

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON JULY 12, 2010  
AT THE  
SAN ELIJO WATER RECLAMATION FACILITY

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Maggie Houlihan, Chair

Tom Campbell, Vice Chair

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A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, July 12, 2010, 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 Houlihan called the meeting to order at 9:00 a.m.

2. ROLL CALL

*Directors Present:*

Teresa Barth  
Maggie Houlihan  
Dave Roberts

*Directors Absent:*

Thomas Campbell

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

Larry Watt  
Bill Wilson  
David Ott  
Mohammad "Mo" Sammak

3. PLEDGE OF ALLEGIANCE

Greg Lewis led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

Moved by Board Member Roberts and seconded by Board Member Barth to approve the Consent Calendar with the following vote of approval:

AYES: T. Barth, M. Houlihan, and D. Roberts  
NOES: None  
ABSENT: T. Campbell  
ABSTAIN: None

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the June 21, 2010 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	Resolution Appointing a Deputy Secretary

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. AUTHORIZATION TO NEGOTIATE LEASE PURCHASE/INSTALLMENT SALE OF A MEMBRANE FILTRATION SYSTEM FOR THE SAN ELIJO WATER RECLAMATION FACILITY

General Manager Michael Thornton stated that as part of the SEJPA's recycled water demineralization project, the agency is considering a lease-purchase procurement option for the microfiltration membrane system. This would allow the agency to negotiate simultaneously with the three top manufactures of this type of equipment to obtain the most advantageous agreement. The estimated value of the lease-purchase contract is on the order of \$800,000 to \$1,000,000. The General Manager also stated that due to

the highly technical nature of membrane filtration systems, staff is requesting an agreement be executed with Trussell Technologies to assist in evaluating and selection of the filtration systems, as well as in negotiations of the terms and conditions of the final agreement. The proposed contract value for this effort is for an amount not to exceed \$24,592, which is within the budgeted funds for this project.

Moved by Board Member Barth and seconded by Board Member Roberts to:

1. Authorize the General Manager to negotiate a lease purchase/installment sales agreement for the acquisition of a membrane filtration system that will then be presented to the Board of Directors for approval; and
2. Authorize the Chair to execute an agreement with Trussell Technologies, Inc. for professional engineering services associated with the evaluation and selection of the membrane filtration system.

Motion carried with the following vote of approval:

AYES: T. Barth, M. Houlihan, and D. Roberts  
NOES: None  
ABSENT: T. Campbell  
ABSTAIN: None

14. RESOLUTION OF INTENT STATING THE BOARD OF DIRECTOR'S GOAL OF HAVING SEJPA EMPLOYEES PAY THE FULL EMPLOYEE RATE TO THE CALPERS RETIREMENT PLAN

General Manager Michael Thornton presented Resolution 2010-09 for approval, with the Board of Director's comments incorporated from the June 2010 regular meeting.

Board Member Roberts requested two minor wording changes to Resolution 2010-09: The title to read "...Employees Pay Their Full CalPERS Employee Rate..." and "...the CalPERS employee rate of contribution of eight percent (8%)" to include the word "current" before the word CalPERS.

Moved by Board Member Roberts and seconded by Board Member Barth to:

1. Approve Resolution 2010-09, with the requested edits, Resolution of the Board of Directors of San Elijo Joint Powers Authority Stating Its Goal That Employees Pay their Full CalPERS Employee Rate of Contribution No Later Than July 1, 2014.

Motion carried with the following vote of approval:

AYES: T. Barth, M. Houlihan, and D. Roberts  
NOES: None  
ABSENT: T. Campbell  
ABSTAIN: None

15. DISCUSSION OF DRAFT RECYCLED WATER INFRASTRUCTURE INCENTIVE AGREEMENT WITH SANTA FE IRRIGATION DISTRICT

General Manager Michael Thornton reported that SEJPA staff has been working with Santa Fe Irrigation District (SFID) and San Dieguito Water District (SDWD) to examine new opportunities for developing and expanding the recycled water program. As part of these efforts, SFID has identified two large potable water customers that are strong candidates for conversion to recycled water.

Working collaboratively, SFID and SEJPA staffs have prepared a draft agreement that would allow SFID to finance, build, and own this pipeline. In return, the SEJPA will provide SFID incentive funding of \$450 per acre-foot (AF) of recycled water served to new customers by this pipeline. The cost to SEJPA would be fully offset by the MWD/SDCWA incentive program, of which the SEJPA receives a \$450 per AF incentive until the year 2025.

The proposed agreement has no negative financial impact to the SEJPA, and would likely benefit the SEJPA by expanding the beneficial use of recycled water and increasing water revenues.

Moved by Board Member Roberts and seconded by Board Member Barth to:

1. Approve the Second Amendment to Agreement for Sale of Reclaimed Water to the Santa Fe Irrigation District by the San Elijo Joint Powers Authority.

Motion carried with the following vote of approval:

AYES: T. Barth, M. Houlihan, and D. Roberts  
NOES: None  
ABSENT: T. Campbell  
ABSTAIN: None

15. GENERAL MANAGER'S REPORT

General Manager Michael Thornton reported that the SEJPA's new auditing firm will be provided with the Board of Director's email addresses for the purpose of sending the Board a statement of how to contact the firm if the Board of Directors have any concerns or questions.

16. GENERAL COUNSEL'S REPORT

General Counsel Greg Moser reported that the Gessner litigation is moving forward and SEJPA will be sharing the cost of discovery with the other agencies being sued.

17. BOARD MEMBER COMMENTS

None

18. CLOSED SESSION

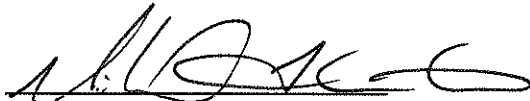
The Board of Directors went into Closed Session per Government Code Section 54957 with respect to Public Employee Performance Evaluation; title: General Manager.

The Board of Directors came out of Closed Session at 9:33 a.m. with no reportable action.

19. ADJOURNMENT

The Board of Directors adjourned at 9:33 a.m. The next Board of Directors meeting will be held on September 13, 2010.

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