

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON SEPTEMBER 11, 2017
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Ginger Marshall, Chair

Tasha Boerner Horvath, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, September 11, 2017, 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 Marshall called the meeting to order at 9:02 a.m.

2. ROLL CALL

Directors Present:

Ginger Marshall
Tasha Boerner Horvath
David Zito
Joe Mosca

Directors Absent:

None

Others Present:

General Manager
Director of Operations
Director of Finance & Administration
Reclaimed Water Specialist
Administrative Assistant/Board Clerk

Michael Thornton
Chris Trees
Paul Kinkel
Mike Piper
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Traci Stender

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

3. PLEDGE OF ALLEGIANCE

Chair Marshall led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

General Manager recognized Mike Piper, Water Reclamation Specialist, for his 15 years of service to the Agency.

6. CONSENT CALENDAR

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

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| Agenda Item No. 7 | Approval of Minutes for the July 10, 2017 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 |

Motion carried with the following vote of approval:

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

11. ITEMS REMOVED FROM CONSENT CALENDAR

None

12. BIOSOLIDS HAULING AND REUSE/DISPOSAL CONTRACT AMENDMENT WITH AG TECH, LLC

General Manager Thornton informed the Board of Directors that SEJPA is entering into the fourth year of a 5-year contract with Ag Tech, LLC for biosolids hauling and recycling. The SEJPA realized that a mathematical error was made when establishing

the upper limit of the contract value. The total contract value for the 5-year period should have been \$868,700 instead of the current value of \$518,700. Amending the contract will not negatively impact the SEJPA operating budget.

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

1. Authorize the General Manager to execute an Amendment to the Biosolids hauling and reuse/disposal contract with Ag Tech, LLC to increase the total contract value by \$350,000.

Motion carried with the following vote of approval:

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

13. AWARD OF ENGINEERING SERVICES FOR SOLIDS TREATMENT PROJECT

General Manager Thornton described the solids treatment process to the Board of Directors. The original solids treatment facility was installed in 1965 and expanded in 1992. Some of the solids processing systems are nearing the end of their projected useful life and the 2015 Facility Plan provided budgetary cost estimates for replacing and/or upgrading this infrastructure.

The General Manager stated that the SEJPA requested proposals for professional engineering services related to the replacement, rehabilitation, and asset management of solids processing assets. Four firms submitted proposals, all of which exhibited a strong comprehension of project needs. The proposal that provided the best combination of qualifications, project understanding, and value based approach was submitted by Black & Veatch.

The cost of initial planning effort is \$190,240 and it will result in a Project Definition Report for the replacement and upgrading of the solids treatment facilities. The General Manager stated that once the project elements are defined then the project will move into preliminary and final design.

The project will be funded by the Wastewater Capital Program which has a total fund balance of approximately \$7.35 million for biosolids related projects.

Moved by Board Member Zito and seconded by Vice Chair Boerner Horvath to:

1. Authorize the General Manager to execute an Engineering Agreement with Black & Veatch for the Solids Treatment Project for an amount not to exceed \$190,240; and

Motion carried with the following vote of approval:

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

14. CONSOLIDATION OF AGREEMENTS WITH THE OLIVENHAIN MUNICIPAL WATER DISTRICT FOR THE SALE OF RECYCLED WATER AND INFRASTRUCTURE MAINTENANCE

General Manager Thornton gave a brief history of the recycled water agreements between the SEJPA and Olivenhain Municipal Water District. The SEJPA has two recycled water sales agreements and one agreement for construction and maintenance of mutually beneficial recycled water infrastructure. SEJPA and OMWD are interested in consolidating the agreements into a single agreement. Consolidation of the three agreements is expected to be cost neutral, providing allowances to streamline agreement administration, and provide clarity to terms and conditions.

Moved by Board Member Mosca and seconded by Vice Chair Boerner Horvath to:

1. Authorize the General Manager to consolidate existing agreements with the Olivenhain Municipal Water District for the Sale of Recycled Water and Infrastructure Maintenance.

Motion carried with the following vote of approval:

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

15. 2017 CLEAN WATER BONDS – SALE SUMMARY

Paul Kinkel, Director of Finance and Administration, provided a summary of the recently completed sale of the SEJPA's 2017 Clean Water Bonds. Overall, the bond sale was very positive and exceeded financial expectations. The bond sale produced higher than expected proceeds for a lower than anticipated cost. The net proceed was \$23,912,299 or \$171,657 better than expected, while the cost of issuance totaled \$309,420 or \$32,179 less than expected. The true interest rate of the sale was 3.39%, which is 8 basis points better than expected, resulting in a slightly lower annual payment for the SEJPA.

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

16. CAPITAL IMPROVEMENT PROGRAM UPDATE

General Manager Thornton provided status updates for the Phase I projects, which include the Land Outfall Replacement, Preliminary Treatment Upgrades, and Odor Control Improvements. Updates will be presented quarterly to the Board of Directors.

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

17. GENERAL MANAGER'S REPORT

None

18. GENERAL COUNSEL'S REPORT

None

19. BOARD MEMBER COMMENTS

Board Member Zito suggested scheduling a closed session at a future Board meeting to discuss extending the General Manager's employment contract.

20. CLOSED SESSION

None

21. ADJOURNMENT

The meeting adjourned at 9:57 a.m. The next Board of Directors meeting will be held on October 9, 2017.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager