

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON MARCH 13, 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, March 13, 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 9:00 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
Associate Engineer
Administrative Assistant/Board Clerk

Michael Thornton
Christopher Trees
Paul Kinkel
Mike Konicke
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Adriana Ochoa
Chip M. Eady Jr.

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

Fieldman, Rolapp & Associates

Jim Fabian

Hilltop Securities Inc.

Mike Cavanaugh

Roesling Nakamura Terada Architects

Ralph Roesling
Joe Mansfield

San Diego County Water Authority

Mark Stadler

3. PLEDGE OF ALLEGIANCE

Chair Marshall led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

General Manager Michael Thornton, along with Mark Stadler from the San Diego County Water Authority, presented to the Board of Directors, a grant check in the amount of \$327,385 for recycled water project funding through the IRWM Proposition 84 Rounds 1 and 2.

6. CONSENT CALENDAR

Chair Marshall removed Agenda Item No. 9, San Elijo Water Reclamation Facility Treated Effluent Flows – Monthly Report, from the Consent Calendar.

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

Agenda Item No. 7	Approval of Minutes for the February 13, 2017 meeting
Agenda Item No. 10	San Elijo Joint Powers Authority Recycled Water Program – Monthly Report
Agenda Item No. 11	Construction Contract for Meter Valve and Air Vacuum Valve Replacement Project

Motion carried with the following vote of approval:

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

Agenda Item No. 8 Approval for Payment of Warrants and Monthly Investment Report

Motion carried with the following vote of approval:

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

12. ITEMS REMOVED FROM CONSENT CALENDAR

Agenda Item No. 9 – San Elijo Water Reclamation Facility Treated Effluent Flows – Monthly Report. General Manager Thornton reported that in January, the facility had a treatment process upset, which reduced treatment below permit requirements. Staff took active steps to address the issue including engaging Dr. Shane Trussell, an expert in wastewater treatment, to review our process and make recommendations. The State Water Resources Control Board was notified of the treatment process upset.

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

1. Receive and file this treatment report documenting the recent NPDES permit violation; and
2. Authorize the General Manager to approve a contract with Trussell Technologies to evaluate nitrification options for an amount not to exceed \$59,600.

Motion carried with the following vote of approval:

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

13. BOND FINANCING UPDATE

General Manager Thornton introduced SEJPA's bond financing team: Mike Cavanaugh with Hilltop Securities as underwriter, Jim Fabian with Fieldman, Rolapp & Associates (FRA) as financial advisor, and Chip Eady with Procopio as bond counsel and bond disclosure counsel. Mr. Thornton explained the difference between a competitive and a negotiated bond sale. Due to a volatile post-election bond market, FRA recommends the SEJPA issue bonds using a negotiated sale. Staff reviewed FRA's recommendation and agrees. The bond financing team has prepared a proposed schedule to issue bonds prior to the June 17, 2017 Federal Reserve meeting, which may help minimize the effects of a possible interest rate increase. The General Manager stated that staff will continue to communicate with the member agencies as part of the bond issue preparation.

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

1. Authorize the General Manager to prepare legal documents for a negotiated bond sale for an amount not to exceed \$22.4 million for Wastewater and Recycled Water Infrastructure; and
2. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

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

14. APPROVAL OF THE LOCAL PROJECT SPONSOR AGREEMENT FOR THE INTEGRATED WATER RESOURCE SOLUTIONS FOR THE CARLSBAD WATERSHED PROJECT

General Manager Thornton gave a brief background on Integrated Regional Water Management Planning (IRWMP), which was originally derived from Proposition 50 in 2002. The State of California has since encouraged integrated water resource planning on a regional basis through IRWM plans, and by making certain grant funding programs conditional upon activities contained in IRWMP's. Several such programs were authorized in 2006 by Proposition 84. Mr. Thornton stated that in 2010, the SEJPA submitted two projects for consideration to the Regional Water Management Group for the San Diego region's Round 1 Proposition 84 IRWM grant application, which were both selected for grant funding. In 2015 the SEJPA submitted for consideration the Coastal Conservation 101 Project (name later changed to Integrated Water Resource Solutions for Carlsbad Watershed), with project partners the cities of Encinitas and Solana Beach, San Dieguito Water District, Santa Fe Irrigation District, Olivenhain Municipal Water District, and the San Elijo Lagoon Conservancy. This project was selected for a \$2.5 million grant to expand recycled water service, implement urban runoff pollution control, conduct water quality monitoring associated with the San Elijo Lagoon, and provide educational outreach activities.

The General Manager stated that grant administration for the project is \$100,000 of which \$50,000 may be submitted for grant funding, and the remaining cost will be funded by the SEJPA. Hoch Consulting was recommended for grant administration by the General Manager. The General Manager also recommended retaining Dudek for professional services related to the recycled water pipeline on Requeza Street. Adequate funding is available for the \$39,910 Dudek recycled water pipeline design in the Recycled Water Capital Program Conveyance and Storage projects.

Moved by Board Member Mosca and seconded by Chair Marshall to:

1. Authorize the General Manager to execute the Local Project Sponsor Agreement;

2. Authorize the General Manager to execute a professional services agreement with Hoch Consulting for grant administration for an amount not to exceed \$100,000; and
3. Authorize the General Manager to execute a professional services agreement with Dudek for engineering services for an amount not to exceed \$39,910.

Motion carried with the following vote of approval:

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

15. PROFESSIONAL SERVICES AGREEMENT – ARCHITECTURAL SERVICES FOR BUILDING PROGRAM

General Manager Thornton stated that the 2015 Facility Plan identified significant deficiencies with the Administration and Operations buildings, which include seismic, fire suppression, ADA access, and other code issues. In addition, both buildings lack the necessary workspace for the current workforce. The SEJPA initiated a Building Improvement Program to develop options to replace or modernize the existing buildings. Roesling Nakamura Terada Architects, Inc. (RNT Architects) developed a Building Needs Assessment and a Building Alternatives Analysis. The findings of these studies were presented in the Preliminary Design Report and accepted by the Board of Directors in September 2016. Mr. Thornton informed the Board Members that the SEJPA requested proposals for completing final design and permitting; interviewed the top three firms; and ultimately selected RNT Architects based on their qualifications, team continuity, design concepts, experience, and project references.

The General Manager stated that the estimated building project cost is \$7.4 million. The SEJPA has budgeted approximately \$700,000 in capital funding. The agency proposed to obligate approximately \$552,400 for the design, permitting, and architectural services during construction. The remaining project costs are proposed to be financed through tax-free municipal bonds. The planned capital expenditure is incorporated into the member agencies' sewer rates and will not cause an unplanned increase.

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

1. Authorize General Manager to execute professional services agreement with Roesling, Nakamura, Terada Architects for an amount not to exceed \$507,400; and
2. Authorize General Manager to execute professional services agreements for ancillary civil, geotechnical, mechanical, and surveying services associated with the project not to exceed \$45,000.

Motion carried with the following vote of approval:

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

16. GENERAL MANAGER'S REPORT

None

17. GENERAL COUNSEL'S REPORT

Adriana Ochoa informed the Board of Directors that pursuant to Smith vs City of San Jose, the Supreme Court recently ruled that written communications (including e-mail and text messages) involving public agency business sent or received by public officials and employees on their private electronic devices may be subject to disclosure under the California Public Records Act.

18. BOARD MEMBER COMMENTS

None

19. CLOSED SESSION

None

20. ADJOURNMENT

The meeting adjourned at 10:16 a.m. The next Board of Directors meeting will be held on April 10, 2017.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager