

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON SEPTEMBER 14, 2015
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

David Zito, Chair

Catherine S. Blakespear, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, September 14, 2015, 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 Zito called the meeting to order at 9:00 a.m.

2. ROLL CALL

Directors Present:

Catherine S. Blakespear
Ginger Marshall
Mark Muir
David Zito

Directors Absent:

None

Others Present:

General Manager
Director of Operations
Director of Finance & Administration
HR/Safety Administrator
Administrative Assistant/Board Clerk
Mechanical Systems Supervisor
Wastewater Operator

Michael Thornton
Christopher Trees
Paul Kinkel
Marisa Buckles
Jennifer Basco
Michael Henke
John Boyle

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Solana Beach

City Manager
Director of Engineering/Public Works

Greg Wade
Mohammad "Mo" Sammak

City of Encinitas:

Director of Engineering and Public Works
Public Works Management Analyst

Glenn Pruiam
Bill Wilson

Roesling Nakamura Terada Architects, Inc.

Joe Mansfield

3. PLEDGE OF ALLEGIANCE

Chair Zito led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

The General Manager recognized John Boyle, Wastewater Operator, and Michael Henke, Mechanical Systems Supervisor, for their 10 and 15 years of service, respectively. On behalf of the Board of Directors, Chair Zito thanked them for their service to the agency.

6. CONSENT CALENDAR

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

Motion carried with unanimous vote of approval.

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the July 13, 2015 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	SCADA Upgrades Project Update
Agenda Item No. 12	Village Park Recycled Water Project Update
Agenda Item No. 13	As-Needed Painting and Coating Contract Authorization

14. ITEMS REMOVED FROM CONSENT CALENDAR

None

15. BUILDING IMPROVEMENT PROGRAM

General Manager Thornton stated that the 2015 Facility Plan identified significant building deficiencies including FLS (fire, life, and safety), Americans with Disabilities Act

(ADA) accessibility, and seismic code issues with the Administration and Operations Buildings. In response to those findings, staff began development of a Building Improvement Program. The Building Improvement Program report refines the options identified in the 2015 Facility Plan to address current deficiencies through the use of a Needs Assessment and Building Alternatives Analysis. The General Manager presented three feasible alternatives to the Board of Directors for consideration. All three alternatives address the FLS concerns and identified code deficiencies. In addition, all alternatives include the construction of an onsite building located near the plant entrance to improve site access, limit public traffic through the facility, and prevent unauthorized entries. The estimated cost of the Building Improvement Program is between \$7.6 and \$7.9 Million.

Alternative 1: Construct a 14,200 square foot (sf) building near the SEWRF site entrance to allow all staff to work within a single building.

Alternative 2: Construct a new 7,800 sf building near the SEWRF site entrance and renovate existing 6,550 sf Operations building.

Alternative 3: Provides consideration for SEJPA and Encina Wastewater Authority (Encina) merger. This alternative includes the construction of a 7,800 sq building near SEWRF site entrance and construction of 5,000 sq of office space at Encina.

After discussion of the three alternatives, the Board Members agreed that:

- 1) Correcting the identified deficiencies is important and should be a priority.
- 2) Improving site security and public access should be included in Building Project.
- 3) Lower cost options should be explored to make sure that the Public money is being used responsibly.
- 4) A study of collaboration with Encina should be completed parallel to the building analysis.

The General Manager will engage Encina to determine their interest in developing a white paper that examines both opportunities and constraints of consolidation, and bring the results back to the Board at a future meeting.

16. AWARD OF CONTRACT FOR STATE REVOLVING FUND (SRF) LOAN SUPPORT AND CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PLUS DOCUMENTATION

General Manager Thornton stated that since the July 2015 Board of Directors meeting where staff discussed municipal bond financing for several recycled water, wastewater, and outfall capital projects, an alternative financing option has been identified that may provide better financing terms. Mr. Thornton introduced Paul Kinkel, Director of Finance and Administration, to discuss the Clean Water State Revolving Fund (SRF) Program.

Mr. Kinkel compared SRF funding against Municipal Bonds and Private Placement Bonds. SRF loan requirements can be more stringent than bonds, as well as financing costs that are paid as-you-go; however interest savings over a 30 year financing term with SRF loans are substantial. Financing of approximately \$22.4 million (for wastewater

projects) and \$4.8 million (for recycled water projects), may yield interest savings of \$6.7 million and \$1.4 million, respectively.

Mr. Kinkel stated that staff invited four firms to provide proposals to prepare SRF loan applications and supporting documents. The proposal from Dudek listed experience with preparing, submitting, and overall project management of the SRF loan application process; including in-house California Environmental Quality Act (CEQA) plus documentation. The proposed agreement to support the SRF loan application and CEQA plus environmental documentation is \$123,340. Funding for the proposed agreement will be provided proportionally by the capital funding for each program.

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

1. Approve Professional Service Agreement with Dudek for SRF and CEQA plus Support for an amount not to exceed \$123,340.

Motion carried with unanimous vote of approval.

17. AWARD OF CONTRACT FOR THE 2016 RECYCLED WATER COST OF SERVICE RATE STUDY

General Manager Thornton stated that the SEJPA supplies recycled water to five entities: Santa Fe Irrigation District (SFID), San Dieguito Water District (SDWD), the City of Del Mar, Olivenhain Municipal Water District (OMWD), and the Encinitas Ranch Golf Authority (ERGA). The recycled water agreements with these entities, with the exception of ERGA, require price setting using a cost-of-service methodology, beginning July 1, 2016. Mr. Kinkel explained that the cost of service study will determine the required revenue for program sustainability, and will also provide a model for forecasting future needs.

Mr. Kinkel stated that staff invited four firms to provide proposals to prepare the 2016 Recycled Water Cost of Service Study. Of the two firms that responded, the Raftelis Financial Consultants proposal provided the best combination of qualifications, project understanding, and value.

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

1. Approve the Agreement with Raftelis Financial Consultants for the San Elijo Joint Powers Authority Recycled Water Cost of Service Study for an amount not to exceed \$16,817.

Motion carried with unanimous vote of approval.

18. CLASSIFICATION AND COMPENSATION STUDY

General Manager Thornton informed the Board of Directors that the SEJPA's current employee labor agreement (Resolution No. 2012-06) expires on June 30, 2016. As part of the Resolution, the SEJPA is required to complete a Classification and Compensation Study prior to the end of the labor agreement. A study of the current labor market can provide information to determine whether the agency's pay structure is appropriate or if adjustments should be considered. The cost to have a consultant prepare a

Classification and Compensation Study is estimated to be between \$12,000 and \$32,000. There is no external cost to having the study completed in-house.

Moved by Vice Chair Blakespear and seconded by Board Member Muir to:

1. Authorize the General Manager to complete an in-house Classification and Compensation Study.

Motion carried with unanimous vote of approval.

19. GENERAL MANAGER'S REPORT

The General Manager updated the Board of Directors on the utility conflicts with Caltrans.

20. GENERAL COUNSEL'S REPORT

None

21. BOARD MEMBER COMMENTS

None

22. CLOSED SESSION

None

23. ADJOURNMENT

The meeting adjourned at 10:33 a.m. The next Board of Directors meeting will be held on October 12, 2015.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager