

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON JULY 9, 2012
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Teresa Barth, Chair

David Roberts, Vice Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, July 9, 2012, 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 Barth called the meeting to order at 9:00 a.m.

2. ROLL CALL

Directors Present:

Teresa Barth
Thomas M. Campbell
David W. Roberts
Mark Muir

Others Present:

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

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

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Encinitas,
Public Works Management Analyst
City of Solana Beach,
Director of Engineering/Public Works

Bill Wilson

Mohammad "Mo" Sammak

St. Francis Court HOA
Lomas Santa Fe Country Club
General Manager

Al Evans & Frank Warner

Paul Devine

3. PLEDGE OF ALLEGIANCE

Vice Chair Roberts led the Pledge of Allegiance.

Board Member Muir arrived at 9:02 a.m.

4. ORAL COMMUNICATIONS

Al Evans, homeowner from the St. Francis Court HOA, addressed the Board regarding his concerns for future recycled water rate increases. He stated that cost increases between the SEJPA and the Santa Fe Irrigation District should be based on actual costs incurred. He supports the two districts working on preparing a new wholesale contract which takes this into consideration.

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

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

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the June 11, 2012 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. 11	General Manager Employment Agreement for July 1, 2012 Through June 30, 2014
Agenda Item No. 12	Professional Services Contract for Construction Management and As-Needed Staff Extension Resources
Agenda Item No. 13	Annual Kelp Monitoring Reports

14. ITEMS REMOVED FROM CONSENT CALENDAR

None

15. WHOLESALE PRICING OF RECYCLED WATER BY THE SAN ELIJO JOINT POWERS AUTHORITY

The General Manager delivered a brief report on the wholesale pricing structure of the San Elijo Joint Powers Authority (SEJPA). In the staff report, he stated that the SEJPA sells recycled water on a wholesale basis to three water purveyors; Santa Fe Irrigation District (SFID), San Dieguito Water District (SDWD), the City of Del Mar, as well as sells recycled water directly to the Encinitas Ranch Golf Authority (ERGA). All have agreements with the SEJPA which are unique in design to meet the needs of the individual purveyor and the SEJPA. The General Manager stated that two years ago SFID and the SEJPA negotiated an amendment to their wholesale agreement that increased SFID's minimum purchase volume and established a 5% annual rate increase for a two year period. This amendment will expire at the end of 2012 and the SEJPA and SFID are working on a new amendment.

The SEJPA has retained the consulting firm GHD to perform a third-party financial evaluation of the recycled water program. The goal of this effort is to evaluate current revenue and expenditure streams of the program, establish a fair and meaningful basis for a repair and replacement reserve, and develop rate structure recommendations to provide reasonable revenue to cover costs, including debt service, operational costs and reserves. This would be more of a "cost-of-service" model as compared to the existing price indexing method. The General Manager anticipates that a draft version of the findings will be presented to the Board of Directors later this year.

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

Board Member Muir made a motion to pull Item No. 11 from the Consent Calendar for reconsideration. Board Member Campbell seconded the motion. Board Member Muir asked what the net increase is on the General Manager's Employment Agreement.

General Manager Michael Thornton reported that the net pay increase is approximately 0.5%. The General Manager stated that vacation time was also increased by about one week.

Vice Chair Roberts made a motion to re-approve Item No. 11. Chair Barth seconded the motion.

Motion carried with unanimous vote of approval.

16. RESOURCE SHARING EVALUATION BETWEEN THE SAN ELIJO JOINT POWERS AUTHORITY AND THE ENCINA WASTEWATER AUTHORITY

The General Manager stated that the SEJPA and the Encina Wastewater Authority (EWA) are both public agencies providing wastewater treatment service in north coastal San Diego County. SEJPA Director Mark Muir requested that an evaluation be conducted to assess potential operational efficiencies and cost reductions that could be obtained through agency resource sharing or consolidation.

Board Member Muir stated that an ad hoc committee between the two agencies could be formed to conduct an analysis to see if there are opportunities that would benefit both agencies.

Board Member Campbell suggested an initial step of both General Managers composing a memorandum on the subject and report back to the Board.

Vice Chair Roberts stated that he wanted to be clear that the SEJPA was just looking at possibilities, not that there would necessarily be a merger of the two agencies. He wanted to be sure that the benefits outweigh the costs in this process.

The General Manager stated a joint memorandum that provides a cursory review of the potential benefits and risks of this concept could be prepared by September or October. The memorandum could then be presented to the Board of Directors of both agencies for consideration and direction.

Chair Barth stated that this would all be pending the Encina Board's interest. The EWA's next Board meeting is July 25, 2012.

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

17. GENERAL MANAGER'S REPORT

The General Manager reported that in May the recycled water treatment system exceeded the 7-day geometric mean of 2.2 MPN for total coliform. This occurrence was due to the cleaning and maintenance of equipment at the plant and was promptly addressed. No further issues have been noted.

The General Manager also stated that the construction company for the Olivenhain Pump Station Project pumped ground water into the city's sewer system on June 22 through June 26, 2012. The contractor did this without permission and without testing it first. The ground water was extremely high in total dissolved solids, (TDS), impacting both the wastewater treatment and water recycling facility. Potable water was added to the recycled water system to dilute the TDS concentrations to acceptable levels. The event was reported to the Regional Water Quality Control Board.

The General Manager reported that the SEJPA was recently inspected by the Environmental Protection Agency (EPA) and the California Regional Water Quality Control Board. The detailed inspection resulted in the highest rating attainable, "Satisfactory."

The General Manager noted that the California Association of Sanitation Agencies (CASA) is holding their annual conference in Monterey, California, on August 8th through the 11th. The main topics this year are recycled water, wastewater discharge, and marine life protection act (MLPA) initiative.

18. GENERAL COUNSEL'S REPORT

General Counsel Greg Moser stated that AB 2398, the Recycled Water Act was pulled by its author and therefore will not be considered this year, but will be a 2-year bill because of the complexities.

19. BOARD MEMBER COMMENTS

None

18. CLOSED SESSION

None

19. ADJOURNMENT

The Board of Directors adjourned at 9:45 a.m. The next Board of Directors meeting will be held on September 10, 2012.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager