

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON JANUARY 14, 2013
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Teresa Barth, Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, January 14, 2013, 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
Mark Muir
Thomas M. Campbell

Directors Absent:

David Zito

Others Present:

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

Michael Thornton
Greg Lewis
Christopher Trees
Jennifer Basco
Carrie Cook

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Encinitas,
Public Works Management Analyst
City of Solana Beach,
Director of Engineering/Public Works
San Dieguito Water District,
Assistant General Manager

Bill Wilson
Mohammad "Mo" Sammak
Bill O'Donnell

3. PLEDGE OF ALLEGIANCE

General Manager Michael Thornton led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

Moved by Board Member Campbell and seconded by Board Member Muir to approve the Consent Calendar.

Motion carried with the following vote of approval:

AYES: Barth, Muir, Campbell
NOES: None
ABSENT: Zito
ABSTAIN: None

Consent Calendar:

- | | |
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| Agenda Item No. 7 | Approval of Minutes for the December 10, 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 |

11. ITEMS REMOVED FROM CONSENT CALENDAR

None

12. ELECTION OF OFFICERS AND SCHEDULE OF BOARD MEETINGS

General Manager Michael Thornton stated that in accordance with Article 3 of the San Elijo Joint Powers Authority (SEJPA) formation agreement, the SEJPA Board is required to appoint a chairperson and vice chairperson and establish the time and place for its regular meeting by the second meeting of each calendar year. The General Manager reported that the SEJPA's regular meeting schedule has been generally set as 9:00 a.m. on the second Monday of each month, with no meeting in August. The regular meetings have been held at the San Elijo Water Reclamation Facility, located at 2695

Manchester Avenue, Cardiff-by-the-Sea, CA 92007. He stated that should this be acceptable to the Board of Directors, the proposed listing of scheduled meetings for 2013 is attached to this staff report. He noted that the proposed November meeting is scheduled for Tuesday, November 12, 2013, as Monday is the observed Veteran's Day Holiday. With the conclusion of the staff report the Board of Directors took the following actions.

Moved by Board Member Campbell and seconded by Chair Barth to:

1. Appoint Thomas M. Campbell as Chairperson and Mark Muir as Vice Chair for the 2013 SEJPA Board of Directors; and
2. Establish the SEJPA regular meeting schedule for 2013 as the second Monday of each month with no planned meeting for August and for the November meeting to be held on Tuesday, November 12, 2013, with the meeting location as the San Elijo Water Reclamation Facility.

Motion carried with the following vote of approval:

AYES: Barth, Muir and Campbell
NOES: None
ABSENT: Zito
ABSTAIN: None

13. PROPOSED STAFFING CHANGES

General Manager Michael Thornton stated that when two employees retired in the fourth quarter of 2012, management seized the opportunity to evaluate the organization for effectiveness and efficiency of duties. Results included recommendations for changes to the reporting structure and to some positions. The intent was to streamline reporting channels, and increase focus on critical success areas. The proposed staffing changes would have no net impact to the existing personnel budget allowance.

The organizational changes include replacing the Operations Supervisor position with the Mechanical Systems Supervisor position, replacing the Electrical Instrumentation Technician position with the Systems Integration Supervisor position, eliminating the Senior Maintenance Mechanic position and replacing it with a Systems Integration Series position.

General Manager Michael Thornton also reported on discussions with the Encina Wastewater Authority (EWA) about their internship program. The program is a cost effective way to recruit new staff and train potential new employees. Intern positions were added to the Table of Organization and were included in this Agenda item.

Board Member Muir commended the General Manager on taking the steps to re-evaluate and make changes when necessary in an otherwise static environment.

Moved by Board Member Muir and seconded by Board Member Campbell to:

1. Approve General Manager's proposed classification and compensation schedule changes.

Motion carried with the following vote of approval:

AYES: Barth, Muir and Campbell
NOES: None
ABSENT: Zito
ABSTAIN: None

14. PRINCIPLES OF UNDERSTANDING FOR AMENDING RECYCLED WATER AGREEMENTS BETWEEN THE SAN DIEGUITO WATER DISTRICT AND THE SAN ELIJO JOINT POWERS AUTHORITY

General Manager Thornton reported that the San Dieguito Water District (SDWD) expressed interest in amending their 1997 Agreement for Sale of Reclaimed Water with the SEJPA. General Manager Thornton presented Principles of Understanding to the Board of Directors, which was previously submitted to the SDWD for discussion purposes. If the Principles of Understanding are acceptable to all parties, then detailed work can commence on creating an agreement amendment based on the approved principles.

Board Chair Campbell asked about the status of discussions with Santa Fe Irrigation District (SFID) on this same topic and the status of the Cost of Service Study.

General Manager Thornton reported that the Recycled Water Cost of Service Study is currently being drafted. The Cost of Service Study will provide a detailed analysis of the revenues and expenses of the recycled water program and is expected to provide the Board with important information for setting future recycled water wholesale rates. The results of the Study will likely drive the conversation with SFID.

Board Chair Campbell stated that the Board of Directors would like an opportunity to review the Cost of Service Study before it is shared with the other parties. Also, Board Chair Campbell requested that the Study be completed before staff discussions preceded beyond the Principles of Understanding with SDWD.

The General Manager stated that he will provide the Board Members an update on the Cost of Service Study at the next Board meeting.

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

15. GENERAL MANAGER'S REPORT

General Manager Michael Thornton presented a news article to the Board of Directors entitled "California Water System Upgrade Overdue", by Timothy Quinn of the Association of California Water Agencies. The article describes how California's water system is aging, as much of it was constructed more than 40 years ago. The General

Manager explained that significant capital improvements are likely required to maintaining the current water system, which will put future pricing pressure on potable water.

The General Manager stated that construction is nearly complete on the Advanced Water Treatment Project, and the contractor expects system startup in a month. This project will improve recycled water quality and expand opportunities in new markets with increased water sales.

16. GENERAL COUNSEL'S REPORT

General Counsel Greg Moser reported on a U.S. Supreme Court decision last week in a Los Angeles County Flood Control District (District) case, brought by Santa Monica Baykeeper and the Natural Resources Defense Council, Inc. (NRDC), in which they alleged that the District was violating its NRDC permit limits. The Court found that since the District was not discharging into the municipal separate storm sewer system, only channeling the water, then there was no violation of the Clean Water Act.

17. BOARD MEMBER COMMENTS

Chair Barth stated that she and General Manager Michael Thornton were invited to meet with Marty Brown, Board Member of the Equinox Center, to discuss smart water policy. The Equinox Center, as a non-partisan think tank, can help influence public attitude and legislative positions. By creating a partnership with each other and with non-governmental organizations (NGOs), everyone benefits with clean water.

18. CLOSED SESSION

None

19. ADJOURNMENT

The Board of Directors adjourned at 9:46 a.m. The next Board of Directors meeting will be held on February 11, 2013.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager