

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON JULY 13, 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, July 13, 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 9:02 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

Michael Thornton
Christopher Trees
Paul Kinkel
Marisa Buckles
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Adriana Ochoa

City of Solana Beach

City Manager
Director of Engineering/Public Works

Greg Wade
Mohammad "Mo" Sammak

City of Encinitas:

Public Works Management Analyst

Bill Wilson

SolarOpia

Ian Stewart

3. PLEDGE OF ALLEGIANCE

Chair Zito led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

None

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 June 8, 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 | Village Park Recycled Water Project Update |

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. WASTEWATER TREATMENT AND OCEAN OUTFALL CAPITAL BOND FINANCING

Paul Kinkel, Director of Finance and Administration gave a brief history on the use of financing with municipal bonds and state loans for wastewater treatment and ocean outfall infrastructure upgrades and expansion at the San Elijo Water Reclamation Facility (SEWRF). The 2015 Facility Plan for the SEWRF identified eleven capital projects that were recommended for construction in the next four years. Mr. Kinkel stated that staff evaluated each project for purpose, necessity, and affordability of financing, and confirmed that the Member Agencies' sewer rate structure can support the debt obligation of these projects. The cost of the projects is estimated at \$22.4 million. The General Manager stated many of these projects will replace or upgrade infrastructure that was built roughly thirty years ago.

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

1. Authorize the General Manager to request proposals from underwriters to pursue municipal bond financing of approximately \$22.4 million.

Motion carried with unanimous vote of approval.

14. RECYCLED WATER CAPITAL PROJECT BOND FINANCING

Paul Kinkel, Director of Finance and Administration gave a brief history on the use of state loans, private placement loans, and local agency funding for Recycled Water infrastructure upgrades and expansion. The SEJPA currently has a series of planned or ongoing recycled water capital projects, including, extending recycled water pipelines to serve new customers, adding a new storage reservoir, and relocating pipelines that are in conflict with the Caltrans I-5 Freeway Widening Project. The total value of these projects is approximately \$8.0 million. Grant funding in an amount of \$2.1 million and cash in the amount of \$1.1 million are available for these projects. The estimated financing to complete these projects is approximately \$4.8 million.

Mr. Kinkel stated that staff evaluated and confirmed the ability of the Recycled Water Program to service the proposed debt. Based on predicted revenues, the program generates sufficient revenue to support additional debt service. The program's cash balance will grow in future years, creating financial strength and ability to address long-term infrastructure maintenance.

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

1. Authorize the General Manager to request proposals from underwriters to pursue bond financing of approximately \$4.8 million.

Motion carried with unanimous vote of approval.

15. AWARD OF CONTRACT FOR SAN ELIJO LAND OUTFALL FINAL DESIGN AND PERMITTING

Christopher Trees, Director of Operations, gave a brief history of the San Elijo Ocean Outfall, which provides ocean disposal of treated wastewater for the City of Escondido and the SEJPA. The pipeline through the San Elijo Lagoon is approximately 50 years old, and based on the pipe material and corrosive nature of the lagoon soil, is considered to be at or near the end of its useful life. The preliminary design report (PDR), completed in June 2015, examined alternatives for replacing or rehabilitating the lagoon/land section of the outfall. The PDR identified installing a new pipeline using horizontal directional drilling (HDD) as the preferred alternative, as it was estimated to be the lowest cost and least impactful to the lagoon. With the completion of the PDR, the project is now ready to move into final design. The cost of the final design and permitting (\$403,068) will be funded by the current ocean outfall reserve.

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

1. Accept and file the San Elijo Joint Powers Authority Ocean Outfall Preliminary Design Report; and

2. Approve the Agreement with Kennedy/Jenks Consultants for the San Elijo Land Outfall Final Design and Permitting for an amount not to exceed \$403,068.

Motion carried with unanimous vote of approval.

16. SAN ELIJO JOINT POWERS AUTHORITY AND ENCINA WASTEWATER AUTHORITY EMPLOYEE LEASING AGREEMENT

General Manager Thornton stated that the SEJPA has been in discussions with Encina Water Authority (EWA) since 2012 regarding resource sharing opportunities between the two agencies. One opportunity that was identified was the short-term leasing of employees between the agencies. This can provide a cost effective staffing option for meeting work demands associated with special projects, to leverage specific staff skills, or to address temporary effects of workforce attrition. The EWA Board approved the agreement on June 14, 2015.

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

1. Adopt Resolution 2016-01 – Employee Leasing Agreement Authorization between the San Elijo Joint Powers Authority and the Encina Wastewater Authority.

Motion carried with unanimous vote of approval.

17. CLOSED SESSION

The Board of Directors adjourned to closed session at 10:05 a.m., with Michael Thornton per Government Code Section 54957: Public Employee Performance Evaluation. Title: General Manager.

The Board of Directors came out of closed session at 10:25 a.m.

18. CONSIDERATION OF GENERAL MANAGER COMPENSATION PER CURRENT EMPLOYMENT AGREEMENT AND POTENTIAL CHANGES TO EMPLOYMENT TERMS AND COMPENSATION

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

1. Extend the Employment Agreement to June 30, 2017; and
2. Approve Exhibit B as revised; which includes the revision that effective July 1, 2016, the SEJPA General Manager's base salary will be raised to be equal to the base salary of the Encina Wastewater Authority's Assistant General Manager, to the extent the Encina Wastewater Authority's Assistant General Manager's salary is within three percent (3%) of \$191,318.00, and providing a merit bonus of up to \$10,000 in June 2017.

Motion carried with unanimous vote of approval.

19. GENERAL MANAGER'S REPORT

None

20. GENERAL COUNSEL'S REPORT

Adriana Ochoa stated that a California appellate court recently ruled that billing invoices sent by an attorney to a client are exempt from disclosure under the California Public Records Act.

21. BOARD MEMBER COMMENTS

None

22. ADJOURNMENT

The meeting adjourned at 10:35 a.m. The next Board of Directors meeting will be held on September 14, 2015.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager