

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON SEPTEMBER 13, 2010
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Maggie Houlihan, Chair

Tom Campbell, Vice Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, September 13, 2010, 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 Houlihan called the meeting to order at 9:00 a.m.

2. ROLL CALL

Directors Present:

Teresa Barth
Thomas Campbell
Maggie Houlihan
Dave Roberts

Others Present:

General Manager
Director of Finance/Administration
Director of Operations
Administrative Assistant
Accounting Technician
Safety/HR Administrator
Operations Supervisor

Michael Thornton
Greg Lewis
Christopher Trees
Monica Blake
Carrie Cook
Marisa Buckles
Mike Henke

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Encinitas,
Director of Public Works

Larry Watt

City of Encinitas,
Public Works Management Analyst

Bill Wilson

City of Solana Beach,
City Manager

David Ott

City of Solana Beach,
Director of Engineering/Public Works

Mohammad "Mo" Sammak

Guests:

Frank Warner
Al Evans
Lynn Farrar
Michael Welch

3. PLEDGE OF ALLEGIANCE

Frank Warner led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

Mr. Warner, Mr. Evans, and Mr. Farrar stated their concerns on the Santa Fe Irrigation District's (SFID) proposed recycled water rate increase. As the SEJPA wholesales recycled water to SFID, they requested that the SEJPA Board of Directors consider changes to the wholesale agreement with SFID to help provide cost relief to the end customer.

5. PRESENTATION OF AWARDS

General Manager Michael Thornton presented Mike Henke, Operations Supervisor, with a certificate of recognition for 10 years of continuous service to the SEJPA. The General Manager also gave recognition to Scott Carr, Water Reclamation Supervisor, on his retirement after 11 years of service to the SEJPA.

Mr. Thornton reported that the SEJPA has been awarded the 2010 CASA Honorable Mention for Outstanding Capital Project, the Performance Optimization of the Activated Sludge System Project.

6. CONSENT CALENDAR

Chair Houlihan requested Item Number 10 be removed from the Consent Calendar with approval from the Board.

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

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the July 12, 2010 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

11. ITEMS REMOVED FROM CONSENT CALENDAR

Agenda Item No. 10	San Elijo Joint Powers Authority Recycled Water Program – Monthly Report
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General Manager Michael Thornton reported that the demands for recycled water in the months of June and July were less than normal, which was likely due to the

unusually cool summer temperatures, strong messaging within the region for the need of water conservation, and customers reducing their water use due to financial reasons. For the last twelve months, the SEJPA has seen a reduction in recycled water demand of roughly 15% even though new customers have been added.

Chair Houlihan requested that a 'Master Plan' map be prepared that illustrates existing potable and recycled water lines and customers.

This was an informational report not requiring Board action.

12. PRELIMINARY FINDINGS FOR FINANCING OF THE DEMINERALIZATION TREATMENT SYSTEM AT THE SAN ELIJO WATER RECLAMATION FACILITY

General Manager Michael Thornton reported that the Recycled Water Demineralization Treatment Project is in the final design stage. This project cost estimate still remains at the original estimate from the preliminary design at \$5 million. The SEJPA has funded approximately \$1 million of the project from its Recycled Water Program and is seeking a construction loan for the remaining estimated \$4 million. Staff has researched a variety of possible funding sources that include both public and private loan options. Based on information collected to date, the most attractive financing terms are being offered through the California Clean Water State Revolving Fund (SRF) loan program. Currently, this program is offering loans at a fixed 2.7% interest for a twenty year loan period. The SEJPA has completed the SRF loan application and is now preparing necessary supporting document and loan resolutions, which will be presented to the SEJPA Board for approval at a future Board meeting.

This was an informational report not requiring Board action.

13. TENTATIVE ORDER NO. R9-2010-0087, NPDES PERMIT NO. CA0107999; WASTE DISCHARGE REQUIREMENTS FOR THE SAN ELIJO WATER RECLAMATION FACILITY DISCHARGE TO THE PACIFIC OCEAN VIA THE SAN ELIJO OCEAN OUTFALL

General Manager Michael Thornton reported on the status of the SEJPA Ocean Outfall National Pollution Discharge Elimination System (NPDES) permit renewal. In August 2010, the California Regional Water Quality Control Board (Regional Board) provided the SEJPA with the Tentative Order No. R9-2010-0087. SEJPA staff performed a thorough review of the new proposed permit, and provided detailed comments to the Regional Board by the required deadline of August 25, 2010. Due to the number of comments on the proposed permit, coupled with new bacterial receiving water standards, the SEJPA requested that the Regional Board postpone hearing the permit on September 8, 2010. The Regional Board rejected the hearing extension, and at the September 8, 2010 Board meeting voted to adopt the permit.

The main area where the new permit differs from the existing is in new water quality objectives for bacterial in the receiving water, which is the Pacific Ocean. These new bacteria standards are equal to recreation water standards, often referred to as REC-1 standards, and apply from the shoreline to 3 miles offshore, from the water surface to the ocean bottom. In comparison, the bacteria standards in the existing permit extend from the shoreline to 1,000 feet offshore and are slightly less stringent.

Michael Welch, an engineering consultant for the SEJPA on this matter, explained the history of the existing permit and how the new regulations came into effect. He explained that this requirement began with the approval of the City of San Diego's NPDES ocean discharge permit and will be incorporated in all subsequent ocean discharge permits that are regulated under the authority of the San Diego Regional Board. This new requirement is being driven by a recent interpretation by the US EPA for water quality requirements as set forth in the region's Basin Plan and the California Ocean Plan.

The General Manager reported that staff is evaluating water quality data to determine how effective the current treatment process is in achieving compliance to these new standards. Based on a cursory review of the data, less than one percent of the sample results exceed these new limitations. Upon the completion of this review, staff will provide the SEJPA Board with options for moving forward.

The Regional Board has provided a mandated compliance schedule that includes submitting a work plan within 6 months, and that construction of any treatment facilities required to meet this new standard be initiated within 36 months. The Tentative Order goes into effect October 28, 2010.

This was an informational report not requiring Board action.

14. GENERAL MANAGER'S REPORT

General Manager Michael Thornton stated that the SEJPA is working with OMWD, San Elijo Lagoon Conservancy to develop a regional project called the North San Diego County Cooperative Demineralization Project. The project includes the construction of the recycled water demineralization treatment at the San Elijo Water Reclamation Facility, planning work for evaluating brackish water demineralization for potable water supply by OMWD, and water quantity and quality monitoring within the San Elijo Lagoon by the San Elijo Lagoon Conservancy. The project is aimed at providing salinity management for recycled water, accepting urban runoff and some first-flush storm water flows at strategic locations, and increasing local potable water supplies through brackish groundwater demineralization. The group requested \$1.1 million for this project, of which the SEJPA's portion would be approximately \$800,000 for demineralization treatment. This was submitted for a grant consideration to the San Diego Integrated Regional Management Group (IRWM) for Proposition 84 grant funding. The grant application was well received by the IRWM on its merits for addressing local water quality issues, increasing water supply, and treating urban runoff pollution. The grant request will now move forward to the IRWM Regional Advisory Committee for approval and submittal to California Department of Water Resources for funding.

15. GENERAL COUNSEL'S REPORT

General Counsel Greg Moser stated that AB827 is on the Governor's desk, awaiting approval. AB827 involves employee compensation rules as a result of the City of Bell issues.

16. BOARD MEMBER COMMENTS

Board Member Roberts requested that if the SEJPA has Environmental Impact Report comments on the proposed I-5 freeway expansion project, that comments are due by October 7, 2010. Board Member also Roberts inquired if the SEJPA staff was satisfied with the final recommendations of the Marine Life Protection Act initiative. Chair Houlihan asked for updates for everyone on this topic at a future time.

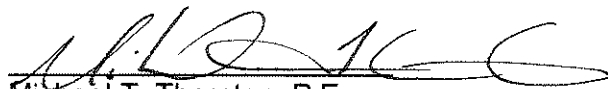
17. CLOSED SESSION

None

18. ADJOURNMENT

The Board of Directors adjourned at 10:41 a.m. The next Board of Directors meeting will be held on October 11, 2010.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager