

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
HELD ON APRIL 9, 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, April 9, 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 8:30 a.m.

2. ROLL CALL

Directors Present:

Tasha Boerner Horvath
David Zito
Joe Mosca
Greg Wade, *Solana Beach Alternate*

Directors Absent:

None

Others Present:

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

Michael Thornton
Chris Trees
Paul Kinkel
Mike Konicke
Jennifer Basco

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:

Public Works Management Analyst
Director of Public Works

Bill Wilson
Carl Quiram

City of Encinitas Resident

Bill Steiner

St. Francis Court HOA, Solana Beach

Al Evans

3. PLEDGE OF ALLEGIANCE

Chair Boerner Horvath led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

Moved by Vice Chair Zito and seconded by Board Alternate Wade to approve the Consent Calendar.

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| Agenda Item No. 7 | Approval of Minutes for the March 12, 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 | Adopt the Proposed CEQA Mitigated Negative Declaration Addendum for Recycled Water System Improvements |

Motion carried with the following vote of approval:

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

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| Agenda Item No. 8 | Approval for Payment of Warrants and Monthly Investment Report |
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Motion carried with the following vote of approval:

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

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2018-19 RECOMMENDED BUDGET

Paul Kinkel, Director of Finance and Administration, presented the Fiscal Year (FY) 2018-19 Recommended Budget to the Board of Directors. The budget estimates all expenditures necessary, including capital costs and debt service, to provide wastewater treatment, waste disposal, recycled water, laboratory, ocean outfall, and pump station services. The total FY 2018-19 Recommended Budget is \$12,110,317 consisting of \$6,436,646 of Operating Costs, \$3,378,671 of Debt Service and \$2,295,000 of Capital Costs. The proposed operating budget for all programs will increase by \$294,567, of which the Ocean Outfall Program represents the largest increase of \$132,877 for new testing and monitoring requirements associated with the NPDES ocean discharge permit. Mr. Kinkel stated that the SEJPA receives revenues from seven primary sources, with the three largest customers being the City of Encinitas, the City of Solana Beach, and the Recycled Water Program, which are expected to provide \$3,029,943, \$2,898,850, and \$2,975,393, respectively.

It was recommended that the Board of Directors take the Recommended Budget to their respective Cities for review and comment. The budget will then be discussed at the next scheduled Board meeting.

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

14. RECYCLED WATER COST OF SERVICE AND PROPOSED WHOLESALE RATE INCREASE

The SEJPA retained Raftelis Financial Consultants (RFC) to prepare a cost of service update and to develop recommendations for future rate increases. The RFC report recommends 3.8% annual increases for San Dieguito Water District, Santa Fe Irrigation District, Olivenhain Municipal Water District, and City of Del Mar through FYE 2021. The proposed rate will provide adequate revenues to fund 90 days operating cash, 1 year of debt service, and to begin funding an asset repair and replacement reserve. This recommendation will be presented to the Board at the May 2018 Board meeting for approval, and, if approved, will increase the price of recycled water to \$1,522 per acre-foot (AF) beginning July 1, 2018, \$1,580 per AF on July 1, 2019, and \$1,640 per AF on July 1, 2020.

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

15. SAN ELIJO JOINT OCEAN OUTFALL 2017 INSPECTION REPORT

Chris Trees, Director of Operations, presented the 2017 ocean outfall inspection report, which was completed by Undersea Graphics, Inc. The San Elijo Ocean Outfall was found to be in excellent overall condition. Offshore areas of the outfall were stable and showed no signs of spalling, rust staining, cracking, or other deficiencies in the concrete

pipe. Anodes that were visible that could be inspected were in good condition. Mr. Trees discussed recommendations for future maintenance activities for continued reliable operation of the San Elijo Ocean Outfall.

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

1. Accept and file the San Elijo Ocean Outfall Year 2017 Inspection Report prepared by Undersea Graphics, Inc.

Motion carried with the following vote of approval:

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

16. CONSTRUCTION CONTRACT CHANGE ORDER – SAN ELIJO LAND OUTFALL REPLACEMENT PROJECT

General Manager Thornton informed the Board of Directors that J.R. Filanc Construction Company, contractor for the Land Outfall Replacement Project, submitted a change order for costs associated with additional work at the beach worksite on Cardiff State Beach. The additional work was performed in order to satisfy California Coastal Commission and City of Encinitas permitting requirements. The work included the import of sand, as well as filling additional sandbags or “supersacks”. These additional measures would provide enhanced protection for the environment, public access, and the worksite in the event of tidal inundation and/or winter storm events. The contractor expedited the procurement of materials and performed this work in good faith. Mr. Thornton stated that staff negotiated the cost of the change order at \$74,000.

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

1. Authorize the General Manager to grant construction contract change order for a total cost of \$74,000.

Motion carried with the following vote of approval:

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

17. GENERAL MANAGER'S REPORT

The General Manager informed the Board of Directors that the SEJPA is now accepting wastewater flows from the City of Del Mar. Next, the General Manager stated that he will be participating in a facilities tour tomorrow with the U.S. Government Accountability Office (GAO) and other water districts in connection with the U.S. Bureau of Reclamation Title XVI Grant Program. Also, Chris Trees, Director of Operations, will

be attending the Regional Water Quality Control Board, San Diego Region Board Meeting this week regarding the NPDES Permit Reissuance. Lastly, General Manager Thornton reported that he will be accompanying Board Chair Tasha Boerner Horvath to Sacramento on Wednesday, April 11, 2018, to attend the CASA and WateReuse 2018 Public Policy Forum.

18. GENERAL COUNSEL'S REPORT

Greg Moser informed the Board of Directors that the hearing on the agency's appeal of CalPERS' determination regarding reporting uniforms as special compensation is scheduled for next Monday, April 16, 2018. Next, Mr. Moser briefed the Board about SB 949, pending in Sacramento, which would amend Government Code Section 1090 rules regarding prohibited conflicts of interest in government contracting to require notice and an opportunity to cure before any prosecutions, and raise the standard of proof for violations, both benefits to public officials.

19. BOARD MEMBER COMMENTS

None

20. CLOSED SESSION

None

21. ADJOURNMENT

The meeting adjourned at 9:30 a.m. The next Board of Directors meeting will be held on May 14, 2018 at 8:30 a.m.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager