

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

April 11, 2017

CALL TO ORDER

President Pro Tem Rice called the special meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, April 11, 2017 at 5:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Margie L. Rice
Charlie Nguyen
Frank A. Cobo
Tyler Diep (arrived at 5:04 P.M.)

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
James Eggart, General Counsel
Danielle Gerardo, Board Secretary
Suzanne Gentilini, OpTerra Energy Services
Curtis Campbell, OpTerra Energy Services

PLEDGE AND INVOCATION

Director Krippner led the Pledge of Allegiance. Director Cobo gave the Invocation.

PUBLIC COMMENTS

None

NEW BUSINESS

A. Presentation of Solar Panel Program Development at 14451 Cedarwood Avenue from OpTerra Energy Services

GM Robbins stated that, in October 2016, the Board elected to move forward with a program development assessment for the District using OpTerra Energy Services. The procurement process was done by the school Board of the Westminster School District in order to expedite the time due to Southern California Edison net metering which is set to expire July 1, 2017.

OpTerra has sent a letter to the Governor's office and California Public Utilities Commission (CPUC) requesting an extension of the deadline for current customers, including the District.

Suzanne Gentilini presented the results of the program development assessment done on the District with a Power Point presentation. She explained that they first find ways to reduce energy output and then make recommendations on the lower numbers. OpTerra project recommendations for the District includes solar panels for the parking lot, LED lighting throughout (interior and exterior), partial re-roofing of the main office, an electric vehicle charging station and new HVAC units and thermostats for front and back offices. The not-to-exceed budget is \$682,036, must be completed by July 1, 2017 and will reduce energy consumption for the District by over 99,994 kWh annually. In January 2017, OpTerra submitted an application on behalf of the District to grandfather it into the net metering and R-rate programs through SCE which will expire July 1, 2017. When doing the program development, there was a spike in the evenings due to the CNG charging station, so the compressors were staggered a month ago and a large difference in savings has already been noticed on the District's electric bill. Suzanne Gentilini stated that, depending on the direction from the Board tonight, OpTerra would go back and finalize the report and contract, give it to staff for review, then the District would need to post the District's intention to do the project two weeks prior to the Board taking action and then move forward.

Curtis Campbell stated that the construction process would only take about two months, but the City of Westminster would need to approve plans and material would need to be ordered.

Suzanne Gentilini stated that there are no rebates or incentives at this time, but if any came about during the project, OpTerra would help the District get those credits.

President Diep stated that he likes the idea of solar energy but is trying to justify the District investing \$682,036 with the District's electric bill currently at \$60,000 per year.

Curtis Campbell stated that the District's current air conditioner units are old and need to be replaced and the main office roof is in bad shape and will need to be repaired soon.

Director Rice stated that she wanted to hear what the General Manager and the Finance Director had to say about the project.

GM Robbins stated that the District has the money to do the project now and might not in the future, and is trying to get ahead of the District's operating costs in order to keep rates down.

Finance/HR Director Housley stated that the \$672,036 is just to get the project done and that there would be costs to maintain the equipment as well as inflation costs.

General Counsel Eggart asked about the July 1, 2017 deadline and what exactly it meant.

Suzanne Gentilini stated that the project will need to be interconnected by that date.

President Diep stated that there was not enough time.

General Counsel Eggart confirmed that it would be a two month period to finalize plans, get permitted by the City, order materials, break ground, have interim and final inspections by the City and hook into the utility by July 1, 2017 and asked what would happen if the District did not complete the project by then.

Suzanne Gentilini stated that OpTerra did their projections based on capturing the R rate and that they would go back and rerun the numbers in case the District cannot make the deadline.

There was discussion regarding the amount of time the permitting and inspection by the City of Westminster would take.

General Counsel Eggart stated that there would be a lot of inspections associated with this project.

Suzanne Gentilini stated that a letter has been sent to the Governor's office asking for extensions on all their current projects.

GM Robbins stated that the District should look at a proforma without the R rating because the higher rates were more realistic due to the July 1, 2017 deadline.

President Diep directed the General Manager to bring back the cost estimates without the discount in case the project is not finished by the July 1, 2017 deadline and to see if there is anything else that could help reduce the cost of the project, and bring it back to the next regular meeting for Board discussion.

Director Rice suggested sending letters to State legislators regarding the deadline.

GM Robbins stated that he would get a copy of the letter that OpTerra sent to the Governor and make copies to send from the District as well.

GM Robbins requested that OpTerra provide him the proforma without the discounted rates before April 14, 2017 in order to be able to put it on the next regular agenda.

INFORMATIONAL ITEMS

None

BOARD CONCERNS/COMMENTS

None

GM/STAFF CONCERNS/COMMENTS

GM Robbins reminded the Board of the special meeting at 9 A.M. to tour CR&R's Organics Solutions Resources Facility in Perris, CA on Wednesday, April 12, 2017.

GM Robbins stated that he provided the Board with photos from a customer complaint that Director Cobo got at the Spring Festival.

GENERAL COUNSEL CONCERNS/COMMENT

None

CLOSED EXECUTIVE SESSION

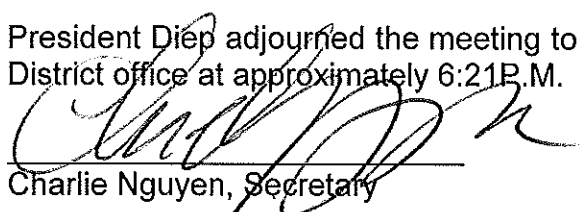
CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government 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 Diep adjourned the meeting to Wednesday, April 12, 2017 at 9:00 A.M. at the District office at approximately 6:21P.M.


Charlie Nguyen, Secretary