

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON SEPTEMBER 15, 2020  
VIA VIDEO CONFERENCE

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Jody Hubbard, Chair

Kristi Becker, Vice Chair

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A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, September 15, 2020, at 8:30 a.m., via a public web conference.

1. CALL TO ORDER

Chair Hubbard called the meeting to order at 8:32 a.m.

2. ROLL CALL

*Directors Present:*

Jody Hubbard  
Kristi Becker  
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	Adriana Ochoa
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*City of Encinitas:*

Assistant City Manager	Mark Delin
Director of Public Works	Carl Quiram
Assistant Director/Assistant General Manager	Isam Hireish

*City of Solana Beach:*

City Manager	Greg Wade
Director of Engineering/Public Works	Mohammad "Mo" Sammak
Interim Finance Director	Rodney Greek

3. PLEDGE OF ALLEGIANCE

General Manager Thornton led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. AWARDS AND RECOGNITION

Mike Henke – 20 Years of Service

John Boyle – 15 Years of Service

6. CONSENT CALENDAR

Moved by Board Member Blakespear and seconded by Board Member Zito to approve the Consent Calendar.

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|---------------------|--|
| Agenda Item No. 7   | Approval of Minutes for the July 13, 2020 Meeting              |
| Agenda Item No. 8   | Approval for Payment of Warrants and Monthly Investment Report |
| Agenda Item No. 9b  | San Elijo Water Campus Treated Effluent Flows – Monthly Report |
| Agenda Item No. 10b | San Elijo Water Recycling Program – Monthly Report             |
| Agenda Item No. 11  | Construction Completion – Boiler Replacement Project           |
| Agenda Item No. 12  | Construction Completion – SCADA Project Completion             |

Motion carried with the following vote of approval:

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

13. ITEMS REMOVED FROM CONSENT CALENDAR

No. 9a & No. 10a

Moved by Chair Hubbard and seconded by Board Member Zito to Accept No.9a & No. 10a:

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

14. WATER CAMPUS IMPROVEMENT PORJECT – STAGE 2 LEASE-PURCHASE AGREEMENT AMENDMENT

Senior Project Manager, Michael Konicke, stated that the Water Campus Improvement Project was approved by the Board in March 2020 for a total construction cost of \$18,410,000, subject to the finalization of contract terms. Staff developed a two-phase project delivery method to deal with the uncertainty associated with COVID-19.

The contractor completed the rebidding of GMP-2 in July 2020, and the results initially exceeded the budget allotment of \$18,410,000. The contractor, SEJPA staff, and the design team conducted value engineering and design reviews to reach a final guaranteed maximum price that achieved the overall project budget goal. Staff worked with legal counsel to complete the Lease-Purchase Agreement, which includes both GMP-1 and GMP-2 for a total of \$18,409,269. As the project contract value was within the Board approved value, the General Manager executed the agreement on August 18, 2020 and preconstruction activities for Phase 2 (GMP-2) are underway.

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

15. PROPOSED SOLAR PHOTOVOLTAIC SYSTEM LOCATED AT THE SAN ELIJO WATER CAMPUS

General Manager Thornton stated that the San Elijo Water Campus uses a substantial quantity of electricity (approximately 3,300 megawatt-hours annually) to treat wastewater, produce and distribute recycled water, and for other onsite operational needs. Looking forward, it is reasonable to forecast that energy cost and consumption for the SEJPA will trend higher.

In an effort to stabilize future energy costs and to increase the use of renewable energy, staff is seeking to develop a solar photovoltaic (PV) project at the San Elijo Water Campus. The PV project is designed to be large enough to attract third-party construction and financing through a Power Purchase Agreement, adding the financial benefit of tax credits that further lowers the project cost. For our proposed project, PPA financing benefits include:

1. No up-front cost
2. Ability for the tax-exempt entity to benefit from federal tax incentives through lower rates
3. A predictable cost of electricity during the PPA term
4. Simplified design and permitting process
5. No maintenance responsibilities for the term of the PPA

Government Code Section 4217.10 et seq. provides authority to public agencies to select and contract with qualified energy services companies, to develop and construct energy efficiency, conservation, and alternative energy projects under a single contract.

Staff hosted site walks, conducted team interviews, responded to information requests, and gathered proposals from interested firms. After consideration of qualifications and project approach, staff has selected IGS Solar as the preferred firm to finance and construct the PV project utilizing a Power Purchase Agreement.

IGS Solar submitted their best and final proposal to construct, operate, and maintain the solar PV system, which is currently under review by our third-party energy consultant, Sage Energy Consulting. If the final proposal meets all requirements of Government Code Section 4217.10 et seq., and achieves our desired financial and operational terms, then this PPA will be reviewed by legal counsel and presented to the Board at the next regular Board meeting for approval consideration.

No action required. This memorandum is submitted for information only. It is anticipated that staff will provide a PPA for Board approval consideration at the October 2020 Board meeting.

16. RECOMMENDED UPDATE TO THE SAN ELIJO JOINT POWERS AUTHORITY  
RESTATEMENT OF AGREEMENT BETWEEN CARDIFF SANITATION DISTRICT AND  
SOLANA BEACH SANITATION DISTRICT ESTABLISHING THE SAN ELIJO JOINT  
POWERS AUTHORITY

San Elijo Joint Powers Authority (SEJPA) is a joint exercise of powers authority organized and existing under and by virtue of California Government Code section 6500 et seq. (Title 1, Division 7, Chapter 5, Article 1). The joint powers agreement was amended a number of times between 1989 and 2005, and in 2008, SEJPA adopted a "Restatement of Agreement between Cardiff Sanitation District and Solana Beach Sanitation District Establishing the San Elijo Joint Powers Authority" (Restatement) in order to incorporate prior amendments into a single document, update the agreement between the member agencies, and clarify and supplement the duties and responsibilities of SEJPA and the member agencies.

Staff and General Counsel have conferred about amending the 2008 Restatement in order to account for new laws and updated information. General Counsel has prepared draft language for the SEJPA Board of Directors, which amends the 2008 Restatement. If the SEJPA Board of Directors approves, the next step will be to circulate proposed revisions to the City Managers and City Attorneys for both member agencies for their review. Ultimately, the City Councils for both Encinitas and Solana Beach will have to approve the amended Restatement at a duly noticed public meeting in order to make the amendment effective.

Within 30 days after the effective date of the amendment, SEJPA must cause two copies of a notice of the amendment to be prepared and filed with the Secretary of State, who will forward a copy to the Controller. (Gov. Code, § 6503.5.) SEJPA must also file a copy of the full text of the original joint powers agreement, and all amendments thereto, with the Controller, and with San Diego LAFCO. (Gov. Code, § 6503.6.)

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

1. Review the Recommended Restatement of the Joint Powers Authority Agreement;  
and
2. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

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

17. GENERAL MANAGER'S REPORT

None

18. GENERAL COUNSEL'S REPORT

Adriana Ochoa stated that last week the California legislator enacted AB1867, adding a labor code provision that requires public agencies to provide COVID paid sick leave benefits to employees who have not been provided paid sick leave under Families First Corona Virus Response Act.

Adriana also stated that counsel is aware of the Los Angeles Waterkeeper vs. State Water Resources Control Board case and its ruling. Counsel will be following any appeals closely and will keep the Board up to date with any important or relevant information.

19. BOARD MEMBER COMMENTS

Chair Hubbard stated that she will not be in attendance for the October SEJPA Board Meeting. Chair Hubbard also stated that the City of Oceanside announced that they will be starting construction on their Pure Water Project.

City Manager Greg Wade introduced Rod Greek as the City of Solana Beach's interim Finance Director.

20. ADJOURNMENT

The meeting adjourned at 10:03 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, October 20, 2020 at 8:30 a.m.

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