

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON OCTOBER 13, 2014
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Mark Muir, Chair

David Zito, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, October 13, 2014, 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 Muir called the meeting to order at 9:04 a.m.

2. ROLL CALL

Directors Present:

Teresa Barth
Mark Muir
David Zito

Directors Absent:

Thomas M. Campbell

Others Present:

General Manager
Director of Operations
Director of Finance & Administration
Safety/HR Administrator
Administrative Assistant

Michael Thornton
Christopher Trees
Paul Kinkel
Marisa Buckles
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Encinitas:

Director of Engineering and Public Works
Public Works Management Analyst

Glenn Pruijm
Bill Wilson

City of Solana Beach:

Director of Engineering/Public Works

Mohammad "Mo" Sammak

3. PLEDGE OF ALLEGIANCE

Chair Muir led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

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

Motion carried with the following vote of approval:

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

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the September 8, 2014 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	San Elijo Ocean Outfall – State of California Land Lease Renewal No. PRC 3228.9

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. UPDATE ON CONSTRUCTION OF CURRENT CAPITAL PROJECTS

General Manager Thornton updated the Board of Directors on the projects that are currently underway for the SEJPA: the Emergency Generator Replacement project, the Biosolids Conveyor Replacement project, the Storm Water Diverter project at Seascape Sur, and the Facility Plan Update for the SEWRF. The Generator Replacement at the treatment plant has been completed and the new generator is online. The generator for the San Elijo Hills pump station is currently being manufactured and is expected to be delivered by the end of October. This project has approximately \$35,000 of pending change orders due to unforeseen underground utilities, material changes, and additional requested work. The Biosolids Conveyor Replacement project has encountered a three month delay due to the conveyor manufacturer; however, no change orders or additional work is pending. The Storm Water Diverter project at Seascape Sur is expected to be completed in October, with

two potential change orders in the amount of \$20,664. The change orders are for unforeseen underground utilities relocation. Finally, Carollo Engineers has completed their evaluation of the SEJPA's assets and has completed a draft Facility Plan report for review by the SEJPA. During the evaluation of the facility, an odor scrubber at the SEWRF failed an APCD inspection. At the request of the SEJPA, Carollo agreed to expand the scope of services to address the specific performance issues with the scrubber. The expanded scope was estimated to require an additional fee of approximately \$11,000.

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

1. Authorize the General Manager to execute contract amendments in an amount not to exceed \$68,000.

Motion carried with the following vote of approval:

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

14. RECYCLED WATER PRICING UPDATE

The General Manager reported that in 2013, the SEJPA began moving the recycled water program away from "index-pricing" to a cost of service methodology. The goal is to create a uniform pricing structure between the SEJPA and its water purveyor partners. Currently, uniform pricing has been achieved with Santa Fe Irrigation District and the San Dieguito Water District. The General Manager reported that SEJPA staff has engaged both the Olivenhain Municipal Water District (OMWD) and the City of Del Mar (Del Mar) in regards to modifying their pricing structure to achieve this goal. Working with the financial consultant Raftelis Financial Consultant, staff has developed a cost of service analysis that shows the recycled water price of \$1,310 per AF is reasonable and justified. If this change is acceptable to OMWD and Del Mar, it would result in achieving the Board's goal of a single price for the same level of service and having all of the non-interruptible service agreements on a cost of service pricing approach. The General Manager reported that he expects to reach agreement on the proposed price increase with OMWD before the next SEJPA Board meeting.

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

15. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – OFFICE OF AUDIT SERVICES – REVIEW REPORT

Paul Kinkel, Director of Finance and Administration, informed the Board of Directors that the California Public Employees' Retirement System (CalPERS) requested the Office of Audit Services (OAS) to review earnings and retirement enrollment reporting procedures of the SEJPA. The review is to ensure that the SEJPA is in compliance with applicable sections of the California Code of Regulations (CCR) and that the prescribed reporting and enrollment procedures for retirement benefits are being followed. Mr. Kinkel stated that the review identified three issues that the SEJPA is addressing or have been resolved, including pay schedules, the monetary value of

rental and maintenance of uniforms, and certification of the correct number of sick leave days for two retirees. The certification of sick leave days for two retirees has been resolved. The monetary value of rental and maintenance of uniforms is an open issue and will be reported back to the Board within ninety days. The prior years' pay schedules require Board action to approve, which staff is requesting action on today.

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

1. Approve the prior years' pay schedules as required by the California Code of Regulations (CCR) requirements.

Motion carried with the following vote of approval:

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

16. GENERAL MANAGER'S REPORT

None

17. GENERAL COUNSEL'S REPORT

None

18. BOARD MEMBER COMMENTS

None

19. CLOSED SESSION

None

20. ADJOURNMENT

The meeting adjourned at 9:45 a.m. The next Board of Directors meeting will be held on November 10, 2014.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager