

Agenda Item No. 07

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON OCTOBER 21, 2025
AT THE SAN ELIJO WATER CAMPUS

Kristi Becker, Chair

Luke Shaffer, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Tuesday, October 21, 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 8:31 a.m.

2. ROLL CALL

Directors Present:

Board Chair

Kristi Becker

Vice Chair

Luke Shaffer

Board Member

David Zito

Board Member

Jim O'Hara (arrived 8:38 a.m.)

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

Administrative Coordinator

Vanessa Hackney

SEJPA Counsel:

Snell and Wilmer

Tracie Stender

City of Encinitas/San Dieguito Water District

Principal Engineer

Elmer Alex

City of Solana Beach:

Public Works Director

Orelia DeBaal

3. PLEDGE OF ALLEGIANCE

Board Chair Becker led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

Recognition of Service to SEJPA:

Michael (Mike) Thornton – 25 Years

Awards -

WaterReuse Association of California:

2025 Outreach and Education Program of the Year – Water Career Day

Recycled Water Customer of the Year – Encinitas Ranch Golf Association

6. CONSENT CALENDAR

Agenda Item No. 7	Approval of Minutes for the September 16, 2025 Board Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report – September 2025
Agenda Item No. 9	Wastewater Treatment Report – August 2025
Agenda Item No. 10	Recycled Water Report – August 2025
Agenda Item No. 11	Reportable Meetings
Agenda Item No. 12	As-Needed Professional Engineering Services Agreement Amendment with Trussell Technologies
Agenda Item No. 13	Purposely Left Blank
Agenda Item No. 14	Purposely Left Blank

Moved by Board Chair Becker and seconded by Board Member Zito 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. SAN ELIJO JOINT POWERS AUTHORITY RECYCLED WATER PROGRAM – PROPOSED WHOLESALE AGREEMENT AMENDMENT 7

Director of Finance and Administration, Kevin Lang, reported that since the execution of the original wholesale Agreement with Santa Fe Irrigation District (SFID), SFID and SEJPA have

worked together to amend the agreement when needed for contractual items. The Agreement's current Sixth Amendment is set to expire on June 30, 2031, which includes a provision expiring June 30, 2026 limiting annual price increases to no greater than five (5) percent annually.

Staff met with representatives from SFID to collaboratively develop the proposed Seventh Amendment to the Agreement for Sale of Reclaimed Water. The Amendment will suspend the annual cap on price increases to align with San Elijo's recently adopted recycled water rates for calendar years 2026 through 2029, establish framework for the next recycled water cost of service study, and more closely align SFID's minimum annual purchase volume with that of other recycled water customers by lowering it from 375 AF to 325 AF per year through 2031.

Moved by Board Member Zito and seconded by Vice Chair Shaffer to:

1. Authorize the General Manager to execute the Seventh Amendment to the Agreement for the Sale of Reclaimed Water to the Santa Fe Irrigation District, subject to final negotiations with the Santa Fe Irrigation District and review by General Counsel.

Motion carried with the following vote of approval:

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

17. 2026 CLASSIFICATION AND COMPENSATION STUDY

Director of Finance and Administration Kevin Lang presented information on the upcoming 2026 Classification and Compensation Study. SEJPA employees are currently working under the final year of a four-year Labor Agreement (Resolution No. 2025-02), which expires on June 30, 2026. In accordance with the Agreement's Competitiveness Assessment Decision provision, SEJPA is required to conduct a study and present the findings and recommendations to the Board of Directors prior to the Agreement's conclusion.

Staff recommended that an external firm conduct the 2026 study to provide an independent, market-based perspective. Reward Strategy Group (RSG) was recommended for this engagement, as the firm was recently selected to perform a similar study for the Encina Wastewater Authority, one of SEJPA's primary regional labor competitors.

The Board has previously indicated that positioning compensation between the 60th and 65th percentile of the labor market for comparable roles would help maintain competitiveness and support recruitment and retention goals. Table 1 outlines the agencies selected for benchmarking in the study.

Table 1 – Public agencies selected for Classification and Compensation Study

- | | |
|-------------------------------|--|
| • City of Encinitas | • Leucadia Wastewater District |
| • City of Escondido | • Olivenhain Municipal Water District |
| • City of Oceanside | • Padre Dam Municipal Water District |
| • City of San Clemente | • Santa Margarita Water District |
| • City of Solana Beach | • South Orange County Wastewater Authority |
| • Encina Wastewater Authority | • Vallecitos Water District |

The estimated cost to complete the Classification and Compensation Study is \$35,000 to \$40,000, depending on the final scope and number of comparator agencies. Sufficient funds are included in the Fiscal Year 2025 and 2026 operating budgets.

Moved by Vice Chair Shaffer and seconded by Board Member Zito to:

1. Provide guidance to the staff on any additional considerations or modifications for the completion of the Classification and Compensation Study; and
2. Authorize the General Manager to negotiate and execute an Agreement with Reward Strategy Group (RSG) for completion of the 2026 Classification and Compensation Study, based on the attached quote.

Motion carried with the following vote of approval:

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

18. **WANKET TANK LEAK MITIGATION**

Director of Infrastructure and Sustainability, Tom Falk, reported that SEJPA has substantially completed the planned Wanket Tank Refurbishment project to convert a 50-year-old potable water concrete tank into a recycled water storage facility. The 3-million-gallon tank will provide critical operational storage, enabling SEJPA to meet peak summer demands and store recycled water during storm events. This additional capacity increases system flexibility and helps relieve pressure on the ocean outfall.

Following completion of the identified restoration activities at the Wanket Tank, SEJPA connected the tank to the recycled water system and filled it to test for watertightness. Although the tank was found to be structurally sound, a persistent leak was detected shortly after filling. SEJPA monitored the leak to measure flow rates and help identify potential leak locations.

In order to identify the location of the leak, staff mobilized underwater divers to perform dye testing. Based on the results of testing and inspection, the project engineer and specialty contractors concluded that the leakage is most likely originating from multiple small cracks or gaps within the floor slab and lower wall joints.

The project engineer, with staff concurrence, recommends applying a liquid-applied urethane coating system across the tank floor, all joints, and four feet up the walls. This coating is specifically designed for tank waterproofing.

The additional coating and professional services work will exceed the previously approved project budget by approximately \$870,000. SEJPA has sufficient cash on hand from the recycled water loan to fund the work.

Completion of the Wanket project remains one of SEJPA's highest-priority recycled water projects. The work is expected to retain eligibility for approximately \$885,000 in Proposition 1 Grant funding and up to \$1 million in Title XVI WIIN reimbursement.

The Wanket project budget adjustment will be accommodated by reprioritizing upcoming projects through the 2025 Facility Plan Update, ensuring fiscal prudence while maintaining system reliability and long-term value.

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

1. Authorize the General Manager to finalize negotiations and execute Contract Change Order No. 3 (CCO 3) with J.R. Filanc Construction in an amount of \$775,645 and extend the completion date as necessary to install interior coating in the Wanket Tank; and
2. Authorize the General Manager to execute Amendment 4 with CDM Smith in an amount of \$73,615 to provide construction management and inspection services for additional work and extend schedule on Wanket Tank Refurbishment Project; and
3. Authorize the General Manager to execute Amendment 5 with Ardurra in an amount of \$43,205 for additional engineering services on the Wanket Tank Refurbishment Project.

Motion carried with the following vote of approval:

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

19. ACCEPT THE BIOSOLIDS DEWATERING FACILITY IMPROVEMENTS CONSTRUCTION PROJECT

Director of Infrastructure and Sustainability, Tom Falk, presented the completion of the Biosolids Dewatering Facility Improvements Project (Project). The Project was identified as a high priority project for San Elijo in the 2015 Facility Plan. The project was awarded in January 2023 to GSE Construction in the amount of \$8,687,200.

In September 2025, GSE Construction completed the final contract scope for the Biosolids Dewatering Facility Improvement Project. Acceptance of the project by SEJPA and the filing of the Notice of Completion (NOC) will initiate closeout of the public works contract with the contractor, sub-contractors and suppliers. SEJPA will file the NOC with the San Diego

County Clerk and final retention payment will be made to the Contractor after acceptance and recordation of the NOC.

This project was completed within the Board-approved budget.

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

1. Authorize the General Manager to Accept the Biosolids Dewatering Facility Improvements (including MS-2 Replacement) Project on behalf of the SEJPA and record the project Notice of Completion.

Motion carried with the following vote of approval:

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

20. GENERAL MANAGER'S REPORT

General Manager, Michael Thornton, reported that on Friday, October 4, he presented at the Encinitas Historical Society on the history and public value of wastewater treatment in Encinitas.

He also reminded the Board that SEJPA will host the second annual Water Career Day at the SEJPA campus on Wednesday, October 22, 2025, an event designed to promote careers in the water and wastewater industry.

21. GENERAL COUNSEL'S REPORT

None.

22. BOARD MEMBER COMMENTS

None.

23. ADJOURNMENT

The meeting adjourned at 9:38 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, November 18, 2025 at 8:30 a.m.