

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE SPECIAL BOARD MEETING
HELD ON MAY 4, 2020
VIA VIDEO CONFERENCE

Jody Hubbard, Chair

Kristi Becker, Vice Chair

A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Monday, May 4, 2020, at 8:30 a.m., via a public web conference.

1. CALL TO ORDER

Chair Hubbard called the meeting to order at 8:30 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
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

City of Solana Beach:

City Manager	Greg Wade
Director of Engineering/Public Works	Mohammad "Mo" Sammak
Finance Director/Treasurer	Marie Marron Berkuti

3. PLEDGE OF ALLEGIANCE

Web conference meeting so no pledge of allegiance performed.

4. ORAL COMMUNICATIONS

None

5. AWARDS AND RECOGNITION

None

6. CONSENT CALENDAR

Moved by Vice Chair Becker and seconded by Chair Hubbard to approve the Consent Calendar.

- Agenda Item No. 7 Approval of Minutes for the March 9, 2020 Meeting
- Agenda Item No. 8 Approval for Payment of Warrants and Monthly Investment Report
- Agenda Item No. 9a San Elijo Water Campus Treated Effluent Flows – February 2020 Monthly Report
- Agenda Item No. 9b San Elijo Water Campus Treated Effluent Flows – March 2020 Monthly Report
- Agenda Item No. 10a San Elijo Recycled Water Program – February 2020 Monthly Report
- Agenda Item No. 10a San Elijo Recycled Water Program – March 2020 Monthly Report
- Agenda Item No. 11 Professional Engineering Agreement Arch Flash Study Amendment
- Agenda Item No. 12 San Elijo Joint Powers Authority Updated Employee Handbook
- Agenda Item No. 13 Agreement Amendment for Auditing Service – One Year Term Extension

Motion carried with the following vote of approval:

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

14. ITEMS REMOVED FROM CONSENT CALENDAR

None

15. WATER CAMPUS IMPROVEMENT PROJECT – STAGE 2 LEASE-PURCHASE AGREEMENT UPDATE

General Manager Thornton reported that in March 2020, after the Board provided authorization to execute the Lease-Purchase Agreement Amendment with PCL

Construction, staff paused contract preparation to evaluate potential risk that the COVID-19 pandemic could present to the project.

Staff, along with input from PCL and Legal Counsel, put together a new two-phased approach to the project. The new two-phased approach integrates COVID-19 language into construction documents, requires contractor COVID-19 preventative measures, construction of weather-dependent work during dry season, and rebidding approximately 75% of the project bid packages.

General Manager Thornton stated that there are no anticipated additional costs associated with the staff's recommendation and that the budget remains unchanged at \$18,410,000. While there are no anticipated cost increases, there is potential for cost savings with bidding in current market conditions.

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

1. Vote to supersede its March 9, 2020 authorization regarding the Stage 2 Lease Purchase Agreement by authorizing the General Manager to execute Stage 2, Phase 1 and Phase 2 Amendments to the Agreement for a Guaranteed Maximum Price (GMP) not to exceed \$18,410,000, subject to the General Manager's final negotiations with the contractor and General Counsel's final review; and
2. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

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

16. PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2020-21 RECOMMENDED BUDGET

Amy Chang, Director of Finance and Administration, presented SEJPA's FY 2020-21 Recommended Budget. Programs budgeted by the SEJPA include: Wastewater Treatment, Laboratory Services, Ocean Outfall, Pump Stations, Stormwater Services, Generator Services, and Recycled Water.

The Recommended FY 2020-21 Budget consists of \$7,706,394 operating costs, \$2,460,973 debt service, and \$1,730,000 capital projects for a total budget of \$11,897,367.

Mrs. Chang informed the Board of Directors that the proposed operating budget for all programs will increase by \$765,039. The Recycled Water program represents the largest increase of \$332,270 and includes funding for planning and engineering for storage and conveyance improvements, potable reuse regional study, and \$100,000 for retrofit loans. The loan program, which has been used successfully in previous budgets, will provide financial assistance to new recycled water customers in retrofitting their irrigations systems to accept recycled water. Staff has found that the cost of conversion is the main reason why customers do not convert to recycled water. The Ocean Outfall program is

recommended to increase \$171,243 due to supplies, testing, and personnel costs required to comply with new requirements by the Regional Water Quality Control Board to complete a plume tracking study. The Laboratory program is recommended to increase \$123,852 due to supplies, testing, and personnel costs required to comply with new requirements by the Environmental Laboratory Accreditation Program (ELAP). The Wastewater Treatment program is proposed to increase \$92,883 primarily as a result of cost increases for biosolids hauling, operational IT support and software licensing, odor control chemicals, and insurance premiums. Operational cost increases to other programs totaled \$44,791.

For SEJPA Member Agencies, the total proposed budget increase for FY 2020-21, including operations, capital, and debt services, is 2.41% for the City of Encinitas and 3.54% for the City of Solana Beach. These program costs have been discussed with agencies served by SEJPA and staff has received guidance that they are within their budget expectations.

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

17. GENERAL MANAGER'S REPORT

General Manager Thornton covered the following topics in the General Manager's Report including: COVID-19 Pandemic Response, Wet Weather (April 2020) Response, General Manager Meetings with Chair & Board Members and their payment for those meetings, update to graphics in Wastewater & Recycled Water reports, and discussion to consider changing Board Meeting day and time, which will be added to a future Board Meeting agenda.

18. GENERAL COUNSEL'S REPORT

None

19. BOARD MEMBER COMMENTS

None

20. ADJOURNMENT

The meeting adjourned at 9:46 a.m. The next Board of Directors meeting is schedule to be held on Monday, June 8, 2020 at 8:30 a.m.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager