

**MEMORANDUM
CITY OF LANCASTER, CA**

TO: Mayor Parris and City Council Members

FROM: Council Member Ken Mann

DATE: June 28, 2016

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 June 16, 2016 District No. 14 Board of Directors meeting of the County Sanitation Districts of Los Angeles County (District).

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 June 16, 2016 meeting:

- Approved minutes of meetings held May 19, 2016.
- Approved warrants in the amount of \$2,182,283.84 for the month of May, 2016. 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.
- Regarding energy related services provided by Noble Americas Energy Solutions LLC (Noble)
 - (a) Approve and order executed documents for purchase of electricity and related services from January 1, 2017 through December 31, 2019 as follows:
 - (1) *Addendum Electricity Service Provider (ESP) Services-Southern California Edison (SCE) Locations*
 - (2) *Supplemental Addendum for Renewable Portfolio Standards-SCE Locations*
 - (3) *Supplemental Addendum for Resource Adequacy Capacity-SCE Locations*
 - (b) Authorize Chief Engineer and General Manager to execute future addenda, amendments, and confirmations with Noble regarding purchase and sale of electricity and related attributes through December 31, 2019.

Summary: The District purchases 2 megawatts of electricity from an ESP under California's Direct Access (DA) program. Many of the agreements with the District's current ESP, Noble, expire on December 31, 2016. Noble was selected through a Request for Proposals (RFP) process to provide ESP and Scheduling Coordinator services to the District from July 1, 2013 through December 31, 2016. Noble offered the District a cost-effective proposal to extend their services through December 31, 2019. Based on the responses and proposal rankings from the RFP process in 2013, it is unlikely that any other proposer could match Noble's current proposal. The proposed amendments will allow Noble to provide ESP services through December 31, 2019. 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.

- Regarding Wastewater Budget Matters for Fiscal Year 2016-17
 - (a) Establish by Resolution Appropriations Limit of \$59,581,233 as Required by California Government Code Section 7910 Utilizing the Population Change within the County
 - (b) Adopt Operating Fund Budget
 - (c) Adopt Resolution Requesting Tax Levy of \$770,000
 - (d) Authorize Appropriations per Budget

Summary: A letter discussing 2016-17 fiscal year budget matters accompanied the agenda.