

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON OCTOBER 15, 2024
AT THE SAN ELIJO WATER CAMPUS

Kellie Hinze, Chair

Kristi Becker, Vice Chair

A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, October 15, 2024, at 8:30 a.m., at the San Elijo Water Campus.

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:

Kellie Hinze
Kristi Becker
Allison Blackwell
David Zito

Others Present:

General Manager	Michael Thornton
Director of Operations	Chris Trees
Director of Infrastructure and Sustainability	Tom Falk
Director Finance and Administration	Kevin Lang
Senior Project Manager	Michael Konicke
Administrative Coordinator	Vanesa Hackney
Accounting Technician I	Maria Cruz

SEJPA Counsel:

Snell & Wilmer	Adriana Ochoa
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City of Encinitas:

Engineer	Daniel Nutter
Financial Analyst	Jered Elmore

City of Solana Beach:

Director of Engineering	Mohammad "Mo" Sammak
Principal Engineer	Dan Goldberg

Trussell Technologies:

President	Shane Trussell
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3. PLEDGE OF ALLEGIANCE

Board Chair, Hinze, led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

None.

6. CONSENT CALENDAR

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

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| Agenda Item No. 7 | Approval of Minutes for the September 17, 2024 Board Meeting |
| Agenda Item No. 8 | Approval for Payment of Warrants and Monthly Investment Report – September |
| Agenda Item No. 9 | Wastewater Treatment Report – August |
| Agenda Item No. 10 | Recycled Water Report – August |
| Agenda Item No. 11 | Reportable Meetings |
| Agenda Item No. 12 | Update Conflict of Interest Code |

Motion carried with the following vote of approval:

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

14. CAPTIAL PROGRAM FUNDING WORKSHOP

Director of Infrastructure and Sustainability, Tom Falk, stated that SEJPA's current 3-Year Capital Plan consisting of six prioritized projects and a list of miscellaneous near-term projects previously estimated to cost \$32.8 million. The prioritized projects were planned to be funded by cash contributions collected from wastewater customer agencies through annual budgeting process, recycled water revenues, and outside funding sources including state and federal grants.

Mr. Falk noted that recently SEJPA updated its capital project cost and cash flow projections and the inflation in the construction sector has resulted in a funding shortfall. Furthermore, SEJPA's funding plan for its capital projects include state and federal grants that reimburse expenditures with cash receipts anticipated to lag at least six months after project expenses. Considering these factors and SEJPA's current and forecasted cash positions, it is apparent that additional funding will be necessary to close the budget gap and to relieve cash-flow constraints, estimated at approximately \$7 million.

SEJPA staff is actively reviewing its capital program projects to ensure viability of completing the projects as planned. In addition, SEJPA staff has launched the 2025 Facility

Plan that will provide further definition of future capital needs at the San Elijo Water Campus, its remote recycled water facilities, and the member agencies' pump stations.

SEJPA staff provided an update on above efforts and discussed options for securing supplemental funding to allow the prioritized projects to be completed by the end of 2026. The Board provided staff direction to meet with member agency staff to assess funding capacity for the identified funding gap and to consider the likely impact of capital projects being incorporated into the 2025 Facility Plan.

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

15. APPROVAL OF SPECIFIC EQUIPMENT ITEMS FOR THE BIOLOGICAL TREATMENT IMPROVEMENTS PROJECT

Director of Infrastructure and Sustainability, Tom Falk, stated that in March 2023, San Elijo Joint Power Authority's (SEJPA) Board approved the Phase 4 Capital Projects which included the Biological Treatment Improvements Project (Project).

The project is nearing completion of design and SEJPA is preparing to advertise for public bids this fall. The project procurements are subject to SEJPA's Purchasing Policies and Procedures (Board Resolution 2022-01) and California Public Contract Code (PCC). Furthermore, the grant funding agreement for the Bureau of Reclamation Title XVI Water Infrastructure Improvements for the Nation (WIIN) stipulates several purchasing requirements, namely the inclusion of Buy America clauses and typical federal procurement standards.

Projects of this size and complexity might expect upwards of 100 unique pieces of equipment or material to be furnished during construction. The construction documents outline requisite competition on all project labor, materials and equipment, except for three equipment packages that have been identified to be specified without equal ("sole source"):

- Blowers
- Aeration Control Valves
- Sludge Densification

As the design team finalizes the construction documents, SEJPA will secure firm price proposals for these items and validate fair and reasonable costs that will be stipulated in the bid documents. This approach will streamline the bidding process and provide cost certainty on key elements of the project scope. Furthermore, by confirming these key equipment selections, SEJPA can reduce risks during project startup and commissioning while ensuring SEJPA's investment delivers a robust, operator-friendly facility.

Approval of these equipment selections does not commit SEJPA to purchase equipment at this time. Equipment will be purchased by the General Contractor through the construction contract that will be brought to the Board for award following public bidding, assuming the project is funded and moves forward.

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

1. Authorize the General Manager to finalize selection of high speed turbo blowers prior to bidding the Biological Treatment Improvements Project, and in so doing find that the particular Neuros blowers designated herein are necessary in order to match the other high speed turbo blowers already in use.
2. Authorize the General Manager to finalize selection of aeration control valves prior to bidding the Biological Treatment Improvements Project, and in so doing find that the particular Egger Iris® Process Control Valves with integral flowmeter designated herein are necessary in order to obtain a necessary item that is only available from one source.
3. Authorize the General Manager to finalize selection of sludge densification equipment prior to bidding the Biological Treatment Improvements Project, and in so doing find that the particular inDENSE® Hydrocyclone Wasting by World Water Works technology designated herein is necessary in order to obtain a necessary item that is only available from one source.

Motion carried with the following vote of approval:

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

18. GENERAL MANAGER'S REPORT

General Manager Michael Thornton stated that staff is working with the City of Encinitas to review options for fire hazard management within the open space on the west side of the San Elijo Water Campus.

General Manager Thornton also stated that SEJPA, in collaboration with Leucadia Wastewater District and Olivenhain Municipal Water District, hosted the 2024 Water Career Day at the San Elijo Water Campus on October 10, 2024 with 30 high school students and 55 college students in attendance. The purpose of the Career Water Day was to connect with local high schools, colleges, and early military veterans to showcase the wastewater & water industry through a hands-on learning experience. The feedback from the attendees was very positive and all three agencies received employment applications from attendees for open entry-level positions.

19. GENERAL COUNSEL'S REPORT

General Counsel, Adriana Ochoa, stated that she will attend the CASA Conference in November and will report back with any relevant findings.

20. BOARD MEMBER COMMENTS

None.

21. CLOSED SESSION

None.

22. ADJOURNMENT

The meeting adjourned at 9:55 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, November 12, 2024, at 8:30 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Thornton", is written over a horizontal line.

Michael T. Thornton, P.E.
General Manager