

**MINUTES OF THE AJOURNED REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE MIDWAY CITY  
SANITARY DISTRICT OF ORANGE COUNTY  
14451 CEDARWOOD AVENUE  
WESTMINSTER, CA 92683**

**July 12, 2016**

**CALL TO ORDER**

President Rice called the adjourned regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, July 12, 2016 at 5:00 P.M.

**BOARD MEMBERS PRESENT:**

Al P. Krippner  
Joy L. Neugebauer  
Tyler Diep  
Frank A. Cobo  
Margie L. Rice

**OTHERS AT MEETING:**

Kenneth Robbins, General Manager  
Robert Housley, Finance/HR Director  
Danielle Gerardo, Board Secretary  
Suzanne Gentilini, Opterra Energy Services  
Curtis Campbell, Opterra Energy Services  
Anita Rice, Resident

**PLEDGE AND INVOCATION**

GM Robbins led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

**PUBLIC COMMENTS**

None

## **NEW BUSINESS**

### **A. Solar Panel Study Session and Presentation**

GM Robbins stated that the Board directed staff to look into carport style solar energy for the District and to find out who was awarded the bid for the Westminster School District's project. Opterra was awarded that project over eight other bidders. GM Robbins stated that he already provided them with information regarding the District's electrical output according to Southern California Edison billing over the past year and the District has already scaled down to only one meter, due to the CNG project, which will make it easy to tie it into solar panels. He introduced Suzanne Gentilini and Curtis Campbell from Opterra.

Suzanne Gentilini, Senior Regional Manager and Curtis Campbell, Project Manager for Opterra Energy Services are currently working on the Westminster School District project. Suzanne Gentilini explained that Opterra was previously Chevron Energy Solutions and is not a solar company, but an energy company. Opterra would begin by determining what makes the most financial sense for the District's site and equipment by assessing the District's energy needs and determining what would make it more efficient by looking for opportunities to reduce the current demand such as LED lighting, HVAC upgrades, new controls, and water conservation. They would review the District's usage during the year, then make energy efficient recommendations to reduce that demand. After those changes are made and the energy expended from the District is reassessed, a more accurate right-size solar recommendation can be made.

Suzanne Gentilini gave an example of the Westminster School District project. They were receiving approximately \$2.4 million in Proposition 39 funds, which can only be used for energy efficiency work. Opterra was able to leverage the \$2.4 million along with energy savings from rebates and incentives available through the utility and do a \$22.1 million project that is cash positive from day one. They took out a tax exempt lease purchase to pay the mortgage of the program, but the mortgage payments are being paid for through the savings with additional cash positive every single year even over the debt service, and Opterra guarantees those savings. There was no additional cost to the taxpayers on that project and it was completely paid for with energy savings, rebates, incentives and their Proposition 39 money. She stated that Opterra is very conservative when making savings estimates and if there were ever a shortfall, Opterra would write a check to the school district for the difference.

Suzanne Gentilini stated that when they do the financial proforma the solar panels are warranted for 25 years, but the lighting and HVAC only lasts about 15 years so when they do a financial analysis, they take all of that into account. The solar panels have minimal maintenance in that they just need to be cleaned and they use only the highest quality panels and installation.

Director Krippner asked if Opterra used American made materials.

Suzanne Gentilini stated that they are using Hyundai (Korean) panels on the Westminster School District but if American made is a criteria for the District they could look into that, while making sure that they are equally high quality.

GM Robbins asked if Opterra did the Huntington Beach School District as well.

Suzanne Gentilini responded that Opterra just finished the second phase for the City of Huntington Beach. They have also done projects for the Fountain Valley School District, Orange Unified, City of Brea, City of Garden Grove, and Santa Ana Unified.

Suzanne Gentilini stated that there are two different ways to do solar – by doing a power purchase agreement (PPA) or by purchasing and owning it. The City of Huntington Beach did a PPA and thus don't own the solar. A third party owns it and Huntington Beach is buying the power from the third party for the life of the PPA, which is usually about 25 years. The school districts that they have worked with have elected not to do that and prefer to own it, which is what she would suggest for the District. If the District purchases, and once the debt is paid off, all the savings and power would come to the District. A lot of the PPA's are take or pay so if you are overproducing and not using the power, you are still going to pay for the power to the third party provider. If you own it and are not using all of it, through net metering you will get a credit back on your utility bill.

As an aside, on the Westminster School District project, Opterra quantified how it stimulated the local economy by creating local jobs, saving money to the general fund, producing clean, renewable power, and making a positive environmental impact which is an important message for the public. They also did a customized education program for the Westminster School District. They asked how they could help fill gaps in science, technology, engineering and math curriculums by providing resources, professional development for teaching staff, a virtual lab that will pull the data from the solar and will be available on their website, teach the teachers how to integrate that into the classroom, and teach the kids about the solar impact and how it works.

In the City of Livermore, Opterra did a large solar project, but also retrofitted about 6,000 street lights. A local manufacturer was used, which created local jobs and the project offset their CO2 emissions in order to comply with AB32. Opterra designed a paid internship program there taking local high school and college students and trained them to be energy ambassadors who worked with local businesses to do energy audits for their home or business. They were paid and it helped the local businesses and residents reduce their utilities. Lastly, they quantified the savings to the taxpayers, the number of jobs created, the environmental impact and would do the same for the District.

Opterra has also done several projects for water districts due to the high cost to pump water during peak hours.

Suzanne Gentilini stated that there are some short term programs through Southern California Edison that make solar energy viable that are going to go away in 2017. One is the net metering which means if you are overproducing, you are going to get credit back from the utility. Anyone who has it prior to July 1, 2017 will be grandfathered in. The other program is the "R" Rate Cap which is the renewable rate through SCE. It automatically puts you on a new rate tariff and gets rid of demand charges.

Suzanne Gentilini stated that Opterra would lower the District's carbon footprint, quantify that for the District, help with the positive public recognition and then do the performance guarantee. If the Board chooses Opterra to do the District's solar project, they would start doing the detailed development and design over the next few months and then come back with data, recommendations and options and let the Board make a decision to approve the project. They would act as the District's design-build single point of contact and would be there from start to finish and would also help make the neighboring community aware of the project with a custom developed program. She stated that NEM metering and "R" Rate Cap are going away in 2017, so she advised the Board to make a decision quickly in order to take advantage of those savings.

Director Krippner asked Suzanne Gentilini why the Board should chose to go with Opterra versus another company.

Suzanne Gentilini replied that Opterra has been in business for over 35 years and have an excellent reputation. She stated that nobody does more solar than Opterra and that they work only with the public sector and guarantee and stand behind the work that they do. She stated that people don't ask you back if you don't deliver on what you promise and that they have done multiple phases of work for numerous entities.

Director Cobo asked how long the project would take to complete.

Suzanne Gentilini stated that it would take approximately ten to eleven months from start to finish.

Curtis Campbell stated that it has to be developed correctly from the beginning in order to do the project well.

Suzanne Gentilini stated that if the District chooses to move forward with Opterra, the first step would be to do the detailed development - analyzing all the utility data, looking at all the equipment that the District has, and working with their engineering team to come up with some different options and a solution that makes sense. This would take time, and regular, weekly meetings would also take place.

Director Neugebauer asked if there was a methodology to see what the per-year savings were for the Westminster School District and if they would share that information.

Suzanne Gentilini stated that the Westminster School District project is not finished yet but the City of Huntington Beach is finished, as is the City of Brea and Fountain Valley. She stated that Westminster School District is cash positive from year one even after debt service and Opterra supplies monthly reports in order to verify savings.

Director Neugebauer asked if, when it goes to bid, the District would need to have an engineering firm write the specifications.

Suzanne Gentilini stated that Opterra is a design-build construction company which means that they design it and build it.

Director Neugebauer asked if there was any movement toward solar solely to operate generators because she recently received information urging generators be on solar. The District's backup generators are diesel and she asked if the District should consider having solar powered generators at its four lift stations.

Director Cobo stated that generators run on fuel and solar runs on energy.

Director Neugebauer asked if the District would be safer in the years ahead with a different form of backup.

GM Robbins stated that he has looked into solar for the lift stations but the lift station properties are not a large enough footprint to put enough solar to generate the power needed to run the pumps.

Suzanne Gentilini stated that Opterra is also looking at battery storage for access solar power and will look at that for the District.

GM Robbins stated that solar installation for residential and commercial is design/build.

President Rice asked if the District had to go out to bid on the project.

GM Robbins stated that the District did not have to go out to bid because Section 11 of the District's purchasing policy states that if another government agency has gone through the procurement process and it is similar to the District's, then the District can piggyback off of it. GM Robbins stated that he has already requested copies of Westminster School District's procurement process and he will have District Counsel look into it as well.

President Rice asked if the District would see immediate savings.

GM Robbins stated that the District spends approximately \$7,000 a month or \$84,000 a year on energy and if the project is \$400,000, it will pay for itself in five years.

Director Neugebauer asked if the District's energy could come from CNG.

GM Robbins stated that a CNG generator could run the District but Air Quality Management District (AQMD) and California Air Resources Board (CARB) will not allow it.

Suzanne Gentilini stated that Opterra is design-build and they do their homework up front. They do not low ball the quote or come back with change orders. If there is something that Opterra misses, they will come back and take care of it at their cost. She suggested that the Board go on their website for additional information.

## **INFORMATIONAL ITEMS**

GM Robbins provided the Board with a last minute email from Orange County Sanitation District. It states that OCSD's energy costs account for approximately 12% of their operation and maintenance department's budget. Recently a comprehensive energy audit of operations was done and of the 50 areas reviewed for potential energy savings, only one significant opportunity was found, which is upgrading to LED lighting technology, and will be performed during planned capital improvement projects.

## **BOARD CONCERNS/COMMENTS**

Director Neugebauer stated that on Saturday, August 13, 2016, from 10am to 2pm, there will be a joint open house for Orange County Sanitation District and Orange County Water District. The community is invited to attend and she requested that it be put on the District's website.

Director Cobo stated that he was very satisfied with the energy presentation by Opterra and that he is excited that the District is going green.

Director Krippner stated that the District needs to get more numbers and review the information.

Director Diep asked what the monthly electric bill for the District is and if GM Robbins had contacted the lobbyist to see if there were any grants available for solar energy.

GM Robbins stated that the District spends approximately \$7,000 a month on electricity and that he had already contacted the lobbyist to inquire about grants for several things, including solar energy.

## **GM/STAFF CONCERNS/COMMENTS**

GM Robbins stated it would be wise for the District to do the solar project now while the District has the money and that he would get procurements from the Westminster School District and get General Counsel to weigh in on the potential solar project.

## **GENERAL COUNSEL CONCERNS/COMMENTS**

None

## **CLOSED SESSION**

**CLOSED SESSION:** During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

Reports relating to (a) purchase and sale of property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time as the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

None

## **ADJOURNMENT**

President Rice adjourned the meeting to Tuesday, July 19, 2016 at 5 P.M. the District office at approximately 6:19 P.M.



Frank Cobo, Secretary