

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON OCTOBER 10, 2011  
AT THE  
SAN ELIJO WATER RECLAMATION FACILITY

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Thomas M. Campbell, Chair

Teresa Barth, Vice Chair

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A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, October 10, 2011, 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 Campbell called the meeting to order at 9:00 a.m.

2. ROLL CALL

*Directors Present:*

Teresa Barth  
Thomas M. Campbell  
Dave W. 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	Greg Moser
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City of Encinitas, Director of Public Works	Larry Watt
City of Encinitas, Public Works Management Analyst	Bill Wilson
City of Solana Beach, City Manager	David Ott
City of Solana Beach, Director of Engineering/Public Works	Mohammad "Mo" Sammak
Brandis Tallman, LLC	Richard Brandis Nicki Tallman
RMC, Water and Environment	Scott Goldman

3. PLEDGE OF ALLEGIANCE

General Manager Thornton led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

Vice Chair Barth stated that Board Member Maggie Houlihan passed away in September from cancer. She reported that Maggie had last month's SEJPA Board Agenda posted on her door with the hope to participate in the meeting by phone. Maggie stayed active and worked till the end and that the SEJPA Board Member position was one of her favorites.

Chair Campbell stated that Maggie would be missed and she was very passionate in her discussions. Chair Campbell requested that today's meeting be adjourned in memory of Maggie Houlihan.

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

Moved by Board Member Roberts and seconded by Vice Chair Barth to approve the Consent Calendar with unanimous vote of approval.

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the July 11, 2011 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	Ocean Outfall Pile Support Repair Authorization

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. QUARTERLY RECYCLED WATER UPDATE – PRESENTATION ON THE NORTH SAN DIEGO COUNTY REGIONAL RECYCLED WATER PROJECT

General Manager Thornton stated that the North San Diego County Regional Recycled Water Project consists of 11 government organizations including local water districts, wastewater districts, and cities. The goal of this multi-jurisdictional group is to develop cost-effective solutions for meeting the region's water supply needs through recycled water projects. The firm of RMC Water and Environment was retained as the consultant for this project.

A PowerPoint presentation was given by Scott Goldman, Principal, from RMC on the draft findings of the report. Currently, San Diego County produces approximately 11,000 acre feet (AF) of recycled water and there are opportunities to more than double this production by the year 2020. Opportunities evaluated in this project included expanding and interconnecting existing recycled water systems as well as incorporating purified recycled water into the drinking water supply through indirect methods. For the SEJPA, the report findings indicated new market opportunities with the Olivenhain Municipal Water District and Santa Fe Irrigation District. Mr. Goldman reported that there may be state and federal funding to help study and construct recycled water facilities to increase the local water supply in San Diego County.

No action was required. This item was presented for information only.

14. APPROVE CONSTRUCTION LOAN FOR THE ADVANCED WATER TREATMENT SYSTEM AT THE SAN ELIJO WATER RECLAMATION FACILITY

General Manager Thornton briefly reviewed the background of the Advanced Water Treatment Project, which will allow the SEJPA to improve the recycled water quality and maximize its recycling efforts. The construction of the project is currently estimated to cost \$4.7 million. Under the proposed financing plan, \$2.0 million will be funded by the reserve funds within the recycled water program budget. The remaining \$2.7 million is planned to be funded by grant funds (approximately \$700,000) and a construction loan (approximately \$2.0 million). The General Manager stated that this financing plan was presented to the Solana Beach City Council in August and to the Encinitas City council in September, and the plan received unanimous support by both councils.

The General Manager reported the loan is a third-party construction loan placed by Brandis Tallman, LLC. The loan terms include an annual payment of approximately \$150,000 for 20 years at a fixed interest rate of 4.15%

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

1. Authorize General Manager to execute the Advanced Water Treatment Construction Loan with Municipal Finance Corporation for an amount not-to-exceed \$2,000,000; and
2. Adopt Resolution 2012-01 Authorizing the Execution and Delivery of the Loan Agreement.

Motion carried with unanimous vote of approval.

15. BOND ISSUE REFUNDING

Director of Finance/Administration Gregory Lewis stated that in 1990 the wastewater facility upgrade and expansion was funded through the issuance of \$24.5 million in revenue bonds. In 1993, and again in 2003, the original bonds were refunded by the SEJPA for the purpose of reducing future payment costs by obtaining lower interest rates of 4.875% and 3.75% respectively. At this time, the SEJPA has the opportunity to refund the bonds at a rate of approximately 1.76%. With approximately 8 years remaining on these bonds, the analysis estimates gross savings of \$206,000 annually, a net present value savings of \$1.3 million. Gregory Lewis reported that pursuing the new issuance as an insured public offering should raise the rating from AA to AA+ (due

to the insurance). This would allow the bonds to be issued without a reserve fund, which would allow the current reserves to be used to reduce the bond issue and shorten the term of the bonds by one year. Additionally, Mr. Lewis presented information on using this refunding to refinance the California Energy Commission loan, which has a fixed interest rate of 3.95%. The maturity date of this portion of the refunding would remain the same as the original loan, March 2021.

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

1. Authorize the General Manager to pursue refunding wastewater debt.

Motion carried with unanimous vote of approval.

16. GENERAL MANAGER'S REPORT

None

17. GENERAL COUNSEL'S REPORT

General Counsel Greg Moser stated that at next month's Board meeting he will report on the bills the Governor of California recently passed.

18. BOARD MEMBER COMMENTS

Vice Chair Barth reported that the City of Encinitas is in the process of filling the vacant city council seat in early November, and that person will also be assigned a position on the SEJPA's Board of Directors and should be present at the SEJPA's November meeting.

Board Member Roberts reported that the Santa Fe Irrigation District is having a ribbon cutting on October 26<sup>th</sup> at the San Dieguito Park, to commemorate the conversion of the park to recycled water. Board Member Roberts and General Manager Michael Thornton reported that they will attend the ceremony.

19. CLOSED SESSION

None

20. ADJOURNMENT

The Board of Directors adjourned the meeting in memory of Maggie Houlihan at 9:37 a.m. The next Board of Directors meeting will be held on November 14, 2011 at 9:00 a.m.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager