

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON FEBRUARY 21, 2023
AT THE SAN ELIJO WATER CAMPUS

David Zito, Chair

Tony Kranz, Vice Chair

A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, February 21, 2023, at 8:30 a.m., at the San Elijo Water Campus.

1. CALL TO ORDER

Chair Zito called the meeting to order at 8:33 a.m.

2. ROLL CALL

Directors Present:

David Zito
Tony Kranz
Kristi Becker
Kellie Hinze

Others Present:

General Manager
Director of Infrastructure and Sustainability
Director of Finance and Administration
Chief Plant Operator
Operator I
Administrative Assistant II

Michael Thornton
Tom Falk
Amy Chang
Dale Kreinbring
Frankie Abeyta
Abby Schlenk

SEJPA Counsel:

Procopio

Kevin Davis

City of Encinitas:

Senior Civil Engineer

Christina Olsen

City of Solana Beach:

Director of Engineering/Public Works
City Manager

Mohammad "Mo" Sammak
Greg Wade

3. PLEDGE OF ALLEGIANCE

General Manager, Michael Thornton, led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

Frankie Abeyta – 5 Years of Service Award

6. CONSENT CALENDAR

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

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| Agenda Item No. 7 | Approval of Minutes for the January 17, 2023 Meeting |
| Agenda Item No. 8 | Approval for Payment of Warrants and Monthly Investment Report |
| Agenda Item No. 9 | Wastewater Treatment Report |
| Agenda Item No. 10 | Recycled Water Report |
| Agenda Item No. 11 | Reportable Meetings |
| Agenda Item No. 12 | Notice of Emergency Situation and Award of Construction Contract for Repairs to Recycled Water Pipeline in Manchester Ave. |

Motion carried with the following vote of approval:

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

14. SAN ELIJO JOINT POWERS AUTHORITY MID-YEAR REVIEW OF THE FISCAL YEAR 2022-23 OPERATING BUDGET

Director of Finance and Administration, Amy Chang, stated that SEJPA provides wastewater treatment and disposal, water recycling, and technical support to local clean-water programs. In providing these services, SEJPA seeks to accomplish its mission in an environmentally, socially, and fiscally responsible manner. The total budget for Fiscal Year 2022-23 is \$13,679,161, which includes operating expense of \$8,911,445, capital expense of \$3,180,000, and debt service of \$1,587,716.

Total operating expenses for FY 2022-23 are expected to be under budget by \$136,488 or 1.5%. Seven of the eleven operating programs are tracking under budget, with the remaining four programs tracking between 0.6% and 8.6% over budget. The recycled water program is projected to produce revenues of \$4,511,854. This would be \$275,058 greater than budget and that would result in \$1,390,671 of net revenue over expenses.

No action required. This presentation is for information only.

15. CAPITAL PROJECT UPDATE

Director of Infrastructure and Sustainability, Tom Falk, presented a status update on the agency's capital improvement program, which includes replacing aging and obsolescent facilities, as well as that enhance environmental protection, resource recovery, sustainability.

Mr. Falk highlighted recently completed capital projects that were bundled into phases to prioritize capital spending, streamline project delivery, minimize community impacts, and reduce cost through economies of scale. Funding for these projects was provided by the 2017 Clean Water Bond Issuance, recycled water sales, capital cash contributions from agencies served by the SEJPA, grants, and Caltrans for the bike and pedestrian path.

Mr. Falk stated that looking forward, staff has identified four projects totaling an estimated cost of approximately \$17.2M that are recommended to be designed and constructed over the next three years. These projects are in addition to the recently awarded Biosolids Dewatering Facility Improvement Project, which construction is scheduled to be completed in 2025. These projects advance the agency's sustainability and climate action goals, as well as provide increased service reliability. Staff has been successful in securing grant funding for three of the four projects and is using multi-agency collaboration to help advance the projects. Staff anticipates providing more information on these projects at the next Board meeting.

Mr. Falk stated that looking beyond 2025, staff is preparing to update its facility planning documents to align SEJPA's vision, service priorities, and infrastructure needs to create a roadmap for the next 10+ years. The updated facility planning will build off the 2015 Facility Plan and leverage more recent studies focused on process optimization and facility upgrades to improve the ability to manage variable flows and loads, reduce process challenges, and position SEJPA for potable reuse. The facility planning approach will maintain the momentum of ongoing capital projects and allow for continued development of near-term projects while reaffirming strategies for future initiatives. Regulatory changes, drought conditions, asset management, and SEJPA's vision for expanding reuse are anticipated to drive project prioritization. Staff plans to retain an engineering firm in 2023 to prepare an updated Facility Plan that will outline the capital program priorities over the period of 2025 to 2035.

16. GENERAL MANAGER'S REPORT

General Manager, Michael Thornton, reported on the wastewater treatment and disposal agreement with City of Del Mar, that expires June 30, 2045. General Manager Thornton explained that the agreement includes an annual credit of \$60,000 to Del Mar from the SEJPA to offset a portion of costs incurred by Del Mar for building the connecting pipeline that sends wastewater to the San Elijo Water Campus. The credit is in effect until 66% of connecting pipeline costs are recovered by Del Mar. The current outstanding balance on the pipeline payoff is \$760,564, and payments are anticipated to be completed in 2036. However, if Del Mar elects to terminate the agreement early, there would be no debt cost to SEJPA.

17. GENERAL COUNSEL'S REPORT

Senior Associate of Procopio Kevin Davis explained that the State of Emergency is due to end on February 28, 2023. The new AB-2449 is now in effect, as of January 1, 2023. AB-2449 allows for Board Members to participate in a Board Meeting remotely given certain conditions are met. Davis cited the SEJPA Board Meeting Remote Appearance Form, which the Board Member would need to submit to SEJPA with at least 72 hours' notice and with confirmation of a quorum present, among other qualifications.

18. BOARD MEMBER COMMENTS

None.

19. CLOSED SESSION

None.

20. ADJOURNMENT

The meeting adjourned at 9:26 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, March 21, 2023 at 8:30 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Thornton", written over a horizontal line.

Michael T. Thornton, P.E.
General Manager