

Agenda Item No. 07

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON APRIL 21, 2026
AT THE SAN ELIJO WATER CAMPUS

Luke Shaffer, Chair

David Zito, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Tuesday, April 21, 2026, at 8:30 a.m., at the San Elijo Water Campus.

1. CALL TO ORDER

Board Chair Schaffer called the meeting to order at 8:32 a.m.

2. ROLL CALL

Directors Present:

Board Chair

Luke Shaffer

Vice Chair

David Zito

Board Member

Jim O'Hara (8:44 am)

Board Member

Kristi Becker

Others Present:

General Manager

Michael Thornton

Deputy General Manager

Thomas Falk

Director of Operations

Christopher Trees

Director of Finance and Administration

Kevin Lang

Administrative Coordinator

Vanessa Hackney

SEJPA Counsel:

Snell and Wilmer

Adriana Ochoa

City of Encinitas/San Dieguito Water District:

General Manager

Isam Hireish

Senior Management Analyst

Ashlee Stratakis

3. PLEDGE OF ALLEGIANCE

Board Chair Shaffer led the Pledge of Allegiance.

Board Action: Vote to include Agenda Item No.18 - NOTICE OF EMERGENCY SITUATION AND AWARD OF CONSTRUCTION CONTRACT FOR REPAIRS TO RECYCLED WATER PIPELINE ON THE SAN ELIJO WATER CAMPUS (SUBJECT TO TWO-THIRDS VOTE OF THE SAN ELIJO JOINT POWERS AUTHORITY BOARD) *

Upon request from the General Manager Michael T. Thornton, the Board voted to include a non-agendized item related to the declaration of an Emergency Situation and subsequent contract award related to repairs needed to the SEJPA recycled water pipeline. To approve the inclusion of the non-agendized item a two-thirds vote is required.

Moved by Vice Chair Zito and seconded by Board Member Becker to approve the addition of Agenda Item No. 18.

Motion carried with the following vote of approval:

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

4. ORAL COMMUNICATIONS/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

Recognition of Service to SEJPA

Scott Best – 10 Years

Winston Friedly – 5 Years

Awards:

California Water Environment Association (CWEA)

State Level Award for Community Engagement, and Outreach Program of the Year (2025)
- Water Career Day

6. CONSENT CALENDAR

- | | |
|--------------------|---|
| Agenda Item No. 7 | Approval of Minutes for the March 17, 2026 Board Meeting |
| Agenda Item No. 8 | Approval for Payment of Warrants and Monthly Investment Report – March 2026 |
| Agenda Item No. 9 | Wastewater Treatment Report – February 2026 |
| Agenda Item No. 10 | Recycled Water Report – February 2026 |
| Agenda Item No. 11 | Reportable Meetings |
| Agenda Item No. 12 | Purposely Left Blank |

Agenda Item No. 13 Purposely Left Blank

Agenda Item No. 14 Purposely Left Blank

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

Motion carried with the following vote of approval:

AYES: Shaffer, Zito, Becker

NOES: None

ABSENT: O'Hara

ABSTAIN: None

16. PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2026-27 RECOMMENDED BUDGET

Director of Finance and Administration Kevin Lang presented the FY 2026-27 Recommended Budget, which consists of \$11,717,007 in operating expense, \$4,441,412 in capital appropriations, and \$2,373,011 in debt service payments for a total budget of \$18,521,430. The recommended FY 2026–27 budget with a focus on controlling costs, maximizing value, and ensuring the agency can effectively carry out its essential functions and maintain reliable service to participating agencies.

The proposed operating budget for all programs of \$11,717,007 represents a 4.6% increase over the prior year. The increase is primarily attributable to higher personnel costs necessary to maintain a skilled and dependable workforce, additional expenses associated with treatment of wastewater flows during the wet season, and ongoing regulatory compliance and infrastructure investments needed to support long-term system reliability.

The Capital Improvement Program (CIP) includes both new and continuing projects within the Wastewater Treatment, Laboratory Services, Ocean Outfall, and Recycled Water programs, and reflects both current capital contributions and PAYGO savings designated for larger future capital needs as part of a three-year CIP funding plan. The CIP also includes pump station improvement projects, which are fully funded by the owner agencies of each respective pump station. The recommended FY 2026–27 CIP appropriation totals \$4,441,412, including \$1,320,000 for Recycled Water Phase 4 capital projects and \$2,971,412 for other capital improvements funded through PAYGO contributions or cash revenues from participating agencies.

Total debt service for FY 2026–27 is projected at \$2,373,011 represents scheduled debt service obligations that are proportionally shared among participating agencies. The FY 2026–27 budget does not include the issuance of any new debt.

The FY 2026-27 Recommended Budget contains additional details surrounding the development of the budget. The recommended budget is attached to the April 2026 Board Meeting Agenda document, as well as posted on SEJPA's website at the following address: www.sejpa.org/about-us/financials.

Director Lang announced that at the May 19, 2026 Board meeting, staff will be presenting public comments received and any proposed adjustments to the recommended budget. The final version of the budget will then be submitted for the Board's approval consideration during the meeting scheduled for June 16, 2026.

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

17. CLASSIFICATION AND COMPENSATION ANALYSIS

Deputy General Manager Thomas Falk presented the completed classification and compensation analysis conducted by Reward Strategy Group. The study was completed under the supervision of the General Manager and included a comprehensive review of SEJPA position classifications using salary data from comparable agencies, supplemented with additional regional data where necessary to improve market alignment for specialized positions.

The classification and compensation study, conducted between November 2025 and April 2026, evaluated SEJPA's compensation structure relative to the regional utility labor market. The analysis found that many classifications, including operations, laboratory, and management positions, were below prevailing market levels. To support the Agency's ongoing ability to attract and retain qualified employees in a competitive labor environment, the proposed compensation structure generally targets salary ranges near the 65th percentile of comparable agencies. Recommended salary range adjustments are intended to improve market alignment, with management increases moderated to preserve internal equity. Three classifications currently above the target range will remain unchanged and will continue to be reviewed annually as market conditions evolve.

The proposed 2026–27 Classification and Salary Schedule will increase salary ranges and long-term earning potential across affected classifications. Over time, these adjustments, combined with future cost-of-living and merit increases, will result in higher overall compensation costs. Financial impacts will continue to be evaluated through the annual budget process to ensure alignment with available resources and long-term fiscal sustainability.

Moved by Board Member O'Hara and seconded by Vice Chair Zito to:

1. Accept and File Classification and Compensation Study by Reward Strategy Group, dated April 9, 2026; and
2. Approve Fiscal Year 2026-27 Classification and Compensation Schedule, effective July 1, 2026 – June 30, 2027

Motion carried with the following vote of approval:

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

18. NOTICE OF EMERGENCY SITUATION AND AWARD OF CONSTRUCTION CONTRACT FOR REPAIRS TO RECYCLED WATER PIPELINE ON THE SAN ELIJO WATER CAMPUS (SUBJECT TO TWO-THIRDS VOTE OF THE SAN ELIJO POWERS AUTHORITY BOARD)

Director of Infrastructure and Sustainability Thomas Falk presented to the Board that on April 20, 2026, at approximately 3:30 p.m., staff observed water surfacing through the asphalt parking lot at the Campus. Staff isolated the leak and closed the affected area for safety.

Burtech Pipeline was contacted at approximately 4:30 p.m. and was requested to mobilize a crew and equipment, by 7:00 a.m. on April 21, 2026.

Immediate action was required to protect public safety, maintain a safe working environment, and minimize service interruptions to recycled water customers. Under SEJPA's Resolution 2022-01 and PCC 22050, the General Manager authorized emergency repairs without competitive bidding.

Burtech will complete repairs in an expeditious manner. The trench will be backfilled, compacted, and temporarily paved with a cold asphalt patch. Final parking lot paving will be completed after full extents of damage are assessed and will be competitively bid. Once all work is complete, SEJPA will reconcile time and materials charges with Burtech and close out the emergency declaration.

The cost of the emergency repairs will be funded through the Recycled Water Program's reserves. The recommended contract with Burtech Pipeline for this work is for an amount not to exceed \$50,000.

Moved by Vice Chair Zito and seconded by Board Member O'Hara to:

- 1. Review and Confirm this Emergency Condition pursuant to San Elijo Joint Power Authority's Resolution 2022-01 "Purchasing Policies and Procedures" and Public Contract Code 22050, and ratify the General Manager's execution of an emergency repair agreement with Burtech Pipeline for repairs to buried recycled water pipeline at the San Elijo Water Campus.

Motion carried with the following vote of approval:

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

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20. GENERAL MANAGER'S REPORT

None.

21. GENERAL COUNSEL'S REPORT

None.

22. BOARD MEMBER COMMENTS

None.

23. CLOSED SESSION

A closed session was held for:

PUBLIC EMPLOYMENT (Government Code Section 54957 (b)(1),
Title: General Manager

CONFERENCE WITH LABOR NEGOTIATORS (Government Code 54957.6)
Agency designated representatives: Michael T. Thornton, General Manager
Unrepresented employees: SEJPA Employee Group

No reportable actions were taken.

24. ADJOURNMENT

The meeting adjourned at 9:57 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, May 19, 2026 at 8:30 a.m.