

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON OCTOBER 9, 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, October 9, 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
Chris Trees
Paul Kinkel
Mike Konicke
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Adriana Ochoa

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

Santa Fe Irrigation District

General Manager

Michael J. Bardin

The Pun Group

Ken Pun
Coley Delaney

3. PLEDGE OF ALLEGIANCE

Chair Marshall led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

Michael J. Bardin, General Manager of Santa Fe Irrigation District, addressed the Board of Directors regarding partnerships for alternative water supply projects.

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

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

- | | |
|--------------------|--|
| Agenda Item No. 7 | Approval of Minutes for the September 11, 2017 Meeting |
| 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 |
| Agenda Item No. 11 | Award Tree and Miscellaneous Landscape Maintenance Services for the San Elijo Water Reclamation Facility |
| Agenda Item No. 12 | Award of Contract for Professional Videography Services |

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

13. ITEMS REMOVED FROM CONSENT CALENDAR

None

14. FISCAL YEAR 2016-17 FINANCIAL AUDIT ACCEPTANCE

Paul Kinkel, Director of Finance and Administration presented the Fiscal Year 2016-17 Audit to the Board of Directors. Mr. Kinkel introduced Ken Pun from The Pun Group to give an overview of the audit findings. Mr. Pun provided his firm's opinion that the financial statements are presented fairly, in all material aspects, and are prepared in accordance with generally accepted accounting principles (GAAP) and the Government Accounting Standards Board (GASB). In addition, Mr. Pun stated that the financial statement disclosures are neutral, consistent, and clear, there were no difficulties or disagreements with staff or management, and there were no corrected or uncorrected misstatements. Mr. Pun briefly outlined his audit approach to the Board of Directors, explained GASB 68 issues, reviewed the financials and statement of cash flows, and then answered Board Member questions.

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

1. Accept and file the Fiscal Year 2016-17 Audited Financial Statements for the San Elijo Joint Powers Authority; and
2. Accept and file the Fiscal Year 2016-17 SAS Letter.

Motion carried with the following vote of approval:

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

15. SAN ELIJO JOINT POWERS AUTHORITY END OF YEAR REVIEW OF THE FISCAL YEAR 2016-17 OPERATING AND DEBT SERVICE EXPENSES

Paul Kinkel, Director of Finance and Administration provided a financial review for Fiscal Year 2016-17. Overall, the SEJPA was below budget by \$500,897 or 8.4% for all programs excluding Del Mar Services. Wastewater Treatment, Pump Stations, Ocean Outfall, and Storm Water programs were under budget by \$254,639 or 5.7%. The Reclaimed Water expenditures were \$246,258 or 16.4% under budget. SEJPA also proactively paid \$140,000 to the CalPERS unfunded actuarial liability (UAL).

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

16. CONSIDERATION OF APPROVAL OF RESOLUTION 2018-02, ENTITLED “RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT POWERS AUTHORITY ADOPTING SALARY AND BENEFITS FOR FISCAL YEAR 2016-17, 2017-18, AND 2018-19”

General Manager Thornton stated that SEJPA employees are currently operating under a 3-year labor agreement (Resolution No. 2016-10), which is scheduled to expire June 30, 2019. Subsequent to the Board approving Resolution No. 2016-10, OSHA published a memorandum interpreting new anti-retaliation provisions; incentive and disciplinary programs were addressed. OSHA recommended incentive programs that reward employee participation in safety program activities and evaluation, completion of employee training, and identification of hazards via safety walkthroughs versus using incentive programs that penalizes workers or that could be interpreted as penalizing workers for reporting work-related injuries or illness. In April 2017, the Board of Directors authorized the General Manager to review and modify the safety incentive program to be in agreement with OSHA’s guidelines and requirements. The General Manager stated that the SEJPA’s Safety Advisory Committee has developed an incentive program that is cost neutral, designed to maintain and improve SEJPA’s culture of safety, and comply with OSHA’s requirements. Resolution 2018-02 achieves the intent of revising the SEJPA’s safety incentive program for compliance with OSHA requirements, and provides clarity to terms and conditions of employment.

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

1. Adopt Resolution 2018-02, Resolution Adopting the San Elijo Joint Powers Authority Salary and Benefits for Fiscal Years 2016-17, 2017-18, and 2018-19.

Motion carried with the following vote of approval:

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

17. EMERGENCY REPAIR – SCREENINGS WASHER COMPACTOR

Chris Trees, Director of Operations, informed the Board of Directors that the equipment that washes and dewateres waste materials that enter the facility (“washer compactor”), experienced major mechanical issues that rendered the system inoperable. Staff made every effort to repair the system but parts were not available. Mr. Trees stated the washer compactor was slated for replacement as part of the Preliminary Treatment Upgrade project currently in progress, but the unit specified for the project will not be available for approximately 9 months. Staff promptly evaluated multiple emergency replacement options and determined that a rental solution is the best course of action. The SEJPA executed a Rental Agreement with Duperon. The rental cost is expected to be less than \$50,000. Adequate funding is available for this emergency expenditure within the Fiscal Year 2017-18 Operation and Maintenance Budget, Wastewater Program Contingency Fund.

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

18. GENERAL MANAGER'S REPORT

General Manager Thornton gave an update on the status of the City of Del Mar's wastewater service. Construction of wastewater conveyance infrastructure is complete and operational but automation is still in progress. Ground water infiltration is resulting in high TDS concentrations in the City of Del Mar's wastewater. High TDS is detrimental to the biological treatment process and impacts the quality of SEJPA's recycled water. The City of Del Mar has retained a consultant to engineer a solution.

Next, Mr. Thornton informed the Board of Directors that a joint Potable Reuse Study between five districts is currently in discussions. The General Manager will present this proposal for consideration at the next Board meeting.

19. GENERAL COUNSEL'S REPORT

Adriana Ochoa informed the Board of Directors that the Supreme Court granted review of *Plantier v. Ramona Municipal Water District*. The decision will address the need to protest before challenging a rate structure under Proposition 218.

20. BOARD MEMBER COMMENTS

None

21. CLOSED SESSION

The Board of Directors adjourned to closed session at 10:24 a.m., pursuant to Government Code Section 54957: Employee Performance Evaluation. Title: General Manager.

The Board of Directors came out of closed session at 10:30 a.m., with no reportable action.

22. ADJOURNMENT

The meeting adjourned at 10:31 a.m. The next Board of Directors meeting will be held on November 13, 2017.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager