

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON OCTOBER 14, 2013
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Thomas M. Campbell, Chair

Mark Muir, Vice Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, October 14, 2013, 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
Mark Muir
Thomas M. Campbell

Directors Absent:

David Zito

Others Present:

General Manager
Director of Operations
Director of Finance & Administration
Administrative Assistant
Accounting Technician
Safety/HR Administrator
Laboratory Analyst II

Michael Thornton
Christopher Trees
Paul Kinkel
Jennifer Basco
Carrie Cook
Marisa Buckles
Susana Arredondo

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Encinitas,
Public Works Management Analyst
IT Operations Supervisor

Bill Wilson
Matias Labarrere

City of Solana Beach,
Director of Engineering/Public Works

Mohammad "Mo" Sammak

Olivenhain Municipal Water District,
Consulting Engineer

Don MacFarlane, P.E.

San Dieguito Water District,
Assistant General Manager

Bill O'Donnell

Saint Francis Court Homeowner Association

Al Evans

Trussell Technologies, Inc.

Shane Trussell, Ph.D., P.E.

3. PLEDGE OF ALLEGIANCE

General Manager Thornton led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

The General Manager recognized Susana Arredondo, Laboratory Analyst II, for 5 years of service. On the behalf of the Board, Chair Campbell thanked Ms. Arredondo for her service to the agency and wished her continued success.

6. CONSENT CALENDAR

Moved by Vice Chair Muir and seconded by Board Member Barth to approve the Consent Calendar.

Motion carried with the following vote of approval:

AYES: Barth, Campbell, and Muir
NOES: None
ABSENT: Zito
ABSTAIN: None

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the September 9, 2013 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	Professional Services Contract Amendment for As-Needed Staff Extension Resources

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. AGENCY RESOURCE SHARING AGREEMENT – IT SERVICES

General Manager Thornton reported to the Board of Directors that the agency actively seeks opportunities to collaborate and share resources with neighboring agencies to reduce costs, improve service, and for emergency response assistance. Through the leadership and support of the Board, the SEJPA has achieved success on several projects using this approach. The General Manager stated that staff has identified another opportunity where resource sharing appears to be the best solution. Earlier this year, the agency suffered a computer server failure. This experience led to a detailed review of the SEJPA's Information Technology (IT) system. The review concluded that software and hardware upgrades were recommended, the agency's internet security needed to be heightened, that internet bandwidth was at capacity and that it should be increased to keep pace with information needs, and that the repaired server should be replaced. The General Manager reported that after researching various options for completing this work and for receiving ongoing IT support, the most desirable option identified was to partner with the City of Encinitas. The City has a fully staffed, highly trained, IT department that is interested in providing IT support to the SEJPA. Furthermore, the City has its own IT server that has offsite backup and fiber optic internet service that can be provided to the SEJPA. Therefore, the IT solution provided by the City would include an IT server for the SEJPA's administration functions, internet service, voice over internet protocol phone service, and IT support. The IT support agreement, which is currently being developed, is anticipated to be for two years with renewable options and allowance for early termination by either party. The annual cost for IT support is being discussed at approximately \$24,000 per year and that anticipated equipment, software, and other related IT costs are projected to cost approximately \$43,800.

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

1. Authorize the General Manager to enter into an agreement with the City of Encinitas for an IT Services Agreement in the amount of \$24,000 per year; and
2. Authorize the General Manager to purchase IT and related equipment as recommended by the City of Encinitas not to exceed \$43,800.

Motion carried with the following vote of approval:

AYES: Barth, Campbell, and Muir
NOES: None
ABSENT: Zito
ABSTAIN: None

14. FINANCIAL SUPPORT FOR DIRECT POTABLE REUSE INITIATIVE

General Manager Thornton briefed the Board of Directors on potable reuse of recycled water including differences between Indirect Potable Reuse (IPR) and Direct Potable Reuse (DPR). The General Manager highlighted the importance of exploring the feasibility of DPR, which can greatly improve the cost effectiveness and regional availability of potable reuse. The General Manager stated that the WaterReuse Research Foundation is embarking on a multi-year research effort to develop and provide relevant scientific and technical data to the California Department of Public

Health for development of DPR regulatory criteria. This effort also includes developing public information on DPR and outreach tools for engaging the public. More than 30 public agencies from throughout the state have committed to contribute to this effort.

Dr. Shane Trussell of Trussell Technologies addressed the Board and explained the value of DPR and the needed research to determine appropriate treatment standards and to identify the necessary equipment to achieve these standards. Dr. Trussell stated that this DPR initiative is the leadership that is needed to make DPR viable, help educate people on water treatment technology and its reliability, and to assess what, if any, additional areas of research are needed to establish uniform water recycling criteria for DPR.

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

1. Authorize the General Manager to budget \$15,000 in FY 2014-15 for the WateReuse Research Foundation's Direct Potable Reuse Initiative; and
2. Authorize the General Manager to sign a Commitment Letter to the WateReuse Research Foundation's Direct Potable Reuse Initiative for \$15,000.

Motion carried with the following vote of approval:

AYES: Barth, Campbell, and Muir
NOES: None
ABSENT: Zito
ABSTAIN: None

15. UPDATE ON SAN ELIJO JOINT POWERS AUTHORITY (SEJPA) RECYCLED WATER PROGRAM AND PROPOSED WHOLESALE AGREEMENT AMENDMENTS

General Manager Thornton gave a brief review of the history of the SEJPA recycled water program. He stated that the SEJPA has been contacted by the Santa Fe Irrigation District (SFID) and the Olivenhain Municipal Water District (OMWD) for securing additional recycled water supply. Both SFID and OMWD are interested in amending or restating their existing agreement with the SEJPA to secure larger quantities of recycled water in future years. In addition, both purveyors have expressed interest in extending the term of their agreement (set to expire between 2016 and 2020), and for using cost of service principles for developing future prices of recycled water. Also, the General Manager reported that the SEJPA and the San Dieguito Water District (SDWD) have been in discussions to amend their recycled water wholesale agreement. The General Manager provided draft wholesale agreement amendments to the Board, as part of the staff report, as well as letters of intent to increase recycled water deliveries to SFID and OMWD. The General Manager reviewed the proposed pricing structure for recycled water wholesaled to the water purveyors for fiscal years 2014 and 2015. He stated that the intent of this staff report is to provide the Board a briefing on the direction staff is taking for increasing recycled water sales and for converging the various wholesale prices of recycled water into one common rate for the same level of service. He stated that the proposed pricing structure for 2014 and 2015 had been presented to the staff of the recycled water purveyors and, it was the goal of staff to provide all parties an opportunity to further refine the amendments before a final amendment is presented for adoption consideration.

The SEJPA legal counsel stated that the General Manager has legal authority to negotiate agreements and, therefore, no action is required by the Board.

16. GENERAL MANAGER'S REPORT

General Manager Thornton reported that the SEJPA is a member of the Integrated Regional Water Management (IRWM) planning process for the San Diego region. Recently, the Department of Water Resources (DWR), which is the managing agency of Proposition 84 grant funding for IRWM projects, provided draft recommendations for Round 2 grant funding. For Round 2, the San Diego region was seeking approximately \$10 million in grant funding for a suite of projects. However, the DWR's draft recommendation was for only 50% of the grant request. The SEJPA, along with many other agencies including OMWD and SFID, have written letters requesting reconsideration of the scoring of the San Diego regional application. The SEJPA, as part of the North San Diego Regional Recycled Water Project, has a grant application in Round 2 that could be impacted by these draft recommendations.

17. GENERAL COUNSEL'S REPORT

Greg Moser updated the Board Members on the status of several pieces of water legislation, SB 322, AB 803, and AB1090, all of which take effect on January 1, 2014. SB 322 directs the Department of Public Health, in consultation with the State Water Resources Control Board, to investigate the feasibility of developing uniform water recycling criteria for direct potable reuse by September 2016. AB 803 makes several changes to existing law that will allow for the increased use of recycled water by modifying definitions and procedures in the Department of Public Health's (DPH) regulations regarding recycled water. AB 1090 authorizes the Fair Political Practices Commission (FPPC) to investigate or initiate an administrative or civil action (including significant fines) against an officer or other person for violation of Government Code section 1090. Government Code section 1090 prohibits public officials and employees from having financial interests in any contract made by them in their official capacity, or by any body or board of which they are members.

18. BOARD MEMBER COMMENTS

None

19. CLOSED SESSION

None

20. ADJOURNMENT

The meeting adjourned at 9:50 a.m. The next Board of Directors meeting will be held on November 12, 2013.

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