

**May 20, 2020**

**STATEMENT OF PROCEEDINGS**

*The Minutes of the*

***SANITATION DISTRICT  
REGULAR MEETING***

**COUNTY OF SAN DIEGO**

STATEMENT OF PROCEEDINGS  
COUNTY OF SAN DIEGO SANITATION DISTRICT  
REGULAR MEETING  
MEETING AGENDA  
WEDNESDAY, MAY 20, 2020, 9:00 AM  
BOARD OF SUPERVISORS NORTH CHAMBER  
1600 PACIFIC HIGHWAY ROOM 310  
SAN DIEGO, CA 92101

A. **REGULAR SESSION:** Meeting was called to order at 9:00 a.m.

**PRESENT:** Directors Greg Cox, Chairman; Jim Desmond, Vice-Chairman; Dianne Jacob; Kristin Gaspar; Nathan Fletcher; also, Andrew Potter, Clerk of the Board of Supervisors.

(Please note, California Governor Gavin Newsom issued Executive Order N-29-20 on March 17, 2020, relating to the convening of public meetings in response to the COVID-19 pandemic. Pursuant to the Executive Order, and to maintain the orderly conduct of the meeting, all members of the Board of Supervisors attended the meeting via teleconference and participated in the meeting to the same extent as if they were present.)

B. **Public Communication:** Opportunity for members of the public to speak to the Board on any subject matter within the Board's jurisdiction but not an item on today's agenda.

C. **Approval of the Statement of Proceedings/Minutes for the meeting of April 21, 2020.**

**ACTION:**

ON MOTION of Director Jacob, seconded by Director Desmond, the Board of Directors of the San Diego County Sanitation District approved the Statement of Proceedings/Minutes for the meeting of April 21, 2020.

**AYES:** Cox, Jacob, Gaspar, Fletcher, Desmond

**NOTICE: THE BOARD OF SUPERVISORS MAY TAKE ANY ACTION WITH RESPECT TO THE ITEMS INCLUDED ON THIS AGENDA. RECOMMENDATIONS MADE BY COUNTY STAFF DO NOT LIMIT ACTIONS THAT THE BOARD OF SUPERVISORS MAY TAKE. MEMBERS OF THE PUBLIC SHOULD NOT RELY UPON THE RECOMMENDATIONS IN THE BOARD LETTER AS DETERMINATIVE OF THE ACTION THE BOARD OF SUPERVISORS MAY TAKE ON A PARTICULAR MATTER.**

**Agenda Items**

<b>Agenda #</b>	<b>Subject</b>
1.	EAST COUNTY ADVANCED WATER PURIFICATION WASTEWATER SERVICE AGREEMENT

**1. SUBJECT: EAST COUNTY ADVANCED WATER PURIFICATION WASTEWATER SERVICE AGREEMENT (DISTRICT: 2)**

**OVERVIEW**

The East County Advanced Water Purification (ECAWP) program is a proposed regional water reuse project that includes the San Diego County Sanitation District (Sanitation District), Padre Dam Municipal Water District (Padre Dam), the City of El Cajon, and Helix Water District. It is being developed by the ECAWP Joint Powers Authority (JPA), which was formed in November 2019 after the Board of Supervisors approved the JPA Agreement. The ECAWP program is projected to provide less costly and more reliable wastewater and water services to residents in east county.

The ECAWP program's feasibility and planning studies recommend the construction of new wastewater and water treatment facilities that will treat over 15 million gallons per day (mgd) of wastewater collected in the east county communities of Alpine, Lakeside, Winter Gardens, El Cajon, and Santee. The treatment facilities will produce purified drinking water that will be pumped to the Lake Jennings reservoir for storage and will be available for sale to Helix Water District and Padre Dam customers. This will reduce east county's reliance on the City of San Diego's Metro Wastewater System (Metro System) for wastewater services and the San Diego County Water Authority (SDCWA) for imported water supplies.

