



**MINUTES OF THE SPECIAL MEETING OF THE
ENGINEERING AND OPERATIONS COMMITTEE**

September 8, 2016

CALL TO ORDER / ROLL CALL

Vice Chair Miller called the Engineering and Operations Committee meeting to order at 1:32 p.m. Committee members present were Vice Chair Watkins, and Directors Arant, Boyle, Brady, Croucher, Heinrichs, Hogan, Linden, Olson, Razak, and Simpson. Committee members absent were Chair Williams, and Directors Ayala and Morrison. Also present were Directors Evans, Fong-Sakai, Guerin, Hilliker, Kennedy, Muir, Murtland, Steiner, Tu, Verbeke, Watton, and Weston. At that time, there was a quorum of the Board.

Staff present was General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Operations and Maintenance Fisher, Energy Program Manager Rodgers, Senior Engineering Manager Bousquet. Guest speakers from Navigant Energy Director Paul Maxwell and Associate Director Matthew Tanner, Ph.D. were also in attendance.

ADDITIONS TO AGENDA

There was a request to amend the Administrative Code to permit Engineering & Operations Committee members to attend seminars that were energy related. Deputy General Manager Kerl stated this item would be referred to the Board Officers to address.

PUBLIC COMMENT

There were no members of the public who wished to speak.

San Vicente Energy Storage Facility Study Update – Part Two

Director Hogan, Energy Subcommittee Chair, stated the continued discussion regarding the San Vicente Energy Storage Facility Study was for information only to receive input from the committee. He then began the presentation with information regarding the progress update, Phase 2 work, and the Part 2 discussion agenda. Mr. Maxwell of Navigant then reported on preliminary results of Phase 2 of the study. He discussed key factors in determining business models, consideration of project components, potential business model structures, and partnership model considerations. He then reviewed project costs and revenues that could be expected by the City and Water Authority, including proposed infrastructure, project configurations, transmission cost/schedule risk, capital cost estimate, and net present value cost and revenues. He also presented information regarding potential partners and their thoughts about the project. Dr. Tanner then reported on project benefits and costs, and annual estimated value of storage. Director Hogan reviewed the key decision drivers.

Ms. Rodgers continued the presentation with information regarding the existing scope of work and budget, potential Phase 3 scope of work, key negotiation points, and activities and schedule for Phase 3 work if the Board approved a “Go” to move on forward on the study. She then addressed some of the questions asked at the previous meeting (Part 1) including the differences between San Vicente Energy Storage Facility and the Iowa Hill and Eagle Mountain projects that had been pursued by other agencies (Iowa Hill was cancelled and Eagle

Mountain was on-going), as well as methods for resolving solar over-generation and storage mandates. She reported information regarding Assembly Bill 33 and gave a preview of information that would be discussed at the November 10, 2016 Engineering and Operations Committee workshop (Part 3).

There were lengthy discussions throughout the presentation and committee members requested information regarding the return on investment for the Rancho Peñasquitos and Lake Hodges facilities (projected vs. actual). There were also requests for notification about City Task Force meetings and to be provided with a risk matrix going forward.

ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Vice Chair Miller adjourned the meeting at 3:12 p.m.