

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON MAY 20, 2025  
AT THE SAN ELIJO WATER CAMPUS

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Kristi Becker, Chair

Luke Shaffer, Vice Chair

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A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Tuesday, May 20, 2025, at 8:30 a.m., at the San Elijo Water Campus.

1. CALL TO ORDER

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

2. ROLL CALL

*Directors Present:*

Board Chair

Kristi Becker

Vice Chair

Luke Shaffer (arrived 8:31 a.m.)

Board Member

David Zito

Board Member

Jim O'Hara

*Others Present:*

General Manager

Michael Thornton

Director of Operations

Christopher Trees

Director of Infrastructure and Sustainability

Thomas Falk

Director of Finance and Administration

Kevin Lang

Senior Project Manager

Michael Konicke

Accounting Technician I

Maria Cruz

Financial Analyst

Erica Zito

*SEJPA Counsel:*

Snell and Wilmer

Adriana Ochoa

*City of Encinitas:*

Senior Engineer

Daniel Nutter

*City of Solana Beach:*

City Manager

Alyssa Muto

City Engineer

Dan Goldberg

*Santa Fe Irrigation District:*

Director, Division #2

Dana Frieauf

Director, Division #1

Kenneth Westphal

Director of Administrative Services

Seth Gates

3. PLEDGE OF ALLEGIANCE

Board Chair Becker led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

Public comment was made by Kenneth Westphal, Division #1 Director of the Santa Fe Irrigation District regarding proposed increases to SEJPA's recycled water rates following the Recycled Water Cost of Service Workshop at the March 18, 2025 Board Meeting.

5. AWARDS AND RECOGNITION

Joshua McTaggart – Water Distribution Operator – Grade II

6. CONSENT CALENDAR

Agenda Item No. 7	Approval of Minutes for the April 15, 2025 Board Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report – April 2025
Agenda Item No. 9	Wastewater Treatment Report – March 2025
Agenda Item No. 10	Recycled Water Report – March 2025
Agenda Item No. 11	Reportable Meetings
Agenda Item No. 12	San Elijo Joint Powers Authority Contract for Procurement of Liquid Calcium Nitrate for Fiscal Year 2025-26
Agenda Item No. 13	Construction Phase Contract Amendments for the Biosolids Dewatering Facility Improvement Project
Agenda Item No. 14	San Elijo Joint Powers Authority Fiscal Year 2025-26 Recommended Budget Update

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

Motion carried with the following vote of approval:

AYES:	Becker, Shaffer, O'Hara, Zito
NOES:	None
ABSENT:	None
ABSTAIN:	None

16. ACCEPT THE MOONLIGHT BEACH PUMP STATION MODIFICATIONS CONSTRUCTION PROJECT

Director of Infrastructure and Sustainability Thomas Falk presented highlights from the completed Moonlight Beach Pump Station Modifications Project. He reported that the project was completed without any wastewater spills, injuries, or contractor claims. New pumps, motors, and variable frequency drives (VFDs) were installed to improve operational range and efficiency. SEJPA staff also programmed and commissioned a new PLC.

Mr. Falk emphasized the strengthened community partnerships through sponsorship of two SDSU engineering student groups, who selected the project for their Senior Capstone Project. He concluded the presentation by noting that the project was completed under budget.

Moved by Board Chair Becker and seconded by Vice-Chairperson Shaffer to:

1. Authorize the General Manager to Accept the Moonlight Beach Pump Station Modifications Project on behalf of the SEJPA and record the project Notice of Completion; and
2. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

AYES:	Becker, Shaffer, O'Hara , Zito
NOES:	None
ABSENT:	None
ABSTAIN:	None

17. RECYCLED WATER COST OF SERVICE WORKSHOP

General Manager Michael Thornton introduced the presentation, thanking SEJPA's recycled water customers for their participation and feedback following the first workshop. The floor was then opened for a request to address the Board by Santa Fe Irrigation Board Member Kenneth Westphal.

Director of Finance and Administration Kevin Lang reported that this was the second in a series of workshops focused on identifying alternatives to support the upcoming Recycled Water Cost of Service Study, which will be conducted by Carollo Engineers. He noted that the workshop incorporated valuable feedback from the Board and customers.

Building on the first workshop, Mr. Lang discussed key factors influencing recycled water rates, including the expiration of incentive revenues in September 2025 and high inflation, which has increased capital and operating costs, reducing the effectiveness of previous rate increases.

At the March 2025 Board Meeting, the Board directed SEJPA staff to explore the following: updated rate alternatives, market expansion opportunities, market comparisons, recycled water reserve fund components, and reserve utilization. Two initial rate proposals for FY 2026–2029 were presented at that meeting, but feedback from the Board, customers, and community members raised concerns about high rates and the short implementation timeline starting July 2025.

In response, Mr. Lang presented three revised rate structures designed to meet the revenue needs of the recycled water program while maintaining the required debt service coverage ratio. The below rate structures each include a previously-approved 3.9% increase in July 2025, with a second increase in January 2026 as annual rate adjustments would shift to January.

- **Alternative One:** 3.9%, 10%, 10%, 8%, 8% annual increases
- **Alternative Two:** 3.9%, 7.8%, 12%, 6.5%, 6.0% annual increases
- **Alternative Three:** 3.9%, 7.8%, 9.8%, 7.8%, 6.9% annual increases

These alternatives were shared with recycled water purveyors, who expressed support for the phased-in approach.

Mr. Lang also reported that the Recycled Water Reserve Fund, established in 2021, had a balance of \$4.2 million as of June 30, 2024. The fund supports current and future operational, capital, and debt service needs.

Information was presented on potential new recycled water customer connections converting potable water use to recycled water. Addressing market comparisons, Mr. Lang noted SEJPA's current recycled water rate of \$4.39 per HCF is the second lowest in the region. Even with proposed increases—particularly under Alternative Two—SEJPA's rates would remain competitive and a cost-effective alternative to potable water.

He concluded by presenting a preliminary Recycled Water Cost of Service Schedule, which will be refined based on further feedback from the Board and recycled water partners.

It is therefore recommended that the Board of Directors:

1. Advise staff on which rates to include in the cost-of-service study report; and
2. Discuss and take action as appropriate.

Although no formal vote was taken, the Board ultimately approved all three presented rate structures for inclusion in the cost-of-service study.

18. GENERAL MANAGER'S REPORT

None.

19. GENERAL COUNSEL'S REPORT

General Counsel Adriana Ochoa reported on her findings from attending the California Association of Sanitation Agencies (CASA) Attorneys Committee meeting. Mrs. Ochoa noted that proposed legislation was discussed, and she will monitor and report back to the Board on any legislation that could have an impact on San Elijo Joint Powers Authority and its partner agencies. Mrs. Ochoa also reported that one of her partners will be presenting at the next CASA meeting on the impact of tariffs on public works projects.

20. BOARD MEMBER COMMENTS

None.

21. CLOSED SESSION

None.

22. ADJOURNMENT

The meeting adjourned at 9:52 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, June 17, 2025 at 8:30 a.m.