

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE SPECIAL BOARD MEETING  
HELD ON OCTOBER 28, 2019  
AT THE  
SAN ELIJO WATER RECLAMATION FACILITY

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David Zito, Chair

Jody Hubbard, Vice Chair

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A special meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Monday, October 28, 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  
Administrative Assistant/Board Clerk  
Senior Laboratory Analyst  
Intern, Laboratory

Michael Thornton  
Chris Trees  
Jennifer Basco  
Susie Arredondo  
Jason Simmons

*SEJPA Counsel:*

Procopio, Cory, Hargreaves & Savitch

Tracie Stender

*City of Encinitas:*

Assistant City Manager

Mark Delin

*City of Solana Beach:*

City Manager  
Director of Engineering/Public Works

Greg Wade  
Mohammad "Mo" Sammak

*Pun Group, LLP*

Ken Pun

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 Board Member Blakespear and seconded by Board Member Becker to approve the Consent Calendar.

Agenda Item No. 7	Approval of Minutes for the September 9, 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
Agenda Item No. 11	San Elijo Joint Powers Authority Updated Employee Handbook
Agenda Item No. 12	Contract for Procurement of a Recycled Water Pump and Motor

Motion carried with the following vote of approval:

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

13. ITEMS REMOVED FROM CONSENT CALENDAR

None

14. SAN ELIJO JOINT POWERS AUTHORITY AND OLIVENHAIN MUNICIPAL WATER DISTRICT RESOURCE SHARING

General Manager Thornton introduced Kim Thorner, General Manager for Olivenhain Municipal Water District (OMWD) to the Board of Directors. Mr. Thornton stated that SEJPA and OMWD have a long history of cooperation and partnership. The two agencies have successfully collaborated on pursuing state and federal grant funding and recently completed the \$10 million Village Park Recycled Water project. The agencies are now considering new resource sharing opportunities that can lead to improved service

performance, cost reductions, and staff development. The Resource Sharing Agreement provides authority to partner on safety training and on the provision of SEJPA providing state certified wastewater operators to OMWD, on a mutually agreeable basis. Mr. Thornton stated that there is no currently planned fiscal impact associated with approving the agreement. Each agency is responsible for funding its own services procured, thereby keeping each agency financially whole.

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

1. Authorize the General Manager to execute an agreement with Olivenhain Municipal Water District for Resource Sharing that includes safety training and wastewater operator services.

Motion carried with the following vote of approval:

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

15. FISCAL YEAR 2018-19 FINANCIAL AUDIT ACCEPTANCE

General Manager Thornton presented the Fiscal Year 2018-19 Audit to the Board of Directors. Mr. Thornton introduced Ken Pun from The Pun Group, LLP to give an overview of the audit findings. Mr. Pun provided this firm's opinion that the financial statements are presented fairly, in all material aspects, and are prepared in accordance with generally accepted accounting principles (GAAP) and the Government Accounting Standards Board (GASB). In addition, Mr. Pun stated that the financial statement disclosures are neutral, consistent, and clear; there were no difficulties or disagreements with staff or management; and there were no corrected or uncorrected misstatements. Mr. Pun briefly outlined his audit approach to the Board of Directors, reviewed the financials and statement of cash flows, and then answered Board Member questions.

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

1. Accept and file the Fiscal Year 2018-19 Audited Financial Statements for San Elijo Joint Powers Authority; and
2. Accept and file the Fiscal Year 2018-19 SAS 114 Letter.

Motion carried with the following vote of approval:

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

16. SAN ELIJO JOINT POWERS AUTHORITY END OF YEAR REVIEW OF THE FISCAL YEAR 2018-19 OPERATING AND DEBT SERVICE EXPENSES

General Manager Thornton provided a financial review for Fiscal Year 2018-19. Overall, SEJPA was 1.9% under budget or \$120,380. The pump stations, wastewater treatment, ocean outfall, and the other service programs were below budget by \$117,309 or 2.4%. Recycled Water expenditures were \$3,075 or 0.2% under budget. All debt service payments were paid in accordance with the loan agreements.

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

17. PROPOSED RECYCLED WATER INFRASTRUCTURE PURCHASE

General Manager Thornton gave a brief background on SEJPA's recycled water program. In 2015, SEJPA, City of Solana Beach (COSB), and City of Del Mar (CODM) teamed to extend SEJPA's existing recycled water distribution system to enable both SEJPA and Santa Fe Irrigation District to serve new recycled water customers within both the cities and specifically to serve the Solana Beach Coastal Rail Trail. In 2016, COSB completed construction of a 7,920 linear feet distribution pipeline, which connected to SEJPA's existing recycled water distribution system. COSB funded the design and construction of the distribution pipeline in order to expedite the conversion of the Coastal Rail Trail to recycled water service, and to provide recycled water service to businesses and homeowner associations along Via de la Valle. Mr. Thornton stated that the Pipeline Transfer and Cost Reimbursement Agreement will reimburse COSB \$1,191,652 for design and construction. SEJPA will pay COSB \$450 per acre foot (AF) for new water sales through the pipeline until the debt is retired. The \$450 per AF will be paid from the new water sales, which the current wholesale price is \$1,580 per AF. Project grant funding of approximately \$600,000 from the Proposition 84 IRWM grant program will also be provided to COSB, reducing the reimbursement.

Moved by Board Member Blakespear and seconded by Board Member Becker to:

1. Authorize the General Manager to execute the attached Pipeline Transfer and Cost Reimbursement Agreement by and between the San Elijo Joint Powers Authority and the City of Solana Beach.

Motion carried with the following vote of approval:

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

18. CAPITAL IMPROVEMENT PROGRAM UPDATE

General Manager Thornton provided status updates on the various projects in SEJPA's Capital Improvement Program. Phase I projects are substantially complete and includes the Land Outfall Replacement, Preliminary Treatment Upgrades, and Odor Control Improvements. Phase II consists of Electrical System Improvements, Encinitas Ranch Recycled Water Expansion, the 2018 Supervisory Control and Data Acquisition (SCADA) Upgrade projects, and Water Campus Improvements. Electrical System Improvements

and Encinitas Recycled Water Expansion are completed. The SCADA Upgrades project was delayed due to critical hardware components damage and is expected to be completed in December 2019. The Water Campus Improvements project is currently in the design and permitting phase; construction is expected to begin in February 2020. The Solids Treatment Project, a Phase III project, is currently in the pre-design phase.

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

19. GENERAL MANAGER'S REPORT

The General Manager introduced Susie Arredondo, Senior Laboratory Analyst, and Jason Simmons, Laboratory Intern, to the Board of Directors. Also, Mr. Thornton informed the Board of Directors that staff will be working with General Counsel to update the Restatement of Agreement between the City of Solana Beach and the City of Encinitas establishing the San Elijo Joint Powers Authority.

20. GENERAL COUNSEL'S REPORT

Tracie Stender informed the Board of Directors that recent updates to California's Surplus Land Act are unlikely to affect SEJPA.

21. BOARD MEMBER COMMENTS

None

22. CLOSED SESSION

None

23. ADJOURNMENT

The meeting adjourned at 10 a.m. The next Board of Directors meeting will be held on Tuesday, November 12, 2019 at 8:30 a.m.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager