

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON JUNE 20, 2023
AT THE SAN ELIJO WATER CAMPUS

David Zito, Chair

Tony Kranz, Vice Chair

A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, June 20, 2023, at 8:30 a.m., at the San Elijo Water Campus.

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:

David Zito
Tony Kranz
Kristi Becker
Kellie Hinze

Others Present:

General Manager	Michael Thornton
Director of Operations	Chris Trees
Director of Infrastructure and Sustainability	Tom Falk
Director of Finance and Administration	Amy Chang
Administrative Assistant II	Abby Schlenk

SEJPA Counsel:

Procopio	Adriana Ochoa
Intern	Banna Esaias

City of Solana Beach:

Director of Engineering/Public Works	Mohammad "Mo" Sammak
City Manager	Greg Wade

San Dieguito Water District:

Principal Engineer	Habib Hariri
--------------------	--------------

3. PLEDGE OF ALLEGIANCE

Board Chair, David Zito, led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

None.

6. CONSENT CALENDAR

Moved by Vice Chair Kranz and seconded by Board Member Becker to approve the Consent Calendar.

Agenda Item No. 7	Approval of Minutes for the May 16, 2023 Board 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	Reportable Meetings
Agenda Item No. 12	Update of Emergency Repairs to Recycled Water Pipeline in Manchester Ave.
Agenda Item No. 13	Adopt Resolution No. 2023-02, Recognizing The 100-Year Anniversary of Santa Fe Irrigation District
Agenda Item No. 14	2023/24 Supervisory Control and Data Acquisition (SCADA) Services Contract Amendment

Motion carried with the following vote of approval:

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

16. ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2023-24 BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF TREASURER

Director of Finance and Administration, Amy Chang, presented the proposed Fiscal Year 2023-24 Budget for adoption by the Board of Directors. She noted that SEJPA has not received any public comments or requested changes to the budget. However, staff identified one minor change that adds \$14,832 of revenue associated with laboratory rental revenue. In addition, the debt service payment for the 2023 Recycled Water Loan was adjusted from an estimated \$800,000 to \$778,982 to reflect the actual payment value from the loan agreement finalized in May 2023.

Director Chang highlighted that the FY 2023-24 Recommended Budget consists of \$9,974,623 operating expense, \$6,570,000 capital appropriation, and \$2,373,548 debt service payments for a total budget of \$18,918,171, which is anticipated to be adequate to fulfill the mission of SEJPA.

Director Chang noted that staff is recommending adding a third investment instrument, Money Market Fund, to further diversify SEJPA's investment options. The Money Market Fund allows investment in short-term dollar-denominated securities that are issued by diversified management companies and registered with the Securities and Exchange Commission.

The General Manager recommended the re-appointment of Amy Chang, Director of Finance and Administration, as SEJPA Treasurer for FY 2023-24.

Moved by Board Member Hinze and seconded by Board Member Becker to:

1. Adopt Resolution No. 2023-03, Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2023-24;
2. Adopt Resolution No. 2023-04, Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Amy Chang as SEJPA Treasurer.

Motion carried with the following vote of approval:

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

17. CAPITAL PROGRAM UPDATE

Director of Infrastructure and Sustainability, Tom Falk, reviewed SEJPA's 3-year capital plan delivery schedule and cost summary. He also reviewed the status of ongoing projects, provided a 3-month lookahead for the upcoming quarter, and explained how staff are working to monitor and mitigate capital program risks.

Director Falk discussed delivery of the capital program that includes the Biosolids Dewatering Project (Phase 3) and four projects budgeted at \$18.3 million that will comprise Phase 4 of the capital program. Phase 4 Projects will be funded through grants, recycled water revenues, wastewater capital cash contributions, dedicated funding from City of Encinitas for a City-owned sewer pump station, and a \$10 million private placement loan. SEJPA has also identified and is developing miscellaneous near-term projects under the capital program with costs estimated at \$1.8 million that will be funded through capital cash contributions to be included in future annual budgets.

SEJPA will deliver the 3-Year Capital Plan (2023 – 2025) consisting of prioritized Phase 3, Phase 4, and Miscellaneous Near-Term Projects with a total budgeted cost estimated at approximately \$32.2 million.

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

18. GENERAL MANAGER'S REPORT

General Manager, Michael Thornton, noted staff is in discussions with Encinitas Ranch Golf Authority (ERGA) on an extension of the Surplus Recycled Water Agreement. He gave a brief background on the previous agreement, then provided insight on anticipated changes for the new extension. The new agreement proposes an 8-year extension, a commitment by ERGA to purchase more water annually, an increase of 5% for the cost of water charged by SEJPA, and utility and construction easements for SEJPA to build a pipeline to the Wanket Tank with compensation to ERGA from SEJPA for these easements. General Manager Thornton underscored the agreement as a “win-win” allowing SEJPA to do more for the public at a lower cost to both parties.

Staff expects the agreement extension and proposed easements to be ready for Board of Director consideration at the August meeting.

19. GENERAL COUNSEL'S REPORT

Procopio Associate Adriana Ochoa reported on the Attorney's Committee Meeting by the California Association of Sanitation Agencies (CASA) held on May 19, 2023. Ms. Ochoa offered to circulate agendas from the quarterly meetings for any interested individuals upon request.

Ms. Ochoa also introduced Banna Esaias, a second-year law student at the University of San Diego who has been awarded a scholarship from Procopio and selected for a summer internship on the Healthcare Education and Government Practice Team.

20. BOARD MEMBER COMMENTS

None.

21. CLOSED SESSION

A closed session was held per Government Code Section 54957 (b), Public Employee Employment, Title: General Manager

No reportable actions taken.

22. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE GENERAL MANAGER MERIT BONUS

Moved by Chair Zito and seconded by Board Member Becker to award the General Manager his full \$10,000 bonus per the General Manager's employment agreement.

Motion carried with the following vote of approval:

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

23. ADJOURNMENT

The meeting adjourned at 9:45 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, August 15, 2023 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