

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
HELD ON SEPTEMBER 9, 2019
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

David Zito, Chair

Jody Hubbard, Vice Chair

A regular meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, September 9, 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 Finance & Administration
Director of Operations
Program Manager
Administrative Assistant/Board Clerk

Michael Thornton
Paul Kinkel
Chris Trees
Mike Konicke
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Encinitas:

Utilities Field Supervisor
IT Operations Supervisor
IT Manager

Daniel Guerra
Jessica Contreras
Wendy Flynn

City of Solana Beach:

City Manager
Director of Engineering/Public Works

Greg Wade
Mohammad "Mo" Sammak

Encinitas Ranch Community Association

Dick Stern

3. PLEDGE OF ALLEGIANCE

Chair Zito led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

Dick Stern, President of Encinitas Ranch Community Association, expressed his satisfaction with the successful completion of the Encinitas Ranch Recycled Water Expansion project. The beneficiaries of the project include providing recycled water to the greenbelts and open space associated with approximately 500 homes, City of Encinitas Lot 15 (public trail), and Fox Point Farms. Mr. Stern thanked the Board of Directors and recognized SEJPA General Manager Thornton and staff for the great partnership.

5. AWARDS AND RECOGNITION

None

6. CONSENT CALENDAR

Moved by Board Member Blakespear and seconded by Vice Chair Hubbard to approve the Consent Calendar.

Agenda Item No. 7	Approval of Minutes for the July 8, 2019 Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
Agenda Item No. 9A	San Elijo Water Reclamation Facility Treated Effluent Flows – Monthly Report (June)
Agenda Item No. 9B	San Elijo Water Reclamation Facility Treated Effluent Flows – Monthly Report (July)
Agenda Item No. 10A	San Elijo Joint Powers Authority Recycled Water Program – Monthly Report (June)
Agenda Item No. 10B	San Elijo Joint Powers Authority Recycled Water Program – Monthly Report (July)
Agenda Item No. 11	San Elijo Joint Powers Authority Contract for Procurement of Calcium Nitrate

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

Agenda Item No. 12 IT Managed Services Hardware and Software Upgrades.

Board Member Blakespear requested a discussion of Agenda Item No. 12. General Manager Thornton introduced Wendy Flynn, IT Manager, and Jessica Contreras, IT Operations Supervisor, from the City of Encinitas (City). The General Manager stated that the City has provided IT solutions to SEJPA for nearly 6 years. The current IT service Agreement term ends December 31, 2019 and the City has provided SEJPA with a new IT service agreement proposal. The proposed fee for the IT managed services is for an annual amount not to exceed \$92,700. Funds are available within the Supplies and Services and Contingency categories of the FY 2019-20 Budget.

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

1. Authorize the General Manager to enter into agreement with the City of Encinitas for IT Managed Services for an annual cost not-to-exceed \$92,700; and
2. Authorize the General Manager to procure IT Hardware, Software, and Professional Services for an amount not-to-exceed \$60,690.

Motion carried with the following vote of approval:

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

14. ENCINITAS RANCH RECYCLED WATER EXPANSION PROJECT – ACCEPTANCE OF COMPLETION AND FINAL SETTLEMENT AGREEMENT

General Manager Thornton informed the Board of Directors that the Encinitas Ranch Recycled Water Expansion project is substantially complete, with all major components installed and operational, and only minor items remain outstanding. The project expands recycled water service within the northern portion of the City of Encinitas and is expected to offset approximately 45 acre-feet per year or roughly 14.6 million gallons per year of potable water with locally produced recycled water.

During construction of underground pipelines, unforeseen conditions were encountered and the contractor, Burtech Pipeline, Inc., performed additional work in order to complete the project. The contractor submitted contract change order requests for additional costs of approximately \$133,000. Mr. Thornton stated that staff negotiated a fair and reasonable settlement amount of \$80,000 with the contractor. Acceptance of the project and the filing of the Notice of Completion will complete the contract with Burtech Pipeline, Inc. The final project cost, inclusive of all contract change orders and the proposed final construction settlement, is \$1,608,603 or \$116,033 under budget.

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

1. Authorize the General Manager to execute a Settlement and Release Agreement with Burtech Pipeline, Inc.; and
2. Authorize the General Manager to accept the Encinitas Ranch Recycled Water Expansion Project on behalf of the SEJPA and record the Notice of Completion.

Motion carried with the following vote of approval:

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

15. PRELIMINARY TREATMENT UPGRADES AND ODOR CONTROL IMPROVEMENTS PROJECT – ACCEPTANCE OF COMPLETION AND FINAL SETTLEMENT AGREEMENT

General Manager Thornton informed the Board of Directors that the Preliminary Treatment Upgrades and Odor Control Improvement project has reached substantial completion, and all major systems and components are installed and operational. The project included construction of new concrete treatment structures, installing new mechanical equipment, rehabilitation of existing concrete channels and structures, new safety improvements, and upgrades to the odor control system. The project has exceeded the contract end date and work disputes have arisen. As a result, staff negotiated a settlement and release agreement with the contractor, NEWest Construction Company, in order to cease construction activities and close out the contract for \$3,796,816 which is less than the approved contract value (including the change orders). SEJPA will pay a negotiated sum of \$120,000 as final payment for all work completed and waive any rights to liquidated and special damages. NEWest agrees to waive all claims, adjustments and liens, provide all warranties, and deliver all spare parts and project materials to SEJPA. Mr. Thornton stated that some work remains to be completed, and will be prioritized and scheduled as part of future capital improvements.

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

1. Authorize the General Manager to execute a Settlement and Release Agreement with NEWest Construction Co., Inc.; and
2. Authorize the General Manager to accept the Preliminary Treatment Upgrades and Odor Control Improvements Project on behalf of the SEJPA and record the Notice of Completion.

Motion carried with the following vote of approval:

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

16. ADOPT THE PROPOSED MITIGATED NEGATIVE DECLARATION ADDENDUM NO. 2 FOR UPGRADES AT THE SAN ELIJO WATER RECLAMATION FACILITY

General Manager Thornton provided background to the Board of Directors on the 2015 Facility Plan. This Facility Plan recommended multiple components of the SEWRF be upgraded based on a combination of factors such as risk, safety, physical condition, code compliance, and potential for improving process performance. From this Facility Plan, a capital upgrades project was identified and a Final Mitigated Negative Declaration (Final MND) was prepared in accordance with the California Environmental Quality Act (CEQA). The Final MND for the SEWRF Upgrades project was accepted by the Board of Directors in April 2016. In January 2019, the Board of Directors adopted Addendum No. 1 to the MND for minor adjustments to the project, including the addition of a shared-used bicycle/pedestrian trail, traffic safety enhancements, and a new location for solar panels. Additional minor adjustments have now been identified including the addition of a full traffic signal on Manchester Avenue, storm water improvements, and an expanded area for ground mount solar panels within the Water Campus property. These adjustments are being proposed as Addendum No. 2. Mr. Thornton stated that Addendum No. 2 documents that the revised project will not result in new significant impacts relative to the proposed project as described in the Final MND and would not alter the conclusions of the Final MND.

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

1. Adopt the Proposed Addendum No. 2 to Mitigated Negative Declaration for the San Elijo Water Reclamation Facility Upgrades.

Motion carried with the following vote of approval:

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

17. WATER CAMPUS IMPROVEMENT PROJECT DISCUSSION

General Manager Thornton informed the Board of Directors that key milestones have been met for the Water Campus Improvement project, including the completion of negotiations for project permits with all resource agencies. The project is scheduled for public review by the Encinitas Planning Commission on September 19, 2019. Based on the outcome of the Planning Commission, the project design can be completed.

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

18. GENERAL MANAGER'S REPORT

The General Manager informed the Board of Directors that SEJPA partnered on two grant applications for the Proposition 1 - Round 1 IRWM Implementation Grant Program, both of which were successful. In total, the grant award is for approximately \$7 million, which will fund water supply projects within north coastal San Diego county.

The first grant totals \$2.57 million for the North San Diego Integrated Recycled Water Project and it includes SEJPA, Olivenhain Municipal Water District, Rincon Water District, and City of Oceanside. This project intends to expand recycled water infrastructure in north county to further reduce the region's reliance on imported water. Of this grant, approximately \$300,000 is for recycled water storage evaluation by the SEJPA, which will help inform future capital investments for developing an integrated regional water storage system.

The second grant totals \$4.56 million for the North San Diego Pure Water Project and it includes SEJPA, Nature Collective, and the City of Oceanside. This project intends to build potable reuse infrastructure within the City of Oceanside, build storm water capture and reuse infrastructure by SEJPA, perform pathogen removal study of the wastewater treatment process also lead by SEJPA, and provide water education by SEJPA and the Nature Collective. Of this grant, approximately \$1.4 million is directed to the SEJPA.

The final approval of the IRWM Proposition 1 grant is required by the Department of Water Resources and further refinement of the grant applications or rejection is possible.

19. GENERAL COUNSEL'S REPORT

None

20. BOARD MEMBER COMMENTS

None

21. CLOSED SESSION

None

22. ADJOURNMENT

The meeting adjourned at 9:31 a.m. The next Board of Directors meeting will be held on Monday, October 14, 2019 at 8:30 a.m.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager