

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON APRIL 20, 2021  
VIA VIDEO CONFERENCE

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Kristi Becker, Chair

Kellie Hinze, Vice Chair

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A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, April 20, 2021, at 8:30 a.m., via a public web conference.

1. CALL TO ORDER

Chair Becker called the meeting to order at 8:30 a.m.

2. ROLL CALL

*Directors Present:*

Kristi Becker  
Kellie Hinze  
Catherine Blakespear  
David Zito

*Directors Absent:*

None

*Others Present:*

General Manager	Michael Thornton
Director of Operations	Chris Trees
Director of Finance and Administration	Amy Chang
Administrative Coordinator	Vanessa Hackney
Senior Project Manager	Mike Konicke

*SEJPA Counsel:*

Procopio, Cory, Hargreaves & Savitch	Tracie Stender
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*City of Encinitas:*

Assistant City Manager	Mark Delin
Senior Management Analyst	Bill Wilson
Assistant Director of Public Works Department	Isam Hireish

*City of Solana Beach:*

City Manager	Greg Wade
Finance Director/City Treasurer	Ryan Smith
Director of Engineering/Public Works	Mohammad "Mo" Sammak

3. PLEDGE OF ALLEGIANCE

General Manager Thornton led the Pledge of Allegiance.

4. ORAL COMMUNICATION

None.

5. AWARDS AND RECOGNITION

CWEA (San Diego Section)

- Treatment Plant of the Year Award
- Safety Program of the Year Award
- Gimmicks and Gadgets Award – Jose Garcia

6. CONSENT CALENDAR

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

Agenda Item No. 7	Approval of Minutes for the March 16, 2021 Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
Agenda Item No. 9	Wastewater Treatment Report
Agenda Item No. 10	Recycled Water Report
Agenda Item No. 11	Approve Ferric Chloride Purchase Agreement Extension

Motion carried with the following vote of approval:

AYES: Becker, Hinze, Zito, Blakespear  
NOES: None  
ABSENT: None  
ABSTAIN: None

13. SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2021-22 RECOMMENDED BUDGET

General Manager Thornton stated that the Fiscal Year (FY) 2021-22 San Elijo Joint Powers Authority (SEJPA) Recommended Budget has been prepared in accordance with the SEJPA formation agreement and service agreements with other government entities. The budget estimates all expenditures necessary to provide wastewater treatment, waste disposal, water recycling, laboratory, ocean outfall, pump stations, and other services.

The recommended FY 2021-22 Budget consists of \$8,003,113 operating costs, \$1,509,278 debt service, and \$2,235,000 capital projects for a total budget of \$11,747,391. SEJPA receives revenues from seven primary sources, with the three largest sources being the City of Encinitas, the City of Solana Beach, and the Recycled Water Utility, which are expected to provide \$3,873,291, \$2,906,281, and \$3,843,407, respectively.

The May 18, 2021 Board Agenda will include a budget discussion item for the Board to publicly discuss any changes or comments on the recommended budget. The final recommended budget will be brought to the June 15, 2021 meeting for Board approval.

Moved by Board Member Zito and seconded by Chair Becker to:

1. Review the Fiscal Year 2021-22 Recommended Budget;
2. Provide direction to staff regarding a transition from a one-year budget document to a two-year document; and
3. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

AYES: Becker, Hinze, Zito, Blakespear  
NOES: None  
ABSENT: None  
ABSTAIN: None

14. PHASE 2 STORMWATER CAPTURE AND REUSE – GRANT AWARD

General Manager Thornton stated that the San Elijo Joint Powers Authority (SEJPA) is interested in expanding its efforts to protect the environment and public health by capturing and reusing urban runoff and stormwater flows. Staff has developed concept plans for a phased project that can be constructed and operated independent of each other, but also designed to be complementary.

Phase 1 of the project is focused on diverting low flows that are on the order of 500,000 gallons per day or less. Phase 2 is intended to advance Phase 1 and create an additional local water supply through the construction of a stormwater infiltration basin for groundwater recharge and wells to extract stored groundwater for reuse.

Through a competitive selection process, the Phase 2 Stormwater Capture and Reuse project was selected by the State Water Resources Control Board (SWRCB) to receive \$1.5 million in grant funding. This will complement SEJPA's \$1.1 million grant award for Phase 1.

To proceed with the Phase 2 grant and develop the final grant agreement with the State, the SWRCB requires SEJPA to submit information in support of the grant pursuit, including a resolution. This resolution does not obligate SEJPA to accept the grant funds at this time. At a future SEJPA Board meeting, staff will present the final Phase 2 project scope and budget for Board approval prior to signing the grant agreement for financial assistance from the SWRCB.

Moved by Board Member Zito and seconded by Chair Becker to:

1. Approve Resolution 2021-03 of the Board of Directors of the San Elijo Joint Powers Authority to Authorize Entering into a Funding Agreement with the State Water Resources Control Board and Designating Michael T. Thornton, P.E. as Project Director for the Phase 2 Stormwater Capture and Reuse Project; and
2. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

AYES: Becker, Hinze, Zito, Blakespear  
NOES: None  
ABSENT: None  
ABSTAIN: None

15. DRAFT RECYCLED WATER COST OF SERVICE STUDY AND PROPOSED WHOLESALE RATE INCREASE AND RESERVE POLICY

General Manager Thornton stated, at the March 16, 2021 Board meeting, staff presented the recycled water cost-of-service and capital improvement program (CIP) workshop and received Board direction to incorporate a revised and formalized reserve policy and a 10-year capital improvement plan in the draft cost-of-service study and present the financial impact to the Board at the April 20, 2021 meeting.

Carollo completed its cost-of-study for the 5-year period from FYE 2022 to FYE 2026 and provided recommendations for improving the recycled water reserve policy to gain better alignment with policies of the water districts we service. The Study evaluated several scenarios to determine the optimal combination of affordable water rates, adequate reserve funding, and provisions for capital project funding. The scenario that ranked the highest is as follows:

- 3.9% annual rate increase commencing FYE 2022 to FYE 2026
- Finance approximately 50% of the anticipated \$10.7 million capital program
- Update the reserve policy as outlined in Attachment 2

These recommendations will provide adequate revenue for capital expenditures from FYE 2021 to FYE 2030, provide financial resiliency to protect against unforeseen revenue fluctuations, and create growing reserve funds to further bolster the fiscal health of the program.

No action required. The presentation of the Draft Recycled Water Cost of Service Study and proposed wholesale rate increase and reserve policy is for information only.

16. GENERAL MANAGER'S REPORT

General Manager Thornton reported a meeting with Board Chair Becker as well as a meeting with Board Member Zito in preparation for the April Board Meeting.

17. GENERAL COUNSEL'S REPORT

Tracie Stender stated that Senate Bill 273, encouraging wastewater agencies to engage in managing stormwater and dry weather runoff looks likely to pass in the state legislature.

18. BOARD MEMBER COMMENTS

None.

19. CLOSED SESSION

None.

20. ADJOURNMENT

The meeting adjourned at 10:07 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, May 18, 2021 at 8:30 a.m.

Respectfully submitted,



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Michael T. Thornton, P.E.  
General Manager