

**MEMORANDUM
CITY OF LANCASTER, CA**

TO: Mayor Parris and City Council Members

FROM: Councilmember Ken Mann

DATE: March 11, 2014

SUBJECT: **Report on the Activities of the Board of Directors for District No. 14 of the County Sanitation Districts of Los Angeles County**

Recommendation:

Receive a report of the proceedings and issues discussed at the February 20, 2014 District No. 14 Board of Directors meeting of the County Sanitation Districts of Los Angeles County.

Background:

District No. 14 of the County Sanitation Districts of Los Angeles County is organized to receive through their trunk sewers the wastewater from all of the City of Lancaster, a small region of the westerly portion of the City of Palmdale, and a smaller region of the unincorporated County of Los Angeles. A Board of Directors comprised of a representative from each city and the County generally meets monthly to review and decide upon the business of the District.

The Board of Directors considered the following agenda items at the February 20, 2014 meeting:

- Received and ordered filed a certificate of Mr. Donald R. Knabe, Presiding Officer of the Board of Supervisors of the County of Los Angeles.
- Approved minutes of meeting held November 21, 2013.
- Approved warrants in the amount of \$1,062,992.85. The warrants issued by the District are for costs incurred for operation and maintenance, such as electricity, water, telephone, and chemicals, and for relatively small capital projects. Expenditures are made in accordance with the guidelines established by the budget procedure and the purchasing policy that has been adopted by the Board.
- Approved departmental invoices in the amount of \$1,590,172.60 for the months of November, and December, 2013. The invoice is an internal document that transfers each District's proportionate share of expenditures made by District No. 2, the administrative District, on behalf of the participating Districts in accordance with the authority granted through the approved annual budget and applicable joint powers agreement.

- Approved the investment policy and renewed the delegation of authority to the District Treasurer. The Districts' investment policies require that each District annually review and approve its investment policy, which action also delegates authority to the District Treasurer (Chief Engineer and General Manager) to invest and reinvest District funds or to sell or exchange securities. The matter has been discussed with the Personnel Committee, comprised of the Chairpersons of all of the Districts' Boards, which concurred with the recommendation.
- Approved and order executed documents as follows:
 - (a) Agreement with Nursery Products, LLC (Nursery Products, LLC) for loading, removal, transportation and reuse of biosolids generated at Lancaster Water Reclamation Plant (WRP). Biosolids composting provides additional assurance of regulatory compliance that the current land application contract does not provide. To arrange for the management of biosolids through composting, Districts staff solicited quotes from selected contractors that have demonstrated the ability to successfully manage biosolids. Three responsive quotes were received and Nursery Products submitted the lowest cost, responsive proposal to manage approximately 7,000 wet tons of biosolids per year. The cost for Nursery Products to load, transport, and compost the biosolids at their composting site in San Bernardino County would be \$443 per wet ton, plus a fuel surcharge which is equal to the current rate. The term of the Agreement would be for one year, with up to three one-year extensions upon mutual agreement.
 - (b) Industrial Wastewater Disposal Agreement (Agreement) with Sierra SunTower, LLC (Sierra SunTower). Sierra SunTower owns and operates a solar power generating station in Lancaster adjacent to the District's service area. The company currently hauls wastewater from their facility to the District's liquid waste disposal station under an agreement that will expire this year. Under the proposed Agreement, Sierra SunTower would continue to haul wastewater to the District's liquid waste disposal station, subject to all of the terms and conditions of the Wastewater Ordinance, including the requirement to pay all applicable wastewater disposal charges.
- Approved the updated February 2014 Sewer System Management Plan (SSMP). In 2006, the State Water Resources Control Board adopted an order that established General Waste Discharge Requirements (WDRs) for all publicly owned or operated sanitary sewer systems within the State of California. The WDRs require owners and operators of sewer collection systems to develop and implement an SSMP. The SSMP, which was originally approved by the Board in February 2009; is required to be updated and approved once every five years.

- Reported on bids for construction of Lancaster Water Reclamation Plant Landscaping Project. The following bids were received:

<u>BIDDER</u>	<u>TOTAL BID</u>
Rich Meier's Landscaping, Inc.	\$53,985.00*
High Desert Contractors, Inc.	\$113,104.00

*Contractor submitted an incomplete bid rendering it unresponsive.

The Board rejected all bids and authorized the Chief Engineer and General Manager to establish a date for re-advertisement and receipt of bids.

Engineer's Estimate: \$60,000

- Received and ordered filed the Comprehensive Annual Financial Report for Fiscal Year 2012-2013. Copies of the District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013, which includes the annual audit required by state and federal laws, have been previously mailed to the Directors.
- Re: Contract No. 4328 with Taisei-T&K Joint Venture for Construction of Lancaster Water Reclamation Plant Stage Five Plant Expansion–Phase I.
 - (a) Re: Conference with Legal Counsel – existing litigation (Subdivision (a) of Government Code Section 54956.9) – *Taisei-T&K Joint Venture v. County Sanitation District No. 14 of Los Angeles County, LASC Case No. BC509159*

Summary: The Chief Engineer and General Manager and District Counsel discussed the matter in closed session with the Board.

- (b) Rejected claims in the amounts of \$33,917.72, \$52,697.77, \$25,564, \$12,810.05, and \$49,217 for extra work. The contractor submitted claims for costs to thermally insulate piping unions, to provide temporary compressors to test the backwash system for the inert media filtration system, to demolish and reconstruct a partially poured concrete wall, to provide ring spacers where raised face flanges are to be connected to flat flanges, and to touch-up damaged paint. District Counsel has reviewed the claims and recommends that they be rejected.