

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON JULY 14, 2008
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Teresa Barth, Chair Person

Dave Roberts, Vice Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, July 14, 2008, at 9:00 a.m., at the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff by the Sea, California.

1. CALL TO ORDER

Chair Person Barth called the meeting to order at 9:03 a.m.

2. ROLL CALL

Directors Present:

Teresa Barth
Maggie Houlihan
Thomas M. Campbell
Dave Roberts

Others Present:

General Manager
Assistant General Manager
Finance Manager
Administrative Assistant

Michael T. Thornton
Tish Berge
Greg Lewis
Monica Blake

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch
City of Encinitas, City Manager
City of Encinitas, Director of Public Works
City of Encinitas,
Public Works Management Analyst
City of Solana Beach, City Manager
City of Solana Beach,
Director of Engineering/Public Works
Southern California Alliance of Publicly
Owned Treatment Works (SCAP)
DUDEK & Associates, Inc.

Greg Moser
Phil Cotton
Larry Watt

Bill Wilson
David Ott

Mohammad "Mo" Sammak

John Pastore
Frank Dudek

3. PLEDGE OF ALLEGIANCE

Phil Cotton led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

Mr. John Pastore, Southern California Alliance of Publicly Owned Treatment Works (SCAP) Executive Director, presented information on a statewide project called "No Drugs Down the Drain." Mr. Pastore provided handouts and publications describing the problem of disposing of pharmaceuticals and non-prescription drugs in the sewer system. "Flushing" of such drugs results in concentrations of these drugs in streams and other waterways. Proper disposal methods are still being discussed and vary between Northern and Southern California constituents but from SCAP's perspective, disposing of pharmaceuticals and drugs down the drain is unacceptable as it negatively impacts the water system. This project plans to educate the public on properly disposing of drugs with various campaigns, flyers, advertisements, proclamations, and the use of a website (nodrugsdowndrain.org).

Board Member Campbell arrived at 9:16 a.m.

5. PRESENTATION OF AWARDS

None.

6. CONSENT CALENDAR

SEJPA Counsel Greg Moser requested that Agenda Item No. 11: Award of Nearshore, Offshore and Intensive Monitoring Contract be pulled with approval from the Board.

Moved by Vice Chair Roberts and seconded by Board Member Houlihan to approve the Consent Calendar with unanimous vote of approval.

Consent calendar:

Agenda Item No. 7	Approval of Minutes for the June 9, 2008 Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
Agenda Item No. 9	San Elijo Water Reclamation Facility Treated Effluent Flows – Monthly Report
Agenda Item No. 10	San Elijo Joint Powers Authority Recycled Water Program – Monthly Report
Agenda Item No. 12	Approve Professional Engineering Services Agreement to Trussell Technology, Inc.

13. ITEMS REMOVED FROM CONSENT CALENDAR

Agenda Item No. 11: Award of Nearshore, Offshore and Intensive Monitoring Contract

Counsel recommended conditional approval based on verification that the proper insurance coverage for sea vessels is included in the agreement.

Moved by Vice Chair Roberts and seconded by Board Member Houlihan to approve, with the proper insurance coverage, the Award of Nearshore, Offshore and Intensive Monitoring Contract to MBC Applied Environmental Services by unanimous vote of approval.

14. REPORT ON CLIMATE PROTECTION

General Manager Mike Thornton reported that the City of Solana Beach entered into the U.S. Mayors Climate Protection Agreement (Agreement) in 2007. Two of the twelve actions identified were (1) to evaluate opportunities to increase pump efficiency in water and wastewater systems and (2) recover wastewater treatment methane for energy production.

Mr. Thornton stated that the Performance Optimization of the Activated Sludge System Project, which was awarded in January 2008, is designed to increase the energy efficiency of the wastewater treatment process. The energy savings are attributed to several design elements and at completion are anticipated to result in energy savings on the order of 800-megawatt hours (MWH) per year. He also stated that methane created by the treatment process is captured and used to fuel water boilers that heat the digesters as necessary to meet permit requirements.

Another project that installed energy efficient lighting was completed in 2007 and is saving approximately 80,000 kilowatt-hours (kWh) per year.

Mr. Thornton highlighted the SEJPA's recycled water and biosolids programs as additional examples of agency activities aimed at sustainable practices. Biosolids produced as a byproduct of the treatment process are 100 percent recycled as fertilizer for non-human consumption crops, thereby avoiding disposal at local landfills. It was also noted that the San Elijo Water Reclamation Facility produces 1,200 to 1,300 acre-feet per year of recycled water, which directly offsets potable water demand.

Mr. Thornton stated that the SEJPA is interested in investigating the installation of Solar Panels on rooftops and over exiting hardscape at the treatment plant to further reduce the agency's energy needs.

Chair Barth thanked the General Manager for his report and thanked the City of Solana Beach for their efforts on climate protection. She stated no action is required on this item.

15. AWARD OF CONSTRUCTION CONTRACT FOR THE CARDIFF PUMP STATION GENERATOR AND ELECTRICAL IMPROVEMENTS PROJECT AND APPROVAL OF CONTRACT AMENDMENT NO. 2

The General Manager presented information on the upgrade to the existing Cardiff Pump Station electrical system from 240-volt power to 480-volt power and the replacement of the existing emergency power generator. This upgrade will improve the efficiency with which electricity is delivered to the station and replace an aging generator that is experiencing increased maintenance costs.

The project was advertised and two bids were received; the low bidder was Saturn Electric Company.

In addition, the consultant on the project, Kennedy/Jenks Consultants, has performed additional work outside of their original contract and anticipates additional work will be needed. Funding for this additional work is available within the project budget.

Moved by Board Member Houlihan, seconded by Board Member Campbell to approve and authorize the General Manager to issue the Notice of Award to Saturn Electric; approve and authorize the Chair of the Board to execute Agreement for Construction Services between San Elijo Joint Powers Authority and Saturn Electric Company, upon receipt and approval of all bid submittal requirements; approve and authorize the General Manager to issue the Notice to Proceed to Saturn Electric, upon receipt and approval of all bid submittal requirements; approve and authorize the General Manager to issue Contract Amendment No. 2 for \$13,450 to Kennedy/Jenks Consultants for professional services related to the Cardiff PS Generator and Electrical Improvements Project by unanimous vote of approval.

16. STATUS REPORT – EDINBURG DEVELOPMENT UTILITY EASEMENT

The General Manager reported that in May 2007 the SEJPA Board authorized the General Manager to negotiate easements with Edinburg, LLC, a developer of properties contiguous to the SEJPA's property. The easements were for stormwater drainage off their property and into the regional stormwater channel on San Elijo Water Reclamation Facility's property in exchange for a recycled water transmission pipeline to serve the proposed new development and other potential properties.

The General Manager reported the easement agreement was submitted to Edinburg, LLC in 2007 for execution. To date, nothing has been executed. The project is currently being reviewed by the City of Encinitas Planning Commission.

It was suggested by Counsel that possibly a two-step process could be utilized for approval of easements by the SEJPA.

Board Member Campbell directed the General Manager to work with Counsel in developing an easement approval policy for the SEJPA that takes into consideration each member agency's land use policies and decisions. The intent is to have an easement policy that is congruent with planning and land use objectives of each member agency.

17. CONSTRUCTION CONTRACT CHANGE ORDER NO. 1 AND ENGINEERING SERVICES CONTRACT AMENDMENT NO. 1 FOR THE PERFORMANCE OPTIMIZATION OF THE ACTIVATED SLUDGE SYSTEM PROJECT

The General Manager reported on the progress of the Performance Optimization of the Activated Sludge System Project and stated that there are four areas where additional funds will be needed to complete the project: additional input/output modules; upgrade of programmable logic controllers; relocation of a solid state starter, circuit breaker and

controls for the new blower and miscellaneous electrical changes; and addition of stainless steel pipe supports. The General Manager stated that SEJPA was aware of the potential for change orders because of certain unknowns in an upgrade of equipment built in 1992. The recommended contract change orders were intensely negotiated to reach a fair and reasonable price. Increasing the project budget by \$95,000 will sufficiently fund the new work and increase the project's remaining contingency level to \$94,000.

Moved by Board Member Houlihan, seconded by Vice Chair Roberts to approve the reallocation of \$95,000 from the FY 2008-09 Plant Improvements CIP Budget to the Performance Optimization of the Activated Sludge System Budget; approve and authorize the General Manager to issue Contract Change Order No. 1 for \$62,803.53 to Orion Construction Corporation for construction services related to the Performance Optimization of the Activated Sludge System Project; approve and authorize the General Manager to issue Contract Amendment No. 1 for \$13,875 to Kennedy/Jenks Consultants for engineering services related to the Performance Optimization of the Activated Sludge System Project; and authorize the General Manager to negotiate and approve future change orders for an amount not to exceed \$35,000. Motion carried with unanimous vote of approval.

18. GENERAL MANAGER'S REPORT

The General Manager reported that in 1982 the San Diego Regional Water Quality Control Board (SDRWQCB) initiated a kelp bed monitoring program as a means of measuring the impact of discharging effluent to the ocean. The General Manager explained that the SEJPA's National Pollutant Discharge Elimination System (NPDES) permit requires participation in a regional kelp survey, which was recently completed. The report indicated that the kelp beds offshore of the cities of Encinitas and Solana Beach appear healthy and have grown in size since last year.

The General Manager stated that the SEJPA has selected Infrastructure Engineering Corporation (IEC) to develop the conceptual design for a recycled water storage facility located at the San Elijo Water Reclamation Facility. The future water storage facility will greatly improve the recycled water system and allow the program to serve more customers. The City of Escondido will be contributing financially to this project as the storage facility could have a dual use of providing flow relief to the ocean outfall that is shared between the SEJPA and the City.

The General Manager reported on the approved Oak Crest Park Recycled Water Retrofit Loan agreement with the City of Encinitas; the project loan will be for an amount not to exceed \$30,000 as opposed to the previously approved limit of \$55,000. The SEJPA has also submitted this project for grant funding through the San Diego County Water Authority and Metropolitan Water District of Southern California's Accelerated Public Sector Water Efficiency Partnership Demonstration Program. The estimated value of the grant is \$6,000.

The General Manager conveyed his thanks to the City of Encinitas and the City of Solana Beach for their assistance and efforts with the Restatement of the SEJPA Agreement. The restatement has been filed with the State of California.

19. GENERAL COUNSEL'S REPORT

Counsel Greg Moser reported that counsel Greg Powers has resigned from Procopio Cory Hargreaves & Savitch for employment opportunities having less of a commute.

20. BOARD MEMBER COMMENTS

Board Member Barth stated that there will be no August Board Meeting. She also noted some difficulty with accessing the Agenda and Meeting Minutes on the SEJPA website and requested a link on the home page to directly connect to these items.

Board Member Campbell asked that the complete Agenda be posted on the SEJPA website. Assistant General Manager Tish Berge said she will look into this matter and report back at the September Board Meeting.

Board Member Roberts commented on the Olivenhain Pump Station site's unsightly appearance with various trucks parking there. The General Manager reported that this site is leased from Caltrans and often they or their contractors use it as a staging area. He also stated that the City of Encinitas has plans to modernize this pump station and beautification of the site may come at that time.

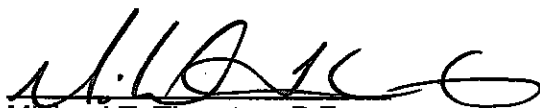
21. CLOSED SESSION

None.

22. ADJOURNMENT

The Board adjourned at 10:06 a.m. The next Board meeting will be held on Monday, September 8, 2008.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager