

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY MAY 11, 2009 AT 9:00 A.M.
SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA
AND TELECONFERENCED WITH
559 UNION STREET, ENCINITAS, CALIFORNIA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS (NON-ACTION ITEM)
5. PRESENTATION OF AWARDS
2nd Place for 2008 CWEA Small Plant of the Year and Plant Safety, Small
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR THE MARCH 9, 2009 MEETING
8. * APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS
9. * SAN ELIJO WATER RECLAMATION FACILITY TREATED EFFLUENT FLOWS – MONTHLY REPORT
10. * SAN ELIJO JOINT POWERS AUTHORITY RECYCLED WATER PROGRAM – MONTHLY REPORT
11. * NOTICE OF COMPLETION FOR THE CONSTRUCTION OF THE PERFORMANCE OPTIMIZATION OF THE ACTIVATED SLUDGE SYSTEM PROJECT WITH ORION CONSTRUCTION CORPORATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to sign and record a Notice of Completion for the construction of the Performance Optimization of the Activated Sludge System Project with Orion Construction Corporation; and
2. Discuss and take other action as appropriate.

Staff Reference: General Manager, Michael Thornton

12. * ITEMS REMOVED FROM CONSENT CALENDAR

Items on the Consent Calendar are routine matters and there will be no discussion unless an item is removed from the Consent Calendar. Items removed by a "Request to Speak" form from the public will be handled immediately following adoption of the Consent Calendar. Items removed by a Board Member will be handled as directed by the Board.

REGULAR AGENDA

13. PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2009-10 RECOMMENDED BUDGET

It is recommended that the Board of Directors:

1. Review the FY 2009-10 Recommended Budget and direct Member Agency Managers to take the recommended budget to their respective Councils for further discussion and support; and
2. Discuss and take action as appropriate.

Staff Reference: Finance Manager, Gregory Lewis

14. RECYCLED WATER IMPROVEMENT AND EXPANSION — PROJECT UPDATE

1. Discuss and take action as appropriate.

Staff Reference: General Manager, Michael Thornton

15. MANAGEMENT STAFFING RECLASSIFICATION

It is recommended that the Board of Directors:

1. Eliminate the Assistant General Manager position;
2. Create the Director of Operations position;
3. Change the title of the Finance Manger to the Director of Finance/Administration; and
4. Discuss and take action as appropriate.

Staff Reference: General Manager, Michael Thornton

16. CALPERS RESOLUTION TO APPROVE AN AGREEMENT TO PREFUND OTHER POST EMPLOYMENT BENEFITS THROUGH CALPERS

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2009-05 to Approve an Agreement to Prefund Other Post Employment Benefits (OPEB) Through CalPERS Between the Board of Administration, California Public Employees' Retirement System and the Board of Directors, San Elijo Joint Powers Authority;
2. Authorize the General Manager to use contingency funding to pay the unfunded liability of \$98,075 at the end of Fiscal Year 2008-09, if available; and
3. Discuss and take action as appropriate.

Staff Reference: Finance Manager, Gregory Lewis

17. DEVELOPMENT OF SEJPA WILDFIRE RISK REDUCTION PLAN

It is recommended that the Board of Directors:

1. Discuss and take other action as appropriate.

Staff Reference: General Manager, Michael Thornton

18. GENERAL MANAGER'S REPORT

Informational report by the General Manager on items not requiring Board action.

19. GENERAL COUNSEL'S REPORT

Informational report by the General Counsel on items not requiring Board action.

20. BOARD MEMBER COMMENTS

This item is placed on the agenda to allow individual Board members to briefly convey information to the Board or public, or to request staff to place a matter on a future agenda and/or report back on any matter. There is no discussion or action taken on comments by Board members.

21. CLOSED SESSION

A closed session may be held at any time during this meeting of the San Elijo Joint Powers Authority for the purposes of discussing potential or pending litigation or other appropriate matters pursuant to the "Ralph M. Brown Act".

22. ADJOURNMENT

The next regular scheduled San Elijo Joint Powers Authority Board Meeting will be June 8, 2009 at 9:00 a.m. The next General Manager Performance Review Subcommittee meeting will be May 11, 2009 at 2:00 p.m.

NOTICE:

The San Elijo Joint Powers Authority's open and public meetings meet the protections and prohibitions contained in Section 202 of the Americans With Disabilities Act of 1990 (42 U.S.C Section 12132), and the federal rules and regulations adopted in implementation thereof. Any person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting of the SEJPA Board of Directors may request such modification or accommodation from Michael T. Thornton, General Manager, (760) 753-6203 ext. 72.

The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board is available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at www.sejpa.org. The SEJPA Board meetings are held on the second Monday of the month, except August.

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY, MAY 11, 2009 AT 2:00 P.M.
SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE

AGENDA

4. CLOSED SESSION

The Board will meet pursuant to Government Code Section 54957 with respect to Public Employee Performance Evaluation. Title: General Manager

A closed session may be held at any time during this meeting of the San Elijo Joint Powers Authority for the purposes of discussing potential or pending litigation or other appropriate matters pursuant to the "Ralph M. Brown Act".

5. ADJOURNMENT

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AFFIDAVIT OF POSTING

I, Michael T. Thornton, Secretary of the San Elijo Joint Powers Authority, hereby certify that I posted, or have caused to be posted, a copy of the foregoing agenda in the following locations:

San Elijo Water Reclamation Facility, 2695 Manchester Avenue, Cardiff, California
City of Encinitas, 505 South Vulcan Avenue, Encinitas, California
City of Solana Beach, 635 South Highway 101, Solana Beach, California

The notice was posted at least 72 hours prior to the meeting, in accordance with Government Code Section 54954.2(a).

Date: May 6, 2009



Michael T. Thornton, P.E.
Secretary / General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON MARCH 9, 2009
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Dave Roberts, Chair

Maggie Houlihan, Vice Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, March 9, 2009, 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 Roberts called the meeting to order at 9:00 a.m.

2. ROLL CALL

Directors Present:

Maggie Houlihan
Dave Roberts
Thomas Campbell

Directors Absent:

Teresa Barth

Others Present:

General Manager
Finance Manager
Administrative Assistant
Accounting Tech

Michael Thornton
Greg Lewis
Monica Blake
Carrie Cook

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Encinitas, Director of Public Works
City of Encinitas,

Larry Watt

Public Works Management Analyst

Bill Wilson

City of Solana Beach, City Manager

David Ott

City of Solana Beach,

Director of Engineering/Public Works

Mohammad "Mo" Sammak

3. PLEDGE OF ALLEGIANCE

Maggie Houlihan led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

General Manager Mike Thornton informed the Board of Directors that SEJPA has been recognized by the California Sanitation Risk Management Authority (CSRMA) with an award as CSRMA Safety Superstar 2008, for no Worker's Compensation claims for three consecutive years.

6. CONSENT CALENDAR

Moved by Vice Chair Houