

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
HELD ON AUGUST 20, 2018
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Tasha Boerner Horvath, Chair

David Zito, Vice Chair

A regular meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, August 20, 2018, at 8:30 a.m., at the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff by the Sea, California.

1. CALL TO ORDER

Chair Boerner Horvath called the meeting to order at 8:32 a.m.

2. ROLL CALL

Directors Present:

Tasha Boerner Horvath
David Zito
Joe Mosca
Peter Zahn

Directors Absent:

None

Others Present:

General Manager	Michael Thornton
Director of Operations	Chris Trees
Director of Finance & Administration	Paul Kinkel
Associate Engineer	Mike Konicke
Accounting Technician	Carrie Cook
Administrative Assistant/Board Clerk	Jennifer Basco
Wastewater Treatment Operator II	Scott Best
Wastewater Treatment Operator-In-Training	Frankie Abeyta

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch	Tracie Stender
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City of Solana Beach:

City Manager	Greg Wade
Director of Engineering/Public Works	Mohammad "Mo" Sammak

City of Encinitas, Public Works Mgt. Analyst	Bill Wilson
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City of Encinitas, Resident	Bill Steiner
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Encinitas Ranch Community Association	Dick Stern
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Highmark Capital Management

Christiane Tsuda

Kennedy/Jenks Consultants

Pat Huston

Public Agency Retirement Services

Rachael Sanders

3. PLEDGE OF ALLEGIANCE

Chair Boerner Horvath led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

The General Manager presented the following award to the Board of Directors and recognized several employees for their achievements.

- 2018 Outstanding Membrane Plant Award from Southwest Membrane Operators Association
- Frankie Abeyta, Wastewater Treatment Operator-in-Training – AA Degree in Wastewater Treatment Operations
- Scott Best, Wastewater Treatment Operator II – AA Degrees in Wastewater Treatment Operations, Wastewater Collection Systems, Water Distribution Systems Operations, Water Treatment Plant Operator, and Backflow and Cross Connection Control
- Paul Kinkel, 5 Years of Service

6. CONSENT CALENDAR

Moved by Board Member Zito and seconded by Board Member Zahn to approve the Consent Calendar.

Agenda Item No. 7	Approval of Minutes for the June 11, 2018 Meeting
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	2018 Supervisory Control and Data Acquisition (SCADA) Upgrade Project

Motion carried with the following vote of approval:

AYES: Boerner Horvath, Zito, Mosca, Zahn
NOES: None
ABSENT: None
ABSTAIN: None

Agenda Item No. 8 Approval for Payment of Warrants and Monthly Investment Report

Motion carried with the following vote of approval:

AYES: Boerner Horvath, Zito, Zahn
NOES: None
ABSENT: None
ABSTAIN: Mosca

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST PROGRAM TO PRE-FUND PENSION OBLIGATIONS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATIONS

Paul Kinkel, Director of Finance and Administration, stated that at the June 2018 Board meeting, staff provided information on the IRS Section 115 trust (Trust). The Trust is an irrevocable locally controlled trust that is dedicated to either pension expense or OPEB expense. The Trust provides investment flexibility, control over the contribution rate from the Trust to UAL, and easier access to investment performance. Mr. Kinkel introduced Rachael Sanders from Public Agency Retirement Services, who briefly explained the benefits and costs of creating and maintaining a Trust. Next, Christiane Tsuda from Highmark Capital Management presented the various investment options available in the Trust. Mr. Kinkel stated that funding an irrevocable trust would provide restricted funds that may be used at the Board's discretion to smooth the pension expense that can fluctuate due to changes in investment market conditions and CalPERS policies, in addition to making additional contributions to reduce the UAL.

Moved by Vice Chair Zito and seconded by Chair Boerner Horvath to:

1. Adopt Resolution No. 2019-01, Resolution of the Governing Board of Directors of the San Elijo Joint Powers Authority Approving the Adoption of the Public Agencies Post-Employment Benefits Trust Administered by Public Agency Retirement Services (PARS).

Motion carried with the following vote of approval:

AYES: Boerner Horvath, Zito, Mosca, Zahn
NOES: None
ABSENT: None
ABSTAIN: None

14. AWARD CONSTRUCTION CONTRACT AND PROFESSIONAL SERVICES DURING CONSTRUCTION FOR THE ENCINITAS RANCH RECYCLED WATER EXPANSION PROJECT

The General Manager gave a brief background of the Encinitas Ranch Recycled Water Expansion project. The project includes approximately 7,000 linear feet of new pipeline and a small booster pump station. This project will service agricultural, HOA green belts and open space, and city trails. It is anticipated to offset approximately 45 acre-feet per year, or roughly 14.6 million gallons annually, of potable water consumption. The Requeza Street work is subject to the commitment of the HOA's to convert to recycled water. Five construction bids were received and reviewed by the engineer of record, Dudek. Based on the review of the lowest base bid, staff recommended award of the project to Burtech Pipeline. In addition, staff issued a Request for Bids for pre-purchasing the package equipment system for the booster pump station; staff recommended award of the equipment to Hidden Valley Pump. Mr. Thornton then stated that the project will require support from the engineer of record, Dudek, during construction and additional inspection services from Black & Veatch.

The SEJPA has adequate funding in its capital program for the project using funds available from the 2017 Clean Water Bond. The project will receive \$150,000 in infrastructure cost sharing from the end users. Also, upon successful completion of the project, grant funding of \$525,000 will be received from the California Proposition 84, Integrated Regional Water Management grant program.

Moved by Board Member Mosca and seconded by Chair Boerner Horvath to:

1. Authorize the General Manager to award the base bid construction contract to Burtech Pipeline for an amount of \$1,225,000;
2. Authorize the General Manager to award the Schedule B Optional bid for an amount up to \$343,000 subject to the General Manager's discretion after discussion with HOA;
3. Authorize the General Manager to award the Pumping System equipment to Hidden Valley Pump for an amount of \$73,000;
4. Authorize the General Manager to amend the professional services agreement with Dudek for engineering services during construction for an amount of \$55,520;
5. Authorize the General Manager to amend the professional services agreement with Black and Veatch to increase project inspection for an amount of \$41,393; and
6. Authorize the General Manager to enter into agreement with the Encinitas Ranch Community Association and San Dieguito Water District for recycled water service and infrastructure cost sharing.

Motion carried with the following vote of approval:

AYES: Boerner Horvath, Zito, Mosca, Zahn
NOES: None
ABSENT: None
ABSTAIN: None

15. PROGRESS UPDATE – ALTERNATIVE DELIVERY FOR THE BUILDING AND SITE IMPROVEMENT PROJECT

General Manager Thornton stated that at the June 2018 Board meeting, staff was authorized to develop the Building and Site Improvements project using the Guaranteed Maximum Price (GMP) Construction Management at Risk (CMAR) delivery method. SEJPA is currently seeking qualifications from construction firms that are experienced with the type of work proposed and the CMAR delivery method. Mr. Thornton discussed the advantages as well as disadvantages of the CMAR delivery method. The request for qualifications is the first step in a two-step procurement process. Final selection criteria will be based on best value provided to SEJPA and will include qualifications, experience and method of approach in addition to price and other non-price related criteria. SEJPA is also considering utilizing a lease-purchase financing approach for the project pursuant to Government Code section 6584, et seq., which would provide value added flexibility and efficiencies to the project.

No action required. This memorandum was submitted for information only.

16. GENERAL MANAGER'S REPORT

General Manager Thornton informed the Board of Directors that under the new NPDES permit issued in June, the SEJPA must comply with additional requirements including a plume tracking study. Staff contacted other agencies and proposed collaboration on this new task. Mr. Thornton stated that under the SEJPA's biosolids program, an outside laboratory that performs services for the SEJPA, diluted a sample, which subsequently raised our detection levels and caused the Environmental Protection Agency to issue a letter of warning. Staff has contacted the outside laboratory to determine the reasoning behind the action. The General Manager informed the Board Members that the recycled water system continues to get intermittent low levels of coliform. Staff is actively working with outside consultants on this issue. The General Manager stated that the APCD issued Notices of Violation which state that several pump stations are being operated without authority from the Air Pollution Control Officer. Staff is in discussions with APCD management to obtain clarity. Finally, the General Manager informed the Board about an emergency repair of the digester gas pipeline at the San Elijo Water Reclamation Facility.

17. GENERAL COUNSEL'S REPORT

Tracie Stender stated that CalPERS staff will recommend that the Board reject the proposed decision on uniforms.

18. BOARD MEMBER COMMENTS

None

19. CLOSED SESSION

The Board of Directors adjourned to closed session at 9:51 a.m., pursuant to Government Code Section 54956.9(d)(2), Significant exposure to litigation; and 54956.9(d)(4), Initiation of litigation.

The Board of Directors came out of closed session at 10:10 a.m., with no reportable action.

20. ADJOURNMENT

The meeting adjourned at 10:11 a.m. The next Board of Directors meeting will be held on September 10, 2018 at 8:30 a.m.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager