

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON APRIL 12, 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, April 12, 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
Maggie Houlihan
Dave Roberts

Directors Absent:

Thomas Campbell

Others Present:

General Manager	Michael Thornton
Director of Finance/Administration	Greg Lewis
Director of Operations	Christopher Trees
Administrative Assistant	Monica Blake
Accounting Technician	Carrie Cook
Safety/HR Administrator	Marisa Buckles

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch	Greg Moser
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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

3. PLEDGE OF ALLEGIANCE

Larry Watt led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

General Manager Michael Thornton reported that the SEJPA has recently received three awards: CWEA State Level *2009 Small Plant Safety Award*, CWEA State Level *2nd Place 2009 Small Plant of the Year Award*, and the American Society of Civil Engineers (ASCE) San Diego Section *Water, Wastewater & Reuse Award of Excellence for the Performance Optimization of the Activated Sludge System Project*. The General Manager stated he will attend the CWEA Awards ceremony to accept the SEJPA's CWEA awards.

6. CONSENT CALENDAR

Board Member Barth requested Item Number 7 be removed from the Consent Calendar with approval from the Board.

Moved by Board Member Barth and seconded by Board Member Roberts to approve the Consent Calendar. Motion carried with the following vote of approval:

AYES: Barth, Houlihan and Roberts
NOES: None
ABSENT: Campbell
ABSTAIN: None

Consent Calendar:

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. 11	Authorization for Contingency Funding Use – Eden Gardens Pump Station

12. ITEMS REMOVED FROM CONSENT CALENDAR

Agenda Item No. 7 Approval of Minutes for the March 8, 2010 Meeting

Board Member Barth requested the minutes be amended to show the Board of Directors came out of closed session with no reportable action.

It was clarified that this was already present on page 7-4 of the minutes.

Moved by Board Member Roberts and seconded by Board Member Barth to approve the minutes for the March 8, 2010 meeting. Motion carried with the following vote of approval:

AYES: Barth, Houlihan and Roberts
NOES: None
ABSENT: Campbell
ABSTAIN: None

13. PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2010-11 RECOMMENDED BUDGET

Director of Finance/Administration Greg Lewis presented a PowerPoint presentation on the Fiscal Year (FY) 2010-11 Recommended Budget and answered questions from the Board of Directors. Discussion focused on the proposed operations and maintenance budget and staff's cost cutting efforts to keep expenses at or below last year's levels. The total recommended FY 2010-11 operating budget for the Wastewater Treatment Fund for the SEJPA is \$5,599,828, a 0.27 percent decrease from a year ago. The total recommended FY 2010-11 operating budget for the Water Reclamation Fund is \$1,809,660, a 0.51 percent decrease from a year ago. The FY 2010-11 appropriation for the Capital Project Fund is \$670,000, which will fund construction activities associated with upgrading the SEWRF electrical system, and to continue funding the biosolids building reserve.

It was recommended that the Board of Directors take the recommended budget to their respective Councils for further discussion and support. The budget may then be discussed at the next scheduled board meeting, or adopted, if no changes are requested. This was an informational report not requiring Board action.

14. APPOINTMENT OF SAN ELIJO JOINT POWERS AUTHORITY AUDITOR

General Manager Michael Thornton stated that SEJPA financial audit policy requires periodic review and possible rotation of the agency's financial audit firm. Therefore the SEJPA staff advertised a request for proposals and received three bids.

Moved by Board Member Roberts and seconded by Board Member Barth to:

1. Authorize the Chair to appoint Mayer Hoffman McCann P.C. as SEJPA auditor for the fiscal year ending June 30, 2010.

Motion carried with the following vote of approval:

AYES: Barth, Houlihan and Roberts
NOES: None
ABSENT: Campbell
ABSTAIN: None

15. PARTICIPATION AGREEMENTS WITH CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY (CSRMA) FOR LIABILITY AND PROPERTY INSURANCE

Director of Finance/Administration Greg Lewis stated that SEJPA maintains its liability, property, boiler and machinery, auto, and public official bond coverage through the San Diego Pooled Insurance Program Authority (SANDPIPA). Currently, SANDPIPA is implementing a new premium rating model, which is expected to increase the SEJPA's rate by 15 percent or more over the next two years.

As a result, SEJPA staff identified the California Sanitation Risk Management Authority (CSRMA) as a viable, cost-effective alternative for its insurance needs. Moving to CSRMA will require a three year commitment and the one-time purchase of "nose" coverage for the transitional period between carriers. However, even with the additional cost of the "nose" coverage, CSRMA can provide liability and property insurance at substantially less than the renewal quote from SANDPIPA. The estimated savings in the first year of coverage will be \$15,000.

Moved by Board Member Roberts and seconded by Board Member Barth to:

1. Authorize the General Manager to enter into participation agreements for property insurance and liability programs with CSRMA.

Motion carried with the following vote of approval:

AYES: Barth, Houlihan and Roberts
NOES: None
ABSENT: Campbell
ABSTAIN: None

16. GENERAL MANAGER'S REPORT

General Manager Michael Thornton reported that there are two recycled water projects that may be of interest to the SEJPA Board. The first project is the recent formation of the North San Diego County Recycled Water Project 2. This goal of this project is to develop a regional approach to producing, distributing, and using recycled water in the north coastal area of San Diego County. Currently, some districts have more demand for recycled water than they have production while other districts have excess capacity. This project will try to connect supply with demand and grant funding will be pursued for this project at both the state and federal level.

The second project is on a similar note where the SEJPA is in discussion with Santa Fe Irrigation District (SFID) on expanding the existing SEJPA recycled water distribution system to serve new customers in the Solana Beach area. The two agencies are in discussion for developing an agreement that would encourage the SFID to fund and build new pipelines for the distribution of SEJPA recycled water and the SEJPA would provide a reduced water rate or infrastructure credit to SFID. The discussions are at the preliminary level.

17. GENERAL COUNSEL'S REPORT

General Counsel Greg Moser stated a lawsuit has been filed which names the SEJPA, by property owners Bradley and Debra Gessner in a matter of damage from accumulated water to their real property. General Counsel noted that the SEJPA does not have a pipeline within a ½ mile of this property and that an answer to this claim will be made in a prompt manner.

18. BOARD MEMBER COMMENTS

None

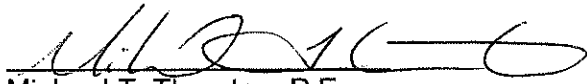
19. CLOSED SESSION

The Board of Directors adjourned to closed session to discuss labor negotiations per Government Code Section 54957.6.

20. ADJOURNMENT

The Board of Directors came out of closed session with no reportable action and adjourned at 11:00 a.m. The next Board of Directors meeting will be held on May 10, 2010.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager