

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON FEBRUARY 17, 2026  
AT THE SAN ELIJO WATER CAMPUS

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Luke Shaffer, Chair

David Zito, Vice Chair

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A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Tuesday, February 17, 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 8:30 a.m.

2. ROLL CALL

*Directors Present:*

Board Chair

Luke Shaffer

Vice Chair

David Zito

Board Member

Kristi Becker

*Directors Absent:*

Board Member

Jim O'Hara

*Others Present:*

General Manager

Michael Thornton

Deputy General Manager

Thomas Falk

Director of Operations

Christopher Trees

Director of Finance and Administration

Kevin Lang

Accounting Supervisor

Yani Reyes-Heyer

*SEJPA Counsel:*

Snell and Wilmer

Adriana Ochoa

*City of Encinitas/San Dieguito Water District*

Senior Management Analyst

Ashlee Stratakis

*City of Solana Beach:*

Public Works Director

Orelia DeBraal

3. PLEDGE OF ALLEGIANCE

Board Chair Shaffer led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

*Awards:*

*California Water Environment Association (CWEA)*

*San Diego Section 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 January 20, 2026 Board Meeting                    |
| Agenda Item No. 8  | Approval for Payment of Warrants and Monthly Investment Report – January 2026 |
| Agenda Item No. 9  | Wastewater Treatment Report – December 2025                                   |
| Agenda Item No. 10 | Recycled Water Report – December 2025   |
| 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. SAN ELIJO JOINT POWERS AUTHORITY MIDYEAR FINANCIAL REVIEW

Director of Finance and Administration Kevin Lang provided a mid-year forecast report for Fiscal Year (FY) 2025-26. This forecast encompassed the operations of the San Elijo Joint Powers Authority (SEJPA) which owns and operates the San Elijo Water Campus and the San Elijo Recycled Water Utility and is a co-owner of the San Elijo Ocean Outfall. SEJPA also provides operational programs and services supporting the cities of Encinitas, Solana Beach, Del Mar, Escondido, and other local agencies.

Mr. Lang reported the FY 2025–26 total budget is \$17,521,525, including \$11,204,651 in operating expenses, \$3,941,368 in capital expenses, and \$2,375,506 in debt service. A mid-year review of SEJPA's 12 operating programs indicates total operating expenses are projected to be \$185,214 (1.7%) under budget, with all programs expected to finish the fiscal year at or below budget.

Revenue from the recycled water program is projected at \$3,377,721, 0.6% (\$21,529) below budget, with the Recycled Water Utility expected to generate \$173,576 in positive net revenue to be deposited into the Recycled Water Capital Reserve.

Mr. Lang also summarized SEJPA's active capital projects, including budgets, expenditures through January 31, 2026, and remaining balances. Total inception-to-date project costs include \$17,002,172 spent prior to June 30, 2025, and \$2,709,246 spent in FY 2025–26, resulting in a construction-in-process balance of \$19,711,418.

A portion of existing loan funding had been designated for SEJPA's recycled water share of the Biological Treatment Improvement/NDN Project; however, due to rising construction costs and a wastewater funding gap, the Board paused the project in December 2024. Available loan funds are now expected to support dedicated recycled water capital projects through FY 2027–28, consistent with SEJPA's most recent Cost of Service Study, including additional funding needs for the Wanket Tank Reservoir project. Mr. Lang noted that continued construction cost inflation may affect the amount of cash available for future project funding or loan prepayment, however the projected balance as of the mid-year forecast was \$443,792.

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

17. CONSTRUCTION PHASE CONTRACT AMENDMENTS FOR THE WANKET TANK REFURBISHMENT PROJECT

Deputy General Manager Thomas Falk reported on Wanket Tank Refurbishment Project, currently underway.

As previously authorized by the Board, an interior liner was installed in the tank in January 2026 to address persistent leakage. Following inspection and approval, the tank was refilled; however, water was observed in the underdrain system. Staff monitoring determined the liner reduced leakage by approximately 90%, but the remaining leakage rate still exceeds industry standards.

Inspection confirmed no defects in the newly coated interior surfaces. A review of historical records and drawings identified pre-existing piping beneath the tank footing as the most likely source of the remaining leak. The contractor has been directed to conduct video inspection and hydrostatic testing of the inlet, outlet, and drain piping. Staff will determine the final mitigation approach once the leak source is confirmed.

To allow flexibility in resolving the issue, staff recommended increasing the Miscellaneous Tank Repair Allowance by \$150,000, bringing the contract value to \$3,487,600. The Construction Management and Inspection (CM&I) budget will also increase by \$75,000, for a revised total of \$446,300.

These increases will continue to be funded through the 2023 recycled water loan fund. The project is expected to remain eligible for approximately \$885,000 in Proposition 1 grant funding and up to \$1 million in Title XVI WIIN reimbursement. Moved by Vice Chair Zito and seconded by Board Member Becker to:

1. Authorize the General Manager to execute Contract Change Order No. 6 to increase Owner-Controlled Miscellaneous Tank Repair Allowance by \$150,000; and
2. Authorize the General Manager to negotiate and execute Amendment 7 with CDM Smith in an amount up to \$75,000

Motion carried with the following vote of approval:

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

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19. PURPOSELY LEFT BLANK

20. GENERAL MANAGER'S REPORT

General Manager Michael Thorton provided an update on upcoming and ongoing staff initiatives. He reported that staff are transitioning from mid-year financial reviews into preparation of the annual budget and are also finalizing the labor classification and compensation study. Both items are expected to be presented at the April Board Meeting.

He further noted that due to the significant workload associated with budget preparation and the continued efforts to complete the Wanket Tank project, the Facility Plan is slightly behind schedule and is now expected to be presented at the May Board Meeting.

21. 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.

22. BOARD MEMBER COMMENTS

None.

23. CLOSED SESSION

None.

24. ADJOURNMENT

The meeting adjourned at 9:16 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, March 17, 2026 at 8:30 a.m.