART) Facility and An Ordinance Prescribing Fee and Charge Rates for Solid Waste Management Activities at the Scholl Canyon Landfill* (Ordinances), were adopted by County Sanitation District No. 2 of Los Angeles County, by the following vote:

AYES: Directors Lee, Taj, Saleh, Barcena, Dunton, Hu, Mendoza, Chambers, Frometa, Garcia, Buscaino, Cobos-Cawthorne, Yiu, Perez, Olmos, Camacho, Liao, Davila, Ybarra, Solis, and Warner

NOES: None

ABSTAIN: None

ABSENT: None

Furthermore, the Ordinances were found to be exempt from the California Environmental Quality Act Under Public Resources Code Section 21080(b)(8) because rates and charges are for the purpose of meeting operational expenses, purchasing equipment, and funding capital projects necessary to maintain services within existing service areas.

RE: BARRETT BUSINESS SERVICE, INC.
DISPUTE - CONFERENCE WITH LEGAL
COUNSEL-POTENTIAL LITIGATION - DISCUSS

District Counsel advised that it would be in the interest of the District to meet in closed session pursuant to Section 54956.9(d)(2) of the California Government Code *Conference with Legal Counsel-Potential Litigation*

to confer on the matter of a dispute with Barrett Business Service, Inc.

Upon motion of Director Davila, duly seconded and unanimously carried by a roll-call vote, with Director Buscaino absent, the Board of Directors of County Sanitation District No. 2 of Los Angeles County met in closed session at 2:04 p.m. to confer on the matter referred by District Counsel.

Upon motion of Director Frometa, duly seconded and unanimously carried, the meeting reconvened in regular session at 2:18 p.m. District Counsel advised that no action was taken of a nature that requires disclosure pursuant to Government Code Section 54957.1.

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

CATHY WARNER
Chairperson

ATTEST:

KIMBERLY S. CHRISTENSEN
Secretary

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