

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE SPECIAL BOARD MEETING
HELD ON NOVEMBER 18, 2019
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

David Zito, Chair

Jody Hubbard, Vice Chair

A special meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Monday, November 18, 2019, at 8:30 a.m., at the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff by the Sea, California.

1. CALL TO ORDER

Chair Zito called the meeting to order at 8:30 a.m.

2. ROLL CALL

Directors Present:

David Zito
Jody Hubbard
Kristi Becker
Catherine Blakespear

Directors Absent:

None

Others Present:

General Manager
Director of Operations
Director of Finance and Administration
Program Manager

Michael Thornton
Chris Trees
Paul Kinkel
Mike Konicke

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Tracie Stender

City of Encinitas:

Assistant City Manager
Senior Management Analyst

Mark Delin
Bill Wilson

City of Solana Beach:

City Manager
Director of Engineering/Public Works

Greg Wade
Mohammad "Mo" Sammak

3. PLEDGE OF ALLEGIANCE

Chair Zito led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. AWARDS AND RECOGNITION

None

6. CONSENT CALENDAR

Moved by Director Blakespear and seconded by Vice Chair Hubbard to approve the Consent Calendar.

Agenda Item No. 7 Approval of Minutes for the October 28, 2019 Meeting

Agenda Item No. 8 Approval for Payment of Warrants and Monthly Investment Report

Agenda Item No. 9 San Elijo Water Reclamation Facility Treated Effluent Flows – Monthly Report

Agenda Item No. 10 San Elijo Joint Powers Authority Recycled Water Program – Monthly Report

Motion carried with the following vote of approval:

AYES: Zito, Hubbard, Becker, Blakespear

NOES: None

ABSENT: None

ABSTAIN: None

11. ITEMS REMOVED FROM CONSENT CALENDAR

None

12. SAN ELIJO JOINT POWERS AUTHORITY PURCHASING POLICY REVISION

General Manager Thornton stated that purchasing policy and procedures are documents that communicate agency policies, and state how to manage and document purchasing for a government agency. The policy provides set standards related to procuring supplies and services. SEJPA staff and legal counsel reviewed the updated purchasing policy to confirm current government codes, as well as provide recommendations for policy changes. Mr. Thornton stated that staff included a provision related to Public Works Contracts and replaced the existing “Alternative Procedures: Consolidated Purchase” with “Cooperative Purchasing” to include the practice of “Piggybacking”, and the use of the Federal General Services Administrative (GSA) purchasing schedules. There is no financial impact associated with establishing purchasing policies and procedures.

Moved by Vice Chair Hubbard and seconded by Board Member Becker to:

1. Adopt Resolution No. 2020-01, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Establishing Purchasing Policies and Procedures for the San Elijo Joint Powers Authority.

Motion carried with the following vote of approval:

AYES: Zito, Hubbard, Becker, Blakespear
NOES: None
ABSENT: None
ABSTAIN: None

13. SAN ELIJO JOINT POWERS AUTHORITY CLAIMS POLICY REVISION

Paul Kinkel, Director of Finance and Administration stated that the claims policy outlines the process for potential claimants to manage and document claims with the agency. The policy includes the purpose, scope, procedures, claim form, and delegation of authority, and is the repository for claims-related information. SEJPA staff and legal counsel revised and updated SEJPA's claims policy and procedures to confirm compliance with current government codes. Board Member Becker suggested that Section 4A of Resolution 2020-02, Form and Content of Claim, be revised to mirror Attachment A of Resolution 2020-02, which includes "witnesses" and other relevant information as additional requested items when submitting a claim.

Moved by Vice Chair Hubbard and seconded by Board Member Becker to:

1. Adopt Adopt Resolution No. 2020-02, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Establishing Claim Policies and Procedures for the San Elijo Joint Powers Authority with the discussed revision to Section 4A.

Motion carried with the following vote of approval:

AYES: Zito, Hubbard, Becker, Blakespear
NOES: None
ABSENT: None
ABSTAIN: None

14. CONTRACT FOR PROCUREMENT TO REMOVE AND REPLACE DIGESTER GAS BOILER NO. 1

General Manager Thornton briefed the Board of Directors on the solids treatment process at the facility. The anaerobic treatment process requires the digested sludge to remain above 95 degrees Fahrenheit (F) to be effective and to comply with 40 CFR Part 503. Since the boiler is required to heat digested sludge for permit compliance, the boiler is considered critical infrastructure. The SEJPA treatment process utilizes methane gas that is a bi-product of the anaerobic digestion process as fuel for the boilers that provide heat to maintain the required sludge temperature. The digester gas is corrosive and causes deterioration in the boiler chamber during the combustion process. One of the two boilers installed in 1997 has reached the end of useful service life and requires replacement.

Mr. Thornton stated that on October 14, 2019, the project was advertised for public bidding. Four bids were received with the lowest bid of \$192,946 from California Boiler. During bid evaluation, one letter from the second low bidder was received in protest of the low bid. The basis of the protest was mainly clerical in nature and determined to be non-substantial. The second low bidder was notified that the contract would be considered by the Board during the November 18 meeting; however, the second low bidder did not attend the meeting to present their case to the Board. Clerical irregularity corrections and clarification were received from the low bidder prior to the Board meeting. The overall recommended construction budget for this project is \$241,931; which includes \$7,700 for Engineering during construction, \$19,300 for Construction Management and Inspection, and \$21,985 for contingency. The FY 2019-20 Budget includes funding for the proposed project in the Capital Program, Phase 3 – Solids Treatment Improvements.

Moved by Director Blakespear and seconded by Vice Chair Hubbard to:

1. Authorize the General Manager to enter into an agreement with California Boiler for the procurement and installation of a digester gas boiler for a lump sum contract of \$192,946.

Motion carried with the following vote of approval:

AYES: Zito, Hubbard, Becker, Blakespear
NOES: None
ABSENT: None
ABSTAIN: None

15. PROPOSED SOLAR PHOTOVOLTAIC SYSTEM LOCATED AT THE SAN ELIJO WATER CAMPUS

General Manager Thornton stated that the San Elijo Water Campus uses a substantial quantity of electricity (3,300 megawatt-hours annually) to treat wastewater, produce and distribute recycled water, and for other onsite operational needs. To stabilize future energy costs and to increase the use of renewable energy, staff is seeking to develop a solar photovoltaic (PV) project at the facility. The proposed conceptual design would produce approximately 400 – 600 kilowatts (kW) of solar power, which equates to approximately 20% to 25% of the average daily demand of the Campus. The SEJPA purchases power from SDG&E at multiple pricing rates based on usage type, and the system is designed to replace the highest cost energy first. In addition, the PV project is designed to be large enough to attract third-party construction and financing through a Power Purchase Agreement, adding the financial benefit of tax credits that further lowers the project cost. Mr. Thornton stated that there is no financial impact at this time. The intent of the solar project is to develop renewable energy that will provide long term financial benefits to SEJPA.

No action required. This memorandum was submitted for information only.

16. GENERAL MANAGER'S REPORT

None

17. GENERAL COUNSEL'S REPORT

None

18. BOARD MEMBER COMMENTS

Vice Chair Hubbard shared with the Board Members that she noticed more wind and solar farms being built across the country on a recent driving trip back from Oklahoma.

Chair Zito continued with OPEN SESSION and moved the CLOSED SESSION to the end of the meeting.

20. OPEN SESSION

General Manager Thornton stated that the last review of the SEJPA Joint Powers Agreement was in 2008. Due to several legal updates, revisions to the Agreement are now recommended. Tracie Stender briefed the Board of Directors on legal updates, which includes addressing: 1) unfunded liability responsibilities in the event the agency dissolves; 2) allocation of other joint liabilities in the event not covered by insurance; and 3) updating notice provisions, which is a legislative update. Chair Zito questioned whether the suggested changes would pierce the standard level of liability protection. Ms. Stender will present a red-lined version of recommended changes to the Board Members for discussion at a future Board meeting. Also, General Manager Thornton suggested reviewing the operational billing methodology to use 3-year flow averages instead of 1-year, for more smooth and predictable budgeting for the agencies serviced by the SEJPA. Finally, Mr. Thornton informed the Board of Directors that the City of Del Mar is interested in becoming a member agency of SEJPA. Currently, Del Mar only receives contract services from the SEJPA and the City Council has expressed interest in expanding its commitment and ownership. Mr. Thornton suggested a committee to be formed to discuss this request. Chair Zito and Director Blakespear volunteered to support this discussion and be available to meet with Mr. Thornton.

19. CLOSED SESSION

The Board of Directors adjourned to closed session at 9:36 a.m., pursuant to the following Government Code Section:

- Public Employee Performance Evaluation pursuant to Government Code § 54957(b);
Title: General Manager

The Board of Directors came out of closed session at 10:00 a.m., with no reportable action.

21. ADJOURNMENT

The meeting adjourned at 10:00 a.m. The next Board of Directors meeting will be held on Monday, December 9, 2019 at 8:30 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Thornton", written over a horizontal line.

Michael T. Thornton, P.E.
General Manager