

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON JANUARY 25, 2022
VIA VIDEO CONFERENCE

Kellie Hinze, Chair

David Zito, Vice Chair

A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, January 25, 2022, at 8:30 a.m., via a public web conference.

1. CALL TO ORDER

Chair Hinze called the meeting to order at 8:31 a.m.

2. ROLL CALL

Directors Present:

Kellie Hinze
David Zito
Catherine Blakespear
Kristi Becker

Directors Absent:

None

Others Present:

General Manager
Director of Operations
Director of Finance and Administration
Senior Project Manager
Administrative Coordinator
Financial Analyst

Michael Thornton
Chris Trees
Amy Chang
Michael Konicke
Vanessa Hackney
Damon Suda

SEJPA Counsel:

Procopio

Tracie Stender

City of Encinitas:

Director of Utilities/General Manager
Assistant City Manager

Isam Hireish
Jennifer Campbell

City of Solana Beach:

City Manager
Director of Engineering/Public Works

Greg Wade
Mohammad "Mo" Sammak

Leaf & Cole:

Partner

Michael J. Zizzi

3. PLEDGE OF ALLEGIANCE

General Manager Thornton led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

SEJPA was recognized by the California Water Quality Monitoring Council and State Water Resources Control Board for partnering in Covid-19 monitoring in wastewater. The research, which included more than 30 wastewater utilities throughout the state of California, used wastewater based epidemiology to quantify trends in COVID-19. This information complements clinical testing and can detect viruses shed by both symptomatic and asymptomatic individuals. The research demonstrated that wastewater based epidemiology can yield information sooner than collating individual testing and hospitalization records, thus providing potential as an early warning system for community outbreaks.

6. AB 361 FINDINGS REGARDING VIRTUAL MEETING (ACTION ITEM)

The Board of Directors discussed the ongoing state of emergency and made the following findings and determinations, moved by Vice Chair Zito and seconded by Board Member Becker to:

1. In light of the information provided in the staff report and the corresponding verbal discussion during this Board meeting, the Board of Directors hereby determines pursuant to Government Code 54953(e)(1)(B) and (C) that as a result of the Covid- 19 pandemic, meeting in person would present imminent risks to the health or safety of attendees.
2. The Board gave direction to staff to conduct the February 2022 San Elijo Joint Powers Authority Board of Directors Meetings virtually.

Motion carried with the following vote of approval:

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

7. CONSENT CALENDAR

Moved by Board Member Becker and seconded by Vice Chair Zito to approve the Consent Calendar.

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| Agenda Item No. 8 | Approval of Minutes for the December 14, 2021 Meeting |
| Agenda Item No. 9 | Approval for Payment of Warrants and Monthly Investment Report |
| Agenda Item No. 10 | Wastewater Treatment Report |
| Agenda Item No. 11 | Recycled Water Report |
| Agenda Item No. 12 | Reportable Meetings |

Motion carried with the following vote of approval:

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

14. FISCAL YEAR 2020-21 FINANCIAL AUDIT REPORT ACCEPTANCE

Mr. Michael Zizzi, a Partner for Leaf & Cole, presented the financial audit of SEJPA for FY 2020-21. The audit has been completed and it is the auditor's opinion that SEJPA's June 30, 2021 financial statements are presented fairly in all material aspects. The audit was performed in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Upon completion of the audit, Leaf & Cole stated that no transactions were noted where there was a lack of authoritative guidance or consensus. In addition, there were no difficulties or disagreements with management in performing and completing the audit.

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

1. Accept and file the FY 2020-21 Audited Financial Statements for San Elijo Joint Powers Authority;
2. Accept and file the FY 2020-21 SAS 114 Letter.

Motion carried with the following vote of approval:

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

15. SAN ELIJO JOINT POWERS AUTHORITY END OF YEAR REVIEW OF THE FY 2020-21 OPERATING AND DEBT SERVICE EXPENSES

Director of Finance and Administration, Amy Chang, provided a review of Fiscal Year 2020-21 operating and debt expenses and stated that overall, SEJPA completed the year below budget. Total budget savings was \$455,725 or 5.9%, which included a contribution of \$105,000 to the PARS trust to reduce future pension liability. Wastewater Treatment, Laboratory Services, Pump Stations, Ocean Outfall, and Storm Drain programs were under budget by \$569,763 or 9.8%. Recycled Water expenditures were \$114,038 or 6.1% over budget. All debt service payments were paid according to the loan agreements.

No action required. This presentation is for information only.

16. GENERAL MANAGER'S REPORT

General Manager Thornton provided an update on Grant Funding through Proposition 84, Round 4 IRWM Program. SEJPA has received funding totaling approximately \$2.2 million. The funding is for a variety of projects, including, \$600,000 for the City of Solana Beach for the construction of a recycled water pipeline, \$600,000 to SEJPA for the Encinitas Ranch Recycled Water Expansion Project, and another \$375,000 for low

impact development for stormwater water quality improvement projects at the San Elijo Water Campus, \$200,000 going to the City of Encinitas for their street scape project, \$600,000 to Olivenhain Municipal Water District for their Recycled Water expansion on Manchester from the I-5 freeway towards El Camino Real, and \$75,000 to the Nature Collective supporting their educational programs on water quality and healthy watersheds.

Two additional IRWM grants, through Proposition 1, just kicked off bringing roughly \$4 million into the region. These grants will be managed by SEJPA and funding will go to SEJPA for stormwater and recycled water improvements, the City of Oceanside for their recycled water system expansion, and Olivenhain Municipal Water District for their expanding recycled water service within the City of Encinitas.

Finally, SEJPA is working on refining the scope for a Bureau of Reclamation grant with a potential grant value of \$3 to \$4 million. This would fund new Recycled Water infrastructure for SEJPA, supporting the region's independence from imported water as well as sustainability for local water supplies.

General Manager Thornton also stated that SEJPA expects to have a closed session in the February Board Meeting to evaluate two lease agreements, one for a lease renewal and one for a potential new lease agreement.

17. GENERAL COUNSEL'S REPORT

General Counsel, Tracie Stender, stated that Procopio is monitoring three items for SEJPA:

- Kaanaana decision and potential expansion of prevailing wage for special districts
- AB 1434, proposing urban water use objectives and reducing from 55 gallons per capita daily to 40 gallons per capita by 2030
- Supreme court took up a challenge to the EPA's definition of "Waters to the U.S."

We will keep Board and staff apprised of these developments.

18. BOARD MEMBER COMMENTS

None.

19. CLOSED SESSION

None.

20. ADJOURNMENT

The meeting adjourned at 9:06 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, February 15, 2022 at 8:30 a.m.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager