

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON DECEMBER 9, 2013  
AT THE  
SAN ELIJO WATER RECLAMATION FACILITY

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Thomas M. Campbell, Chair

Mark Muir, Vice Chair

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A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, December 9, 2013, 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 Campbell called the meeting to order at 9:00 a.m.

2. ROLL CALL

*Directors Present:*

Teresa Barth  
Thomas M. Campbell  
Mark Muir  
David Zito

*Directors Absent:*

None

*Others Present:*

General Manager  
Director of Finance & Administration  
Administrative Assistant  
Accounting Technician  
Safety/HR Administrator  
Wastewater Lead Operator

Michael Thornton  
Paul Kinkel  
Jennifer Basco  
Carrie Cook  
Marisa Buckles  
Kenneth Regnier

*SEJPA Counsel:*

Procopio, Cory, Hargreaves & Savitch

Adriana Sanchez

City of Encinitas,  
Public Works Management Analyst

Bill Wilson

City of Solana Beach,  
City Manager  
Director of Engineering/Public Works

David Ott  
Mohammad "Mo" Sammak

San Dieguito Water District,  
Assistant General Manager

Bill O'Donnell

Leaf & Cole, LLP

Michael Zizzi

3. PLEDGE OF ALLEGIANCE

General Manager Thornton led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

The General Manager recognized Kenneth Regnier, Wastewater Lead Operator, for 21 years of service, and announced to the Board of Directors that Mr. Regnier will be retiring at the end of this month. On behalf of the Board of Directors, Chair Campbell thanked Mr. Regnier for his service to the agency and wished him continued success.

6. CONSENT CALENDAR

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

Motion carried with unanimous vote of approval.

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the November 12, 2013 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

11. ITEMS REMOVED FROM CONSENT CALENDAR

None

12. SAN ELIJO JOINT POWERS AUTHORITY ANNUAL AUDIT

Paul Kinkel, Director of Finance/Administration presented the 2012-13 Fiscal Year Audit and introduced Mike Zizzi from Leaf & Cole, LLP to give an overview of the audit findings. Leaf & Cole, LLP is in the third year of a four year contract to provide audit services for the SEJPA. Mr. Zizzi stated that the SEJPA's financial statements are in conformity with accounting principles generally accepted in the United States of America, as well as the State Controller's Minimum Auditing Requirements for California Special Districts.

Mike Zizzi stated that there were no significant difficulties or disagreements with management in performing and completing the audit. The list of adjustments made during the audit process were due to the reconciliation of certain accounts during the audit process and the restatement of the Bond Issuance Costs in accordance with Government Accounting Standards Board No. 65, "Items Previously Reported as Assets and Liabilities" where certain debt issuance costs are expensed when incurred rather than amortized over the life of the bond. Mr. Zizzi concluded his presentation with a review of the financials and statement of cash flows, and then answered Board Member questions.

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

1. Accept and file the 2012-13 Fiscal Year Audit for the San Elijo Joint Powers Authority.

Motion carried with unanimous vote of approval.

13. CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY (CSRMA) RISK CONTROL AUDIT

General Manager Thornton reported to the Board of Directors that the SEJPA is a member of the CSRMA, a risk-pooling self-insurance authority. The CSRMA provides a variety of audits that assist members in identifying and addressing loss exposures, as well as providing recommendations for risk management. The General Manager stated that through a recent CSRMA risk control audit, the SEJPA scored high for its control loss practices and procedures. However the audit did identify areas of potential improvement and staff worked with CSRMA to develop implementable action items. These action items were: (1) develop a fall protection policy; (2) review job descriptions and the employee handbook for employment law compliance; (3) develop a survey to capture employee opinions and attitudes on safe work practices, areas of risk, and risk mitigation; and (4) evaluate SEJPA's network and SCADA system for external vulnerabilities. The General Manager noted that the evaluation of the network and SCADA system is currently underway as part of another project. The remaining action items have an estimated cost to implement of \$7,500.

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

1. Receive and file CSRMA Risk Control Audit.

Motion carried with unanimous vote of approval.

14. SAN ELIJO JOINT POWERS AUTHORITY (SEJPA) RECYCLED WATER PROGRAM – PROPOSED WHOLESALE AGREEMENT AMENDMENTS

General Manager Thornton presented to the Board of Directors for approval consideration amendments to the existing Recycled Water Wholesale Agreement with the San Dieguito Water District (SDWD) and with the Santa Fe Irrigation District (SFID). The Amendments are for three year terms with cost/price certainty for the first two years, and with the cost/price being adjusted based on cost of service principles for the third year. The amendments were developed in collaboration with staff from SDWD and SFID, and have support for approval at the staff level.

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

1. Approve and Authorize the General Manager to Execute the Second Amendment to the Agreement for Sale of Reclaimed Water to the San Dieguito Water District by the San Elijo Joint Powers Authority; and
2. Approve and Authorize the General Manager to Execute the Fourth Amendment to the Agreement for Sale of Reclaimed Water to the Santa Fe Irrigation District by the San Elijo Joint Powers Authority.

Motion carried with unanimous vote of approval.

15. 2013 YEAR IN REVIEW – RECOGNIZING AGENCY ACHIEVEMENTS AND SUCCESSES

The General Manager presented highlights of the SEJPA's accomplishments and successes for calendar year 2013. Included in the highlights were the agency's permit compliance record, safety record, and wastewater treatment performance. In addition, the General Manager stated that this is the 13<sup>th</sup> consecutive year without a lost workday due to injury. He recognized the SEJPA's safety committee for its excellent work in creating a culture of safety at the agency. The General Manager then reviewed industry recognition awards that the SEJPA received in 2013 including the California Wastewater Environment Association (CWEA) Safety Award, at both the local and state level. The General Manager concluded his presentation with a review of the capital infrastructure projects that the SEJPA is leading or is partnering with other agencies.

Vice Chair Campbell inquired about any failures in the past year. The General Manager reported on the recent failure of several vital pieces of equipment at the plant and at the Solana Beach Pump Station, and how those events place the agency in a reactionary position. It is the goal of the General Manager to develop a plan to address aging infrastructure.

This memorandum was submitted for information only.

16. GENERAL MANAGER'S REPORT

General Manager Thornton stated that he attended several meetings during the past month, including: (1) presenting to the San Dieguito Water District's Board on potable reuse and its potential impacts locally; (2) participating in the San Diego Integrated Regional Water Management meeting; and (3) participating in the WaterReuse Board Meeting.

17. GENERAL COUNSEL'S REPORT

Adriana Sanchez reported to the Board of Directors that Governor Jerry Brown signed Senate Bill 751, amending the Ralph M. Brown Act (Government Code § 54950 et seq.) to require the votes of each member of a legislative body of a local agency to be publicly reported.

18. BOARD MEMBER COMMENTS

None

19. CLOSED SESSION

None

20. ADJOURNMENT

The meeting adjourned at 10 a.m. The next Board of Directors meeting will be held on January 13, 2014.

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