Project planning for the recommended ECAWP program facilities is ongoing and the JPA intends to award contracts for design and construction of the project in late 2020, with the goal of being fully operational by early 2025. The estimated cost for design and construction is expected to exceed \$530 million and funding will be provided through State and federal loans and grants, and if required, debt financing issued by the JPA. Federal and State grants totaling over \$34 million and a State Revolving Fund (SRF) loan of \$101 million have already been awarded for the project, and applications for a federal Water Infrastructure Finance and Innovation Act (WIFIA) loan for \$340 million and an additional SRF loan totaling over \$477 million are in process to ensure funding is available. These funding sources will be secured and repaid through customer revenue that is generated from wastewater treatment services and water purchase agreements. To help secure the funding for the project, the wastewater agencies, which include the Sanitation District, Padre Dam, and the City of El Cajon, are considering entering into Wastewater Service Agreement (WSA) with the JPA at this time. Helix Water District will not be a party to the WSA since it is not a wastewater service provider. The WSA will commit the wastewater agencies to long term contracts for service with the JPA based on the cost to operate the program, including repayment of the capital cost. The WSA will also commit the wastewater agencies to: 1) fund any costs not eligible for funding through State, Federal, or other available revenue sources and; 2) in the event that the project is terminated by the JPA prior to start of construction, pay a fair share of project costs that were incurred through the date of termination. The maximum cost obligation for the Sanitation District for this obligation is estimated to be \$12.2 million.

The action requested today will authorize the Clerk of the Board to execute the ECAWP Wastewater Service Agreement (Attachment B) between the ECAWP JPA, City of El Cajon, Padre Dam Municipal Water District, and the San Diego County Sanitation District. The WSA will establish wastewater capacity rights of each agency in the project, services to be provided, and fees and charges for service. The capacity rights for wastewater treatment assigned to the Sanitation District as a percentage of the overall wastewater treatment capacity of the system is 28.9%, whereas Padre Dam is 24.2% and El Cajon is 46.9%. The wastewater capacity rights

were assigned based upon each Wastewater Agency's needs for their service areas. Additionally, Wastewater Agencies will commit to pay, based on the percent wastewater capacity rights that each agency will secure in the project, any project design, contract procurement, or construction costs that cannot be funded through available revenue sources and, in the event that the project should be terminated by the JPA prior to construction, project costs, including contract procurement, permitting, or design costs, expended through the date of project termination. The Sanitation District cost share for any payments due per the WSA will be 33.3% of costs up to \$10M, which was assumed to be the cost for project validation, and 28.9% for costs above \$10M, based on the wastewater capacity rights to be secured by the Sanitation District. By approving the WSA, the Board is approving the commitment to pay any costs due per the terms of the WSA.

**RECOMMENDATION(S)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Find that this project is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(3) of the State CEQA Guidelines because it is not a project as defined by Section 15378 of the State CEQA Guidelines.
2. Approve and Authorize the Clerk of the Board to execute the East County Advanced Water Purification (ECAWP) Wastewater Service Agreement among the ECAWP Joint Powers Authority, the City of El Cajon, the Padre Dam Municipal Water District, and the San Diego County Sanitation District.

**FISCAL IMPACT**

Approval of the Wastewater Service Agreement establishes an obligation of up to \$12.2 million in the Sanitation District Fund if the project is terminated before start of construction. In the event that the project is terminated, and payment becomes due, funding would be provided from Sanitation District Fund available fund balance. There will be no change in net General Fund cost and no additional staff years.

**BUSINESS IMPACT STATEMENT**

N/A

**ACTION:**

ON MOTION of Director Jacob, seconded by Director Gaspar, the Board of Directors of the San Diego County Sanitation District took action as recommended, on Consent.

**AYES:** Cox, Jacob, Gaspar, Fletcher, Desmond

There being no further business, the Board of Directors of the San Diego County Sanitation District adjourned at 9:29 a.m.

**ANDREW POTTER**  
Clerk of the Board of Directors  
of Sanitation District

Notes By: Santiago

NOTE: This Statement of Proceedings sets forth all actions taken by the County of San Diego Board of Directors of the Sanitation District on the matters stated, but not necessarily the chronological sequence in which the matters were taken up.

WEDNESDAY, MAY 20, 2020

Approved by the Board of Directors, on Wednesday, July 8, 2020.



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GREG COX  
Chairman

Attest:



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ANDREW POTTER  
Clerk of the Board