

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON MARCH 7, 2016  
AT THE  
SAN ELIJO WATER RECLAMATION FACILITY

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Catherine Blakespear, Chair

Ginger Marshall, Vice Chair

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A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, March 7, 2016, 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 Blakespear called the meeting to order at 9:00 a.m.

2. ROLL CALL

*Directors Present:*

Catherine S. Blakespear  
Ginger Marshall  
Mark Muir (*arrived at 9:20 a.m.*)  
David Zito

*Directors Absent:*

*Others Present:*

General Manager  
Director of Operations  
Director of Finance & Administration  
Administrative Assistant/Board Clerk  
Associate Engineer

Michael Thornton  
Christopher Trees  
Paul Kinkel  
Jennifer Basco  
Michael Konicke

*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

Glenn Pruim

Helix Environmental Planning, Inc.

Tim Belzman

3. PLEDGE OF ALLEGIANCE

Chair Blakespear led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

Moved by Board Member Zito and seconded by Vice Chair Marshall to approve the Consent Calendar.

Motion carried with the following vote of approval:

AYES: Blakespear, Marshall, Zito  
NOES: None  
ABSENT: Muir  
ABSTAIN: None

Agenda Item No. 7 Approval of Minutes for the February 8, 2016 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. APPOINTMENT OF THE SAN ELIJO JOINT POWERS AUTHORITY'S AUDITOR

Director of Finance & Administration, Paul Kinkel, stated that the SEJPA's policy for the selection of auditors requires periodic review and possible rotation of the agency's financial audit firms at least every 5 years. Leaf & Cole, LLP has provided audit services to the SEJPA for the last five years, and that contract is now expired. Mr. Kinkel informed the Board of Directors that the SEJPA requested proposals for audit services from several CPA firms and subsequently received four audit proposals. Staff selected the Pun Group, LLP based on the firm's experience, proposed audit team, quality of the proposal, the proposed approach for completing the work, and the value to the SEJPA.

Funding for audit services will be budgeted in both the Wastewater and Recycled Water Funds for FY 2016-17.

Moved by Board Member Zito and seconded by Vice Chair Marshall to:

1. Authorize the General Manager to appoint The Pun Group, LLP as the SEJPA's auditor beginning fiscal year ending June 30, 2016; and
2. Authorize the General Manager to execute a three year contract with The Pun Group, LLP not to exceed \$55,500

Motion carried with the following vote of approval:

AYES: Blakespear, Marshall, Zito  
NOES: None  
ABSENT: Muir  
ABSTAIN: None

13. CLEAN WATER STATE REVOLVING FUND (SRF) LOAN APPLICATION; BOARD RESOLUTIONS FOR WASTEWATER AND RECYCLED WATER PROJECTS

General Manager Thornton informed the Board of Directors the State Water Resources Control Board (SWRCB) SRF Loan Program provides low interest loans to agencies for construction of wastewater and recycled water facilities, and improvements. SRF loans are desirable as the finance rates are approximately one-half the interest rate of the most recent General Obligation Bond Rate at the time of loan approval. Staff recommended that the SEJPA pursue SRF funding as the preferred financing method, with municipal bond financing as a contingency option, to fund the proposed \$22.4 million in wastewater and \$4.8 recycled water capital projects. One of the first steps in receiving financing consideration from the SWRCB is the execution of a series of Board Resolutions.

The resolutions can be briefly described as follows:

- Resolution No. 2016-02 and No. 2016-05, authorize the General Manager or designee to sign and file for Wastewater and Recycled Water loan applications;
- Resolution No. 2016-03 and No. 2016-06, dedicate sources of revenues to repay the loans, and;
- Resolution No. 2016-04 and No. 2016-07, adopt reimbursement resolutions.

The General Manager stated that there is no financial impact associated with this recommendation.

Moved by Board Member Zito and seconded by Vice Chair Marshall to:

1. Adopt Resolution No. 2016-02, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Authorizing the General Manager or designee to sign, file, provide assurances, certifications, commitments, and any and all actions required on behalf of the San Elijo Joint Powers Authority (SEJPA) related to entering into a Financial Assistance Agreement with the State Water Resources Control Board (SWRCB) related to the SEJPA Wastewater Projects;

2. Adopt Resolution No. 2016-03, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Dedicating and Pledging Net Revenues of the SEJPA Wastewater Enterprise Fund and the Wastewater Enterprise Fund to the repayment of any and all SRF financing for the SEJPA Wastewater Projects;
3. Adopt Resolution No. 2016-04, Resolution of the Board of Directors of the San Elijo Joint Powers Authority of Intent to Reimburse Expenditures Related to Construction or Reconstruction of Certain Public Facilities relating to the SEJPA Wastewater Projects;
4. Adopt Resolution No. 2016-05, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Authorizing the General Manager or designee to sign, file, provide assurances, certifications, commitments, and any and all actions required on behalf of the San Elijo Joint Powers Authority (SEJPA) related to entering into a Financial Assistance Agreement with the State Water Resources Control Board (SWRCB) related to the SEJPA Recycled Water Projects;
5. Adopt Resolution No. 2016-06, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Dedicating and Pledging Net Revenues of the SEJPA Recycled Water Enterprise Fund and the Recycled Water Enterprise Fund to the repayment of any and all SRF financing for the SEJPA Recycled Water Projects; and
6. Adopt Resolution No. 2016-07, Resolution of the Board of Directors of the San Elijo Joint Powers Authority of Intent to Reimburse Expenditures Related to Construction or Reconstruction of Certain Public Facilities relating to the SEJPA Recycled Water Projects.

Motion carried with the following vote of approval:

AYES: Blakespear, Marshall, Zito  
 NOES: None  
 ABSENT: Muir  
 ABSTAIN: None

Note: Board Member Muir arrived at 9:20 a.m.

14. CONSTRUCTION CONTRACT FOR BLOWER REPLACEMENT PROJECT

General Manager Thornton provided a brief background on the centrifugal blowers that are at the end of their useful life and were identified in the 2015 Facility Plan as a recommended project. The blowers were installed in 1991 and are used to produce the air volume required to provide the diffused oxygen for activated sludge treatment. Staff researched more energy-efficient replacements for the aging centrifugal blowers, and decided on installing three modern, smaller Turbo blowers. These smaller Turbo blowers will reduce energy consumption and save approximately \$48,000 per year. Mr. Thornton stated that four construction bids were received for the Blower Replacement Project, with Spiess Construction Co., Inc. as the apparent low bidder. Spiess Construction's bid

submission was reviewed for conformity and was found to meet the requirements of the contract.

The proposed project funding is through a combination of a \$34,981 SDG&E grant, a \$500,000 SDG&E zero interest rate loan, and cash available in the Wastewater Program capital fund. It is projected that the electricity savings that is obtained by using the high efficiency turbo blowers will fund the loan payment over the 10 year life of the loan.

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

1. Waive the bid irregularity that has been corrected by Spiess Construction;
2. Authorize the General Manager to enter into an agreement with San Diego Gas & Electric for On-Bill Financing of a 10-year, zero interest loan in the amount of \$500,000; and
3. Authorize the General Manager to enter into a construction contract with Spiess Construction in the amount of \$560,500.

Motion carried with the following vote of approval:

AYES: Blakespear, Marshall, Muir, Zito  
NOES: None  
ABSENT: None  
ABSTAIN: None

15. ADOPT THE PROPOSED MITIGATED NEGATIVE DECLARATION FOR THE SAN ELIJO LAND OUTFALL REPLACEMENT PROJECT

General Manager Thornton informed the Board of Directors that the SEJPA retained HELIX Environmental Planning, Inc. to prepare the California Environmental Quality Act (CEQA) reporting requirements for the proposed San Elijo Land Outfall Replacement project. HELIX recommended that a Mitigated Negative Declaration (MND) is the appropriate environmental document for project compliance with CEQA. Mr. Thornton stated that the MND was distributed for a 30-day public review period, and that the SEJPA conducted a Citizen Participation Meeting to answer questions. Three MND comment letters were received, and based on those letters, minor revisions were made to the Final MND. Adoption of the proposed MND will complete the review process required by CEQA.

Moved by Board Member Zito and seconded by Vice Chair Marshall to:

1. Adopt the Proposed Mitigated Negative Declaration for the San Elijo Land Outfall Replacement Project.

Motion carried with the following vote of approval:

AYES: Blakespear, Marshall, Muir, Zito  
NOES: None  
ABSENT: None

ABSTAIN: None

16. REVIEW PROCESS FOR SELECTING BOARD MEMBER ALTERNATES AND VOTING

General Manager Thornton informed the Board of Directors that the SEJPA formation agreement provides allowances for the Board to select Board Member alternates. Each member agency may appoint an alternate to serve in the absence of a regular member of the SEJPA Board. The alternate must be a current council member or an employee of the member agency. For the process of voting, each Board Member (regular or alternate) has one vote. When a regular member of the SEJPA Board is absent, the alternate member may vote, or if an alternate member has not been assigned or is not present, the regular member of the SEJPA Board of the same member agency is entitled to cast their vote and a vote on behalf of the absent member. If the member agency elects to appoint an alternate member, then written notification to the SEJPA is required to recognize the appointment.

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

17. GENERAL MANAGER'S REPORT

General Manager Thornton stated that the potable reuse study prepared in partnership by the SEJPA, San Dieguito Water District, and Santa Fe Irrigation District will be completed in the next week. This study examines the feasibility of purifying water at the San Elijo Water Reclamation Facility, then sending it to R.E. Badger Filtration Plant for further processing. The potable reuse study will be presented to the Board of Directors at the April 2016 Board meeting.

18. GENERAL COUNSEL'S REPORT

Greg Moser informed the Board of Directors that the SEJPA is appealing CalPERS' determination that uniforms should be reported as special compensation. The California Association of Sanitation Agencies (CASA) will be contacting CalPERS to stress the importance of uniforms as safety equipment for sanitation agencies.

19. BOARD MEMBER COMMENTS

None

20. CLOSED SESSION

The Board of Directors adjourned to closed session at 9:45 a.m., per Government Code Section 54957.6/Conference with Labor Negotiator; Agency Negotiator: Michael Thornton, General Manager; Unrepresented Employees: All Non-Contract Employees.

The Board of Directors came out of closed session at 10:01 a.m. with no reportable action.

21. ADJOURNMENT

The meeting adjourned at 10:02 a.m. The next Board of Directors meeting will be held on April 11, 2016.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Thornton", written over a horizontal line.

Michael T. Thornton, P.E.  
General Manager