



**MINUTES OF THE REGULAR MEETING OF THE
JOINT POWERS AUTHORITY BOARD OF DIRECTORS
HELD ON THURSDAY, FEBRUARY 20, 2020**

The regular board meeting of the East County Advanced Water Purification (AWP) Joint Powers Authority (JPA) was held on Thursday, February 20, 2020, at the appointed meeting place, the Board Room at Padre Dam's Customer Service Center, located at 9300 Fanita Parkway, Santee, California.

Chair Kendrick called the meeting to order at 2:00 pm. A quorum was declared, and the following members were present: Caires, Jacob, Kendrick and Scalzitti (Ex Officio Member).

Members absent: None

Padre Dam MWD (Administrator) Attendees: Allen Carlisle, CEO/General Manager; Kyle Swanson, Director of Operations (AWP); Mark Niemiec, Director of Engineering; Karen Jassoy, CFO/Director of Finance; Amy Pederson, Board Secretary; Melissa McChesney, Communications Manager; Seval Sen, Engineering Manager; Nicholaus Norvell, Legal Counsel

County of San Diego Attendees: Bill Morgan, Deputy Director of Engineering Services; Daniel Brogadir, Public Works Manager; Susan Spotts, Administrative Analyst II; Taylor Dupont, Policy Advisor; Kay Kim, Unit Manager at Wastewater Management

City of El Cajon Attendees: Graham Mitchell, City Manager; Dirk Epperson, Director of Public Works; Yazmin Arellano, Deputy Director of Public Works

Helix Water District Attendees: Carlos Lugo, General Manager; Brian Olney, Director of Water Quality and System Operations; Jennifer Bryant, Director of Administrative Services; Michelle Berens, Systems Operations Manager; Tim Ross; Engineer

Others present: Ken Weinberg, Water Resources Consulting LLC; Pat Huston, Kennedy/Jenks; Tim Waters, Kennedy/Jenks; Jim Peasley, Padre Dam Board Member; Doug Wilson, Padre Dam Board Member; Rob Northcote, Padre Dam Plant Manager

OATH OF OFFICE AND SEATING OF EX OFFICIO DIRECTOR

Chair Kendrick administered a ceremonial oath of office to Joel Scalzitti with Helix Water District serving as an Ex Officio Member to the JPA Board of Directors.

OPPORTUNITY FOR PUBLIC COMMENT

There were no public comments.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

There were no items to be added, withdrawn, or reordered at this time.

1. APPROVAL OF MINUTES

On motion of Director Caires, seconded by Director Jacob, and unanimously carried, the minutes of the East County AWP JPA Formation Board Meeting of November 5, 2019 were approved as submitted.

● ACTION AGENDA

Items on the Action Agenda call for discussion and action by the Board. All items are placed on the Agenda so that the Board may discuss and take action on the item if the Board is so inclined.

2. EAST COUNTY ADVANCED WATER PURIFICATION INTERIM BUDGET

Karen Jassoy, CFO/Director of Finance for Padre Dam, summarized the interim budget provided in the agenda package for the period since the JPA's formation, November 1, 2019 through June 30, 2020.

On motion of Director Caires, seconded by Director Jacob, and unanimously carried, the Board adopted an interim budget totaling \$8,061,752 which covers the term beginning November 1, 2019 through June 30, 2020.

3. CLEAN WATER STATE REVOLVING FUND LOAN APPLICATION FOR THE EAST COUNTY REGIONAL REUSE PROGRAM - APPROVAL OF RESOLUTIONS

Karen Jassoy, CFO/Director of Finance for Padre Dam, stated Padre Dam submitted a new Clean Water State Revolving Fund (SRF) application on behalf of the JPA on December 13, 2019 for a total of \$594 million in order to account for increased costs due to changes in Phase 1 of the Project. She explained the intention is to expand on a previously awarded loan of \$101 million and reviewed the resolutions required by the State of California Department of Water Resources Control Board in order to apply for the loan.

On motion of Director Jacob, seconded by Director Caires, and unanimously carried, the Board approved the following:

1. The Board adopted Resolution 2020-01, authorizing the JPA to enter into a Reimbursement Agreement with the California State Water Resources Control Board (SWRCB).
2. The Board adopted Resolution 2020-02, authorizing the Interim Administrator's General Manager to enter into a Financial Assistance Agreement with the SWRCB.

4. SOLE SOURCE PROCUREMENT FOR PERMITTING SUPPORT CONSULTANT SERVICES

Mark Niemiec, Director of Engineering & Planning for Padre Dam, kicked off this item indicating the next two agenda items are requesting sole source procurement for professional services and explained as a general rule, sole sourcing is not the preferred method to procure services and staff understands there is sensitivity in using this method. However, based on analysis of these two items and legal review, staff have come to the conclusion that in this instance it is appropriate and advantageous for the JPA to sole source. Given the Project is schedule driven, sole sourcing, in

this case, provides Project efficiencies and benefits to the JPA in both regulatory and financial aspects.

Seval Sen, Engineering Manager, reviewed the need for long-term permitting support services and the reasons why the sole source procurement with Trussell Technologies is necessary. She described Trussell Technologies' expertise, experience with similar projects and history with the East County AWP project; explained the risks involved with educating a new consultant; and stated that alternative providers will not produce an advantage to the JPA.

She described the scope of services and the cost for year one of the six year contract, indicating future year costs will be determined each fiscal year.

Director Jacob thanked staff for providing the justification for the sole source procurement and stated she normally prefers a competitive process however she understands the reasoning for using sole source in this situation.

On motion of Director Jacob, seconded by Director Caires, and unanimously carried, the Board determined, based on the staff report, that competitive procedures would not produce an advantage to the JPA; authorized the Interim Administrator to execute a professional services agreement with Trussell Technologies Inc. to provide permitting and regulatory compliance support services for the East County Advanced Water Purification Project for a six-year term between Fiscal Years 2020 and 2026, including first year work (Fiscal Year 2020) for an amount not to exceed \$48,857; and authorized the Interim Administrator to modify the agreement up to an additional \$4,886 (10 percent) of the FY 2020 services amount for contingencies.

5. SOLE SOURCE PROCUREMENT FOR CONSULTANT SUPPORT SERVICES FOR THE WATER INFRASTRUCTURE IMPROVEMENTS FOR THE NATION (WIIN) ACT GRANT APPLICATION

Seval Sen, Engineering Manager, explained the process to apply for the Title XVI Grant Fund and stated Woodard & Curran has prepared every grant application for the East County AWP Project in the past. She stated the East County AWP Project has thus far received \$16.5M in Title XVI Grant Funding and the Project is expected to reach the grant maximum with the FY 2020 application.

Ms. Sen provided the rationale for sole source procurement, stating Woodard & Curran have extensive knowledge and background information on the East County AWP Project, the learning curve for a new consultant would result in significant risks to submitting the FY 2020 application timely and use of competitive procedures would not result in an advantage to the JPA.

In closing, she summarized the scope of services which includes preparing six funding application packages and meeting strict deadlines.

On motion of Director Caires, seconded by Director Jacob, and unanimously carried, the Board determined, based on the staff report, that competitive procedures would not produce an advantage to the JPA; and authorized the Interim Administrator to execute a professional services agreement with Woodard & Curran to provide support services for the Water Infrastructure Improvements for the Nation (WIIN) Act Grant funding application to the East County Advanced Water Purification Project for a five-year term between Fiscal Years 2020 and 2025 for an amount not to exceed \$164,587.

6. AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS (RFP) TO SHORT-LISTED PROPOSERS FOR PACKAGE 1 AND PACKAGE 2 FOR THE EAST COUNTY ADVANCED WATER PURIFICATION PROJECT

Mark Niemiec, Director of Engineering & Planning for Padre Dam, reviewed the cost estimate and project details for each package. Additionally, he reviewed the Progressive Design-Build Procurement process and timeline for Package 1 and 2 and provided a summary of where each package is in the process.

Responding to Board questions, Mr. Niemiec stated Package 1 received seven Statements of Qualifications (SOQ), of which the evaluation committee (made up of members from all project partners) shortlisted three proposers to receive the RFP, and Package 2 is anticipated to receive seven or eight SOQs. Additionally, he answered questions regarding the evaluation process.

On motion of Director Jacob, seconded by Director Caires, and unanimously carried, the Board authorized the Interim Administrator to release the RFP to the short-listed proposers for Package 1 consisting of the Water Recycling Facility, Advanced Water Purification Facility, Visitor's Center, Product Water Pump Station, Solids Handling Facilities, and Extended Facility Commissioning and Package 2 consisting of the Advanced Water Purification Pipeline, Dechlorination Facility, and Lake Jennings Reservoir Inlet.

7. RESOLUTION CONSIDERING THE MITIGATED NEGATIVE DECLARATION FOR THE EAST COUNTY ADVANCED WATER PURIFICATION (AWP) PROJECT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM AND APPROVING THE PROJECT

Mark Niemiec, Director of Engineering & Planning for Padre Dam, described the Mitigated Negative Declaration (MND) analysis and process performed by Padre Dam, as well as the public review and outreach process.

On motion of Director Caires, seconded by Director Jacob, and unanimously carried, the Board approved Resolution 2020-03, considering the Mitigated Negative Declaration (SCH #2018091029) for the East County AWP Project under the California Environmental Quality Act, adopting a Mitigation Monitoring and Reporting Program and approving the Project; and approved filing of the Notice of Determination for the Mitigated Negative Declaration for the East County Advanced Water Purification Project.

8. AMENDMENTS THE EAST COUNTY AWP JPA'S POLICIES AND PROCEDURES MANUAL

Amy Pederson, Board Secretary, provided an overview of policy amendments described in detail in the agenda package.

On motion of Director Jacob, seconded by Director Caires, and unanimously carried, the Board approved the following:

1. Adopted Ordinance 2020-01, amending the JPA's Policies and Procedures Manual as proposed in Exhibit A to include:
 - a) Adopting and establishing General Provisions as Chapter 1;
 - b) Adding the JPA's Bylaws adopted on November 5, 2019 as Chapter 2;
 - c) Adopting and establishing a Debt Management Policy and Disclosure Policy as Chapters 3 and 4 respectively; and

- d) Renumbering the Contract Policies and Procedures and Alternative Delivery Projects Conflict of Interest Policy as Chapters 5 and 6 respectively.
2. Adopted Resolution 2020-04, establishing Real Property Policy as Chapter 7.
3. Adopted Resolution 2020-05, establishing the JPA's Conflict of Interest Code as Chapter 8.

9. ASSIGNMENT TO THE JPA OF PROFESSIONAL SERVICE AGREEMENTS RELATED TO WORK PERFORMED ON THE EAST COUNTY AWP PROJECT

Amy Pederson, Board Secretary, explained this item is follow up to action taken by the JPA Board at its formation meeting to become a party to the Interim Funding Agreement (IFA) for the purpose of taking over from Padre Dam performance of the interim work and expenditures for Interim Development costs covered under the IFA. She summarized three existing contracts covered under the IFA and requested the Board accept assignment to the JPA.

On motion of Director Jacob, seconded by Director Caires, and unanimously carried, the Board approved the following:

1. Assignment to the JPA of the Professional Service Agreements related to work performed on the East County AWP Project, and included in the Interim Funding Agreement, between Padre Dam and the following firms: 1) Kennedy/Jenks Consultants for Professional Engineering Services; 2) Clean Energy Capital (CEC) for financial services; 3) Nossaman, LLC for specialty legal services related to the alternative delivery for the project.
2. Authorized the Interim Administrator, on behalf of the JPA, to execute such instruments or agreements as are necessary to accomplish the above assignments.

10. CONFLICT WAIVER FOR LEGAL REPRESENTATION BY BEST BEST & KRIEGER (BBK) RELATED TO THE EAST COUNTY ADVANCE WATER PURIFICATION PROGRAM (AWP PROGRAM)

Allen Carlisle, Padre Dam General Manager, explained BBK is the legal representative for Padre Dam, Helix and now interim legal counsel for the JPA, stating BBK is not prohibited from serving each entity but is requiring each entity sign a consent waiver. He informed the Board Padre Dam and Helix have already signed a prior consent waiver and will request approval from each of their respective Board for this waiver as well.

A brief discussion followed in which Nicholas Norvell, Interim Legal Counsel, explained each agency has a different legal representative and they work together as they would with any other counsel from member agencies.

On motion of Director Jacob, seconded by Director Caires, and unanimously carried, the Board authorized the JPA Chair to execute the informed written consent in order for BBK to represent the East County AWP JPA, Padre Dam Municipal Water District, and Helix Water District.

● **REPORTS**

The following items are reports and are placed on the Agenda to provide information to the Board and the public. There is no action called for on these items. The Board may engage in discussion upon which a specific subject matter is identified but may not take any action other than to place the matter on a future agenda.

11. INTERIM ADMINISTRATOR REPORT

Allen Carlisle, Padre Dam General Manager, provided an update on the project service agreements that would provide the funding for the Project and the anticipated timing for JPA Board approval of the agreements, stressing the importance of timely approval by each partner agency to ensure the JPA can meet deadlines and requirements of various funding opportunities. In closing, he reviewed potable reuse programs throughout California and responded to Board questions related to AB 5, indicating the Project doesn't have independent contractors that meet AB 5 criteria so he does not believe the JPA is affected.

- **DIRECTORS COMMENTS**

Directors' comments are to be related to business of the JPA which may be of interest to the Board. They are placed on the agenda to enable individual members of the JPA to convey information to the Board and the Public. There is to be no discussion or action taken on comments made by Board Members.

Directors recognized and thanked staff for a job well done.

- **CLOSED SESSION**

No closed session was held.

- **ADJOURNMENT**

Chair Kendrick declared the meeting adjourned at 3:10pm.

Chair

ATTEST:

Board Secretary