

MINUTES OF THE ADJOURNED REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 14
HELD AT THE OFFICE OF THE DISTRICT
VIA TELECONFERENCE

March 10, 2022
9:30 o'clock, A.M.

The Board of Directors of County Sanitation District No 14 of Los Angeles County met pursuant to adjournment as ordered by this Board of Directors at the Regular Meeting on February 23, 2022. A copy of the Order of Adjournment was posted as required by law and that proper affidavits of the posting are on file in the Secretary's office.

There were present: Steven Hofbauer, Director from Palmdale
Kathryn Barger, Alternate Director from Los Angeles County
Marvin Crist, Chairperson pro tem, Alternate Director from Lancaster

Absent: None

Also present: Kimberly S. Christensen, Secretary to the Board
Brant Dveirin, District Counsel

RE: PUBLIC COMMENT The Chairperson pro tem 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 Upon motion of Director Barger, duly seconded and unanimously carried by a roll-call vote, the minutes of the special meeting held February 10, 2022, were approved.

RE: DISTRICT EXPENSES The following expenses for the month of January 2022 were presented and upon motion of Director Barger, duly seconded and unanimously carried by a roll-call vote, were approved:

Local District Expenses:		
Operations & Maintenance (O & M)		\$1,360,205.31
Capital		47,777.74
Legal		945.00
Allocated Expenses:		
Joint Administration		121,365.23
Technical Support		160,351.56
Legal		4,202.37
Total Expenses		<u>\$1,694,847.21</u>

RE: RESOLUTION PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY ON MARCH 4, 2020 BY CALIFORNIA GOVERNOR AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODY - ADOPT

A proposed *Resolution of the Board of Directors of the County Sanitation District No. 14 of Los Angeles County Proclaiming a Local Emergency, Ratifying the Proclamation of a State of Emergency on March 4, 2020 by California Governor and Authorizing Remote Teleconference Meetings of the Legislative Body*, was presented. Remote teleconferenced meetings, during the continued existence of the Governor's proclaimed state of

COVID-19 emergency, will be conducted under the provisions of AB 361 which added California Government Code Section 54953(e), to the Brown Act. Under the provisions of AB 361, Government Code Section 54953(e), at their first next meeting, each District must adopt, by majority vote, a resolution making certain findings about the continuing COVID state of emergency and health and safety risks of conducting their meeting in person. By statute, this Resolution and its referenced findings, are only legally valid for 30 days. The Resolution is attached to the agenda. A recommendation was made to adopt the Resolution.

Upon motion of the Director Barger, duly seconded and unanimously carried by a roll-call vote, the following Resolution was adopted:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY
PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION
OF A STATE OF EMERGENCY ON MARCH 4, 2020
BY CALIFORNIA GOVERNOR AND AUTHORIZING
REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODY

WHEREAS, County Sanitation District No. 14 of Los Angeles County (“District”) is committed to preserving and nurturing public access and participation in meetings of the District’s Board of Directors and committees; and

WHEREAS, all meetings of the District’s Board of Directors are open and public, pursuant to the requirements of the Ralph M. Brown Act (California Government Code Sections 54950-54963) (the “Brown Act”), so that any member of the public may attend, participate, observe and watch the District’s Board of Directors conduct business; and

WHEREAS, the Brown Act, Section 54953(e), allows for conducting and participating in meetings by members of a legislative body, without compliance with the requirements of the Brown Act Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition under the Brown Act Section 54953(e) is the declaration of a state of emergency by the Governor pursuant to California Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within California caused by the conditions outlined and described in California Government Code Section 8558; and

WHEREAS, a proclamation of a state of emergency is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological, or human-induced disasters; and

WHEREAS, it is further required that the state or local officials have imposed or recommended measures to promote social distancing, or the Board of Directors of the District have held a meeting where it considered and determined that meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, such conditions now exist in the District as Governor Newsom declared a State of Emergency on March 4, 2020 as a result of the threat of COVID-19; and

WHEREAS, the Centers for Disease Prevention and Control, in its publication “How to Protect Yourself & Others” updated August 13, 2021, have recommended social distancing practices, including staying 6 feet away from others and avoiding crowds and poorly ventilated spaces in order to protect individuals and others from COVID-19; and

WHEREAS, the County of Los Angeles Department of Public Health Order of the Health Officer issued September 17, 2021 (the “County Order”) includes a finding that the existing community transmission of COVID-19 in Los Angeles County remains high and continues to present a high risk of infection and harm to the health of those who are not and cannot be vaccinated against COVID-19 especially when there is an absence of capacity limits and physical distancing requirements for both indoor and outdoor settings. The County Order further finds that COVID-19 infection remains a significant health hazard to all residents; and

WHEREAS, the District’s Board of Directors does hereby find that the ongoing and significant risks associated with COVID-19 infection, especially in the absence of capacity limits and physical distancing requirements for indoor activities, on those who are not and cannot be vaccinated, and that COVID-19 infection remains a significant health hazard to all residents, has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of a state of emergency by the Governor of the State of California, and further, ratify the County Order findings related to the ongoing health hazards of COVID-19; and

WHEREAS, as a consequence of the declared state of emergency and the local emergency, the Board of Directors of the District does hereby find that the District shall continue to conduct its meetings in accordance with the provisions and requirements of the Brown Act Section 54953(e), and that the legislative bodies of the District shall comply with the requirements to provide the public with access to, and an opportunity to comment at all meetings of the District’s legislative bodies in accordance with the requirements of the Brown Act Section 54953(e)(2); and

WHEREAS, the District will continue its practice of live streaming its meetings via the Zoom software platform which allows members of the public to observe and participate in the meetings via video or call-in options, and

will continue to offer members of the public an opportunity to make oral comments during the meetings and/or submit written comments before the meetings.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true, correct, and are incorporated in this Resolution by reference.

Section 2. Proclamation of Local Emergency. The Board of Directors of the District does hereby proclaim that a local emergency now exists throughout the territory of the District and, as described in the County Order, there remains evidence of sustained and high community transmission rates of COVID-19 resulting in high risks of infection and harm to the health of those who are not and cannot be vaccinated against COVID-19, especially when there is an absence of capacity limits and physical distancing requirements for both indoor and outdoor settings, and COVID-19 infection remains a significant health hazard to all residents of the District.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The District's Board of Directors hereby ratifies the Governor of the State of California's Proclamation of a State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The Chief Engineer and General Manager, staff and legislative bodies are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, without limitation, conducting open and public meetings in accordance with the Brown Act Section 54953(e) and all other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) 30 days after the date of this resolution, or such time that the District's Board of Directors adopts a subsequent resolution in accordance with the Brown Act Section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without compliance with the requirements of the Brown Act Section 54953(b)(3).

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 14 of Los Angeles County this 10th day of March 2022 by the following vote:

AYES: Three (3)

NOES: None

ABSTAIN: None

ABSENT: None

RE: SOLID WASTE MANAGEMENT
PROJECT DEVELOPMENT AND NON-
DISCLOSURE AGREEMENT
PACIFICO POWER, LLC
CONTRACT NO. 5427 - APPROVE

In June 2021, the Districts issued a Request for Proposals to evaluate the viability of a solar energy project that could reduce electricity expenditures and utilize available land at the Lancaster Water Reclamation Plant (WRP). Four proposals were received. Pacifico Power, LLC, (Pacifico) was ranked as the most qualified firm to

provide the required services. Subsequently, Southern California Edison (SCE) performed a complimentary review of the Pacifico proposal and indicated a 20-year cumulative savings of approximately \$7-14 million net present value. SCE also indicated that electrical grid constraints in the Antelope Valley could significantly delay the interconnection process for the proposed solar energy project. The proposed *Project Development and Non-Disclosure Agreement* (Agreement) states that the parties will study the feasibility of the project and allow Pacifico to recoup third-party fees and engineering expenses if the project is not viable. The Agreement does not commit the District to a full project award. Staff has determined that the Agreement is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21084(a) and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15306. If a solar project is determined to be feasible, CEQA evaluation will be performed and the project will be brought to the Board for approval. This item is consistent with the Districts' Guiding Principle to maximize use of our assets and resources (recycled water, recyclables, and energy). A recommendation was made to approve and order executed an Agreement with Pacifico Power, LLC, at an estimated amount of up to \$30,000 to explore feasibility of Solar and Energy Storage Project. Furthermore, the Chief Engineer and General Manager was authorized to execute relevant documents with Pacifico and SCE to effectuate interconnection applications and related engineering studies.

Chairperson Pro Tem asked why this project is an interconnection rather than behind-the-meter.

In response to the Chairperson Pro Tem, the Chief Engineer and General Manager stated that this project needs constant connection with SCE for back-up, in case of a cloudy day.

Chairperson Pro Tem stated that Antelope Valley Transit Authority (AVTA) does not need an interconnection because they are using batteries. The District is subject to line costs if there is interconnection.

In response to Chairperson Pro Tem, the Chief Engineer and General Manager stated that it is not recommended to go off the grid because of the need to ensure 100 percent reliability of the plant. On cloudy days, the plant needs to get power from SCE. SCE's issue is that the battery size could increase the short-circuit risk of the grid.

Chairperson Pro Tem asked what the cost per kilowatt (kW) was.

The Chief Engineer and General Manager called upon Mr. Mark McDannel, Division Engineer from the Energy Recovery Section, to provide more details on this matter.

Mr. McDannel stated that Pacifico's proposal costs were projected at \$0.05-\$0.06 per kW-hour, including the batteries. He stated that there is no firm price yet. SCE has several options to permit the project, but the Fast Track option is ideal for the Districts.

Director Barger asked if Districts' staff has looked at AVTA's model because they took a risk and made a positive decision.

Chairperson Pro Tem stated that AVTA's project is currently under construction.

The Chief Engineer and General Manager stated that reliability is very important because the Districts must avoid the risk of power loss, and back-up power is necessary. District staff had a discussion with AVTA regarding their project. Their project is similar to the Districts' in that it uses solar power during the day and batteries to charge buses overnight. The Districts' project is behind the meter, but immediate back-up from SCE's grid is required.

The Chairperson Pro Tem stated that it is not subject to backfill or the grid. Once it is subject to that, then the District is subject to line costs. He stated that this may need further review.

Mr. McDannel stated that SCE provided complimentary analysis for each option. It was determined that the Fast Track option would provide for 3 megawatts of power and if there is no exportation of power, a Rule 21 agreement (interconnection) is needed. The goal is to keep interconnection in the Fast Track project. After the meeting with SCE, Districts' staff determined the need to get a solar contractor on board.

The Chief Engineer and General Manager stated that this issue will be discussed with the contractor.

Upon motion of Director Barger, duly seconded and unanimously carried by a roll-call vote, the Board of Directors of County Sanitation District No. 14 of Los Angeles County found and determined that it would be to the advantage of the District to enter into a *Project Development and Non-Disclosure Agreement* with Pacifico Power, LLC, providing to evaluate the viability of a solar energy project that could reduce electricity expenditures and utilize available land at the Lancaster Water Reclamation Plant, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Project Development and Non-Disclosure Agreement*, Contract No. 5427, dated March 10, 2022, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District.

RE: SOLID WASTE MANAGEMENT
ENERGY RELATED SERVICES
AGREEMENTS - SOUTHERN
CALIFORNIA EDISON - CALPINE
ENERGY SOLUTIONS, LLC - CONTRACT
NOS. 4299AI AND 4299AH - APPROVE

Electricity is purchased from Calpine Energy Solutions, LLC (Calpine), an Electric Service Provider (ESP), under California's Direct Access program. In 2019, the Board executed various documents with Calpine for purchase of electricity and related attributes through December 31, 2024. In 2021, Calpine submitted a proposal to offer the Districts long-term price stability.

The proposal offers lower prices for electricity products purchased by the Districts through December 31, 2030. From time to time, additional addenda and confirmations are needed to execute and schedule sale and purchase of electricity and related attributes, and authority is requested for the Chief Engineer and General Manager to execute such documents. Staff has determined that approval of the Agreement does not constitute a "Project"

under the California Environmental Quality Act (CEQA) pursuant to 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 Principle of commitment to fiscal responsibility and prudent financial stewardship. A recommendation was made to approve and order executed documents for the purchase of electricity and related services, provided by Calpine, through December 31, 2030, as follows: *Addendum for Tiered Pricing Fixed Quantity Electricity* at Southern California Edison (SCE) locations and *Supplemental Addendum for Renewable Portfolio Standards* at SCE locations. Furthermore, a recommendation was made to authorize the Chief Engineer and General Manager to execute future addenda, amendments, confirmations, and related documents with Calpine regarding the purchase of electricity and related attributes through December 31, 2030.

Chairperson Pro Tem asked when this item went out for bid.

The Chief Engineer and General Manager stated that when this originally went out for bid, Calpine was the lowest overall proposal.

Mr. McDannel advised this item went out for bid in 2019.

In response to the Chair Pro Tem, Mr. McDannel stated that Lancaster Choice was not eligible because they operate outside of city limits. The Districts has open lines of communication in case of future business opportunities.

Upon motion of Director Barger, duly seconded and unanimously carried by a roll-call vote, amendments to the agreement entered into with Sempra Energy Solutions, LLC, Contract No. 4299 dated June 27, 2007, as amended September 9, 2009 (Contract No. 4299A), March 24, 2010 (Contract No 4299B), June 14, 2010 (Contract No. 4299C), June 14, 2010 (Contract No. 4299D), as amended with Noble Americas Energy Solutions, LLC, (formerly known as Sempra Energy Solutions, LLC), October 18, 2012 (Contract No. 4299E), July 17, 2012 (Contract No. 4299F), December 3, 2013 (Contract No. 4299G), December 20, 2013 (Contract No. 4299H), March 7, 2014 (Contract No. 4299I), June 30, 2014 (Contract No. 4299J), June 17, 2014 (Contract No. 4299K), December 17, 2014 (Contract No. 4299L), June 29, 2015 (Contract No. 4299M), July 22, 2015 (Contract No. 4299N), May 9, 2016 (Contract No. 4299O), June 16, 2016 (Contracts Nos. 4299P, 4299Q, and 4299R), May 25, 2016 (not fully executed) (Contracts Nos. 4299S, 4299T, and 4299U), July 5, 2016 (Contracts No. 4299V), September 7, 2016 (Contract No. 4299W), June 27, 2018 (Contracts Nos. 4299Y and 4299Z), June 12, 2019 (Contracts Nos. 4299AA, 4299AB, 4299AC, 4299AD, and 4299AE), July 22, 2021 (Contract No. 4299AF), and October 27, 2021 (Contract No. 4299AG) providing for the purchase of electricity and related services from through December 31, 2030, with Calpine Energy Solutions, LLC, (formerly known as Noble Americas Energy Solutions, LLC) set forth therein, was approved. All the terms and conditions of the *Addendum for Tiered Pricing Fixed Quantity Electricity* at SCE locations and *Supplemental Addendum for Renewable Portfolio Standards* at SCE Locations, Contracts Nos. 4299AI and 4299AH, respectively, dated March 10, 2022, were accepted and approved, and the Chairperson and Secretary were authorized to execute the confirmation, amendments, and addenda on behalf of the District. Furthermore, the Board authorized the Chief Engineer and General Manager to execute future addenda, amendments, and confirmations with Calpine Energy Solutions, LLC, regarding the purchase and sale of electricity and related attributes through December 31, 2030.

RE: FACILITIES PLANNING
SECOND AMENDMENT TO LEASE AND
RECYCLED WATER AGREEMENT
HIGH DESERT DAIRY - VAN DAM, LLC
CONTRACT NO. 5053B - APPROVE

The District currently leases approximately 2,880 acres of the Eastern Agricultural Site (EAS) to High Desert Dairy–Van Dam, LLC, (Van Dam) containing 18 center pivot irrigation systems, as shown on the map attached to the agenda, for the cultivation of fodder crops using recycled water from the Lancaster Water Reclamation

Plant (WRP). The lease with Van Dam expires on December 31, 2025; contains two 1-year extension options upon the mutual agreement of Van Dam and the District; and requires Van Dam to pay the District rent of \$423,920 per year. At the February 10, 2022, Board meeting, the Chief Engineer and General Manager informed the Board that in response to previous Board direction, staff determined that a three-year lease extension would line up the lease term with the duration of grant agreements between the Antelope Valley Air Quality Management District and Van Dam for purchase of low-emission agricultural equipment, but Van Dam requested a five-year extension. The Board directed staff to negotiate with Van Dam a three-year extension to the lease through December 31, 2028, plus two 1-year extension options upon the mutual agreement of Van Dam and the District, and annual rent adjustments according to increases in the Consumer Price Index, not to exceed 5 percent annually. The proposed Amendment incorporates these terms and conditions. Staff has determined that approval of the Amendment does not constitute a “Project” under the California Environmental Quality Act (CEQA) pursuant to 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 Principle to maximize use of our assets and resources (recycled water, recyclables, and energy). A recommendation was made to approve and order executed a *Second Amendment to Lease and Recycled Water Agreement* with High Desert Dairy–Van Dam, LLC, for agricultural reuse of recycled water on District property at the Lancaster Water Reclamation Plant Eastern Agricultural Site.

The Chairperson Pro Tem stated that the agreement is good for both parties. He asked if Districts’ staff is looking to do the same for District No. 20.

The Chief Engineer and General Manager stated that the matter has not been brought up by the District No. 20 Board of Directors.

The Chairperson Pro Tem stated that the Directors of District No. 20 might want to consider extending Mr. Van Dam’s farming contract for the Palmdale Water Reclamation Plant agricultural reuse site since Mr. Van Dam is also seeking to purchase low-emission agricultural equipment for use at the Palmdale site.

Director Barger thanked staff for their work on this matter.

The Chairperson Pro Tem also thanked staff.

Upon motion of Director Barger, duly seconded and unanimously carried by a roll-call vote, an amendment to the agreement entered into with High Desert Dairy – Van Dam, LLC, Contract No. 5053 dated October 24, 2017, as amended June 11, 2020 (Contract No. 5053A), providing for the cultivation of fodder crops using recycled water from the Lancaster Water Reclamation Plant, as set forth therein, was approved. All the terms and conditions of the *Second Amendment to Lease and Recycled Water Agreement*, Contract No. 5053B, dated March 10, 2022, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Amendment on behalf of the District.

RE: STATUS REPORT/DIRECTOR COMMENTS
ITEMS NOT LISTED ON AGENDA

The Chief Engineer and General Manager advised that the Districts has been testing for concentrations of coronavirus in the inlet sewer to the Joint Water

Pollution Control Plant (JWPCP), which serves approximately 5 million people (half the population) in Los Angeles County. The agency sends the data to the California Department of Public Health and the Centers of Disease Control and Prevention (CDC) to be included in a national program. He stated that, recently, the Districts was made aware that CDC was interested in smaller plants for the study and provided information of our plants. The Lancaster Water Reclamation Plant was selected to be part of the program. Samples have been collected since February 14 and results/data will be shared with the cities and the Board at future meetings.

The meeting was adjourned by the Chairperson pro tem.

MARVIN CRIST
Chairperson pro tem

ATTEST:

KIMBERLY S. CHRISTENSEN
Secretary

/ee