

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON MAY 11, 2009  
AT THE  
SAN ELIJO WATER RECLAMATION FACILITY

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Dave Roberts, Chair

Maggie Houlihan, Vice Chair

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A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, May 11, 2009, 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 Roberts called the meeting to order at 9:00 a.m.

2. ROLL CALL

*Directors Present:*

Teresa Barth  
Thomas Campbell  
Maggie Houlihan  
Dave Roberts

*Others Present:*

General Manager  
Finance Manager  
Administrative Assistant  
Accounting Tech  
HR Safety Administrator

Michael Thornton  
Greg Lewis  
Monica Blake  
Carrie Cook  
Teresa Buckles

*SEJPA Counsel:*

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Encinitas, City Manager  
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

Phil Cotton  
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

General Manager Michael Thornton informed the Board of Directors that the agency has been recognized by the California Water Environment Association (CWEA) for its outstanding operational and safety performance. The SEJPA was awarded second place in a state-wide competition for the 2008 Plant of the Year for treatment facilities of similar size and received second place state-wide for 2008 Plant Safety.

6. CONSENT CALENDAR

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

Consent calendar:

Agenda Item No. 7	Approval of Minutes for the March 9, 2009 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	Notice of Completion for the Construction of the Performance Optimization of the Activated Sludge System Project with Orion Construction Corporation.

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

*Vice Chair Maggie Houlihan and Solana Beach City Manager David Ott arrived at 9:15.*

13. PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2009-10 RECOMMENDED BUDGET

SEJPA Finance Manager, Greg Lewis, presented the Fiscal Year (FY) 2009-10 Recommended Budget and answered questions from the Board of Directors. Discussion was focused on the need for maintaining strong fiscal control while

continuing the agency's successes in operational performance, asset management, and in programs that strive for community sustainability such as recycled water and energy efficiency.

The Board of Directors thanked staff for their efforts for developing a well drafted budget. The Board of Directors noted that the current economic times add new challenges to public agencies and requested staff to review the recommended budget to determine if further cost savings measures could be found. Staff acknowledged the request and stated that this review will be performed promptly with findings and recommendations being distributed to the SEJPA Board Members and Member Agency's staff prior to the next Board meeting. Staff will present the FY2009-10 recommended budget, along with any recommended cost saving changes, at the June 8, 2009 regularly scheduled Board meeting with the recommended action of adoption.

#### 14. RECYCLED WATER IMPROVEMENT AND EXPANSION - PROJECT UPDATE

General Manager Michael Thornton provided a brief review of ongoing activities associated with developing a recycled water improvement and expansion project. He reported that staff is in the process of selecting an engineering firm to prepare the project's preliminary design report (PDR). The PDR will serve as the basis of the project design and is a needed element for obtaining state financing. He also stated that Dudek is currently preparing the California Environmental Quality Act (CEQA) report for the project. The CEQA report will identify environmental impacts of the project, if any, and is also a needed element for obtaining state financing.

The General Manager reported that staff, working with Trussell Technology, has completed the tracer study on the water reclamation facility's chlorine contact tank. The tracer study successfully demonstrated that the chlorine contact tank meets the California Department of Public Health's (CDPH) requirements for re-rating the contact tank from 2.48 million gallons per day (MGD) to 3.0 MGD. This provides SEJPA cost savings by avoiding the need to improve or expand its disinfection system.

Another area of success that the General Manager reported on was that staff has obtained used reverse osmosis membranes, at no cost, from the Water Replenishment Districts of Southern California. The membranes had reached their useful life for removing nitrogen and total organic carbon from the water, making the units of little value to the Water Replenishment Districts. The SEJPA requested that the Water Replenishment District transfer ownership of the membranes as they still have useful life for removing TDS. If the SEJPA proceeds with plans to build advanced water treatment for the recycled water program, these membranes will be incorporated into the project at that time.

The General Manager also reported that staff is working with Winzler & Kelly to conduct a third party review of the recycled water program's finances. The review will include an assessment of the program's current financial state and to develop financial revenue models to assist in determining the program's ability to sustain additional capital improvement debt. It is planned that the findings of the financial review will be presented to the SEJPA Board of Directors at the July 13, 2009 meeting.

15. MANAGEMENT STAFFING RECLASSIFICATION

The General Manager stated the Assistant General Manager (AGM) position became vacant in March 2009 and, after careful consideration, recommended the position be eliminated and replaced with a new position titled Director of Operations. In conjunction, the General Manager recommends that the Finance Manager position be changed to Director of Finance/Administration. The General Manager stated that the benefits of these changes include reducing labor costs, improving reporting channels, increasing clarity of roles and responsibilities, and a better balance of critical functions within the management team.

Vice Chair Houlihan requested that in the Position Description, the supervisory dimensions explanation be expanded upon and provided other recommended changes in the essential duties description. Additionally, the Board clarified that the Director of Finance/Administration position description should be updated to reflect proposed responsibility changes to this position.

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

1. Eliminate the Assistant General Manager position;
2. Create the Director of Operations position; and
3. Change the title of the Finance Manager to the Director of Finance/Administration.

Motion carried with unanimous vote of approval.

16. CALPERS RESOLUTION TO APPROVE AN AGREEMENT TO PREFUND OTHER POST EMPLOYMENT BENEFITS THROUGH CALPERS

Finance Manager Greg Lewis provided background information on Governmental Accounting Standards Board (GASB) 45, which requires accounting and financial reporting by employers for postemployment benefits other than pensions and on the SEJPA option to prefund these estimated future costs through a CALPERS managed trust. The Finance Manager provided information on the estimated CALPERS management costs for the proposed trust and explained that payments into the trust will be at the discretion of the SEJPA. A discussion was held regarding the creation of a trust and for funding these benefits through CalPERS.

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

1. Adopt Resolution 2009-05 to Approve an Agreement to Prefund Other Post Employment Benefits (OPEB) Through CalPERS Between the Board of Administration, California Public Employees' Retirement System and the Board of Directors, San Elijo Joint Powers Authority;

Motion was denied with the following vote:

AYES:	Houlihan, Barth
NOES:	Roberts, Campbell
ABSENT:	None

ABSTAIN: None

Chair Roberts reported due to difficult economic times, it is recommended that this item be brought back at a later date.

*Board Member Campbell left the meeting at 10:37.*

17. DEVELOPMENT OF SEJPA WILDFIRE RISK REDUCTION PLAN

General Manager Michael Thornton stated that SEJPA is assessing whether a wildfire risk reduction plan could be developed in-house, or if retaining the services of an outside firm is required. The SEJPA obtained one cost quote of \$14,000 to prepare a wildfire risk reduction plan.

It was suggested SEJPA obtain an environmental analysis and possibly work with the Encinitas Fire Department as means to reducing the cost of this effort.

18. GENERAL MANAGER'S REPORT

The General Manager reported that he has been working with staff to create a mission statement for SEJPA. He expects to present the recommended mission statement to the Board of Directors at the June 8, 2009 Board meeting.

The General Manager provided the Board of Directors a letter from the Santa Fe Irrigation District (SFID) to the SEJPA that requests capacity, water quality, and cost data for supplying additional recycled water to SFID. SFID estimates that there is approximately 100 to 140 acre-feet per year (AFY) of new recycled water use near existing SEJPA distribution pipelines and 300 to 800 AFY of new recycled water use in SFID's eastern service area, which would require its own conveyance system.

The General Manager provided a brief review of the proposed California Senate Bill No. 565, which would require at least 50% of wastewater that is discharged into the ocean be recycled and put to beneficial use by the year 2030.

14. GENERAL COUNSEL'S REPORT

General Counsel Greg Moser stated that the Supreme Court has extended time to July in regard to the Vargas Case.

19. BOARD MEMBER COMMENTS

None

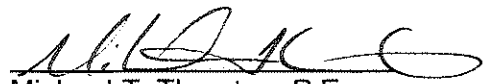
20. CLOSED SESSION

None

21. ADJOURNMENT

The Board of Directors adjourned at 10:46 a.m. The next Board of Directors meeting will be held on Monday, June 8, 2009.

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