

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON JUNE 21, 2010
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Maggie Houlihan, Chair

Tom Campbell, Vice Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, June 21, 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

Vice Chair Campbell called the meeting to order at 9:00 a.m.

2. ROLL CALL

Directors Present:

Teresa Barth
Thomas Campbell
Maggie Houlihan (Arrived at 9:03)
Dave Roberts

Others Present:

General Manager	Michael Thornton
Director of Finance/Administration	Greg Lewis
Director of Operations	Christopher Trees
Administrative Assistant	Monica Blake
Accounting Technician	Carrie Cook
Safety/HR Administrator	Marisa Buckles

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

A. Aiko Osugi

City of Encinitas,

Director of Public Works

Larry Watt

City of Solana Beach,

Director of Engineering/Public Works

Mohammad "Mo" Sammak

3. PLEDGE OF ALLEGIANCE

Mo Sammak 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 unanimous vote of approval.

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the May 10, 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	Award of Annual Supplies and Services Contracts for the San Elijo Joint Powers Authority

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2010-11 BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF SEJPA TREASURER

Director of Finance/Administration Greg Lewis presented the Fiscal Year (FY) 2010-11 Recommended Budget. He stated that the budget had not changed in material form from the draft version presented to the Board of Directors during the April and May 2010 Board meetings, but that the posting of the second loan payment to the California Energy Commission (CEC) had been included in the operations and maintenance portion of the budget and has been moved and included with the other CEC loan payment in the Debt Service section of the budget. The Director of Finance/Administration also stated that he had met with staff from both Member Agencies to review the budget and that both agencies were satisfied with the budget. The budget is now ready for adoption as presented in Resolution No. 2010-06.

The Director of Finance/Administration reviewed the SEJPA's Investment Policy and stated that annually the Board of Directors adopts the investment policy and appoints the SEJPA Treasurer. For the investment policy, staff is recommending no changes to the policy.

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

1. Adopt Resolution No. 2010-06, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2010-11 with the recommended changes identified in this report; and
2. Adopt Resolution No. 2010-07, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Greg Lewis for the SEJPA Treasurer.

Motion carried with unanimous vote of approval.

14. SAN ELIJO JOINT POWERS AUTHORITY PURCHASING POLICY REVISION

Director of Finance/Administration Greg Lewis reported that both staff and legal counsel have reviewed the SEJPA's purchasing policy to ensure it complies with current government code. From this review, it was determined that the policy is in compliance. One area that the policy was silent on was the allowance for lease purchase agreements as allowed by Government Code Section 6588. Although the inclusion of this code is not required, it will provide the SEJPA the option to lease equipment with the intent of future purchase when deemed appropriate and in the best interest of the agency. Legal counsel drafted Section 11.2 of the SEJPA's purchasing policy to include lease purchase agreements as allowed by Government Code Section 6588. Staff is now presenting Resolution No. 2010-08 Establishing Purchasing Policies and Procedures for the San Elijo Joint Powers Authority

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

1. Adopt Resolution No. 2010-08, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Establishing Purchasing Policies and Procedures for the San Elijo Joint Powers Authority.

Motion carried with unanimous vote of approval.

15. RESOLUTION FOR SALARY AND BENEFITS FOR FISCAL YEARS 2010-11 AND 2011-12, AND RESOLUTION OF INTENT FOR EMPLOYEE CALPERS CONTRIBUTIONS

General Manager Michael Thornton reported that for several months the SEJPA Labor Ad Hoc Committee and the full Board of Directors have been working to develop terms for a future labor agreement with the SEJPA staff. At the May 2010 Board meeting, the General Manager was given directions for preparing an agreement offer that would provide a 2 percent cost of living increase and that would include employees increasing their contribution to their retirement plan. In addition, the Board of Directors

also requested a resolution-of-intent to outline the goal for the employees to pay the full Employee's CALPERS contribution rate, which is 8 percent of the employee's salary.

The General Manager reported that he had met with the SEJPA employees in an open forum for discussion on the proposed labor agreement terms for Fiscal Years 2010-11 and 2011-12 and the resolution-of-intent. The employees voted to accept the labor terms as proposed by the Board of Directors, which is presented in Resolution 2010-04. The employees also acknowledged the resolution-of-intent establishing the goal of the Board of Directors to continue to have the employees contribute more in future labor agreements to their retirement plan.

The Board of Directors went into Closed Session to discuss the Resolution per Government Code Section 54957.6. The Board of Directors came out of Closed Session at 9:55 a.m. with the following reportable action:

The General Manager read the amended Resolution 2010-04.

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

1. Adopt amended Resolution 2010-04, A Resolution of the Board of Directors of the San Elijo Joint Powers Authority Adopting Salary and Benefits for Fiscal Years 2010-11 and 2011-12, as read; and
2. Pull Resolution 2010-09, A Resolution of the Board of Directors of the San Elijo Joint Powers Authority Stating its Non-Binding Goal that Employees Pay the Full CalPERS Employee Rate of Contribution no Later than July 1, 2014, for amendments to be presented at the next regular Board of Directors meeting.

Motion carried with unanimous vote of approval.

15. GENERAL MANAGER'S REPORT

General Manager Michael Thornton reported that SEJPA has passed the 10-year date for no lost days due to work injuries. He stated that the SEJPA has an outstanding record for low injury claims and complimented staff for their efforts in developing a culture of safe work practices.

General Manager reported that the staff is working diligently on the Recycled Water Demineralization Project. Efforts are proceeding simultaneously on the project design, environmental permitting, and project financing. In the area of financing, the project has encountered some challenges as the main financing source, the State Revolving Fund (SRF), has expressed some concerns that the SEJPA's recycled water sales agreements expire in 2016. To broaden the SEJPA's financing options, staff has met with a local bank to discuss financing terms for the project.

General Manager presented a PowerPoint presentation that highlighted the automation and remote control functionality of the recently completed Eden Gardens Pump Station.

16. GENERAL COUNSEL'S REPORT

None

17. BOARD MEMBER COMMENTS

None

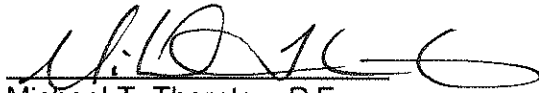
18. CLOSED SESSION

None

19. ADJOURNMENT

The Board of Directors adjourned at 10:14 a.m. The next Board of Directors meeting will be held on July 12, 2010.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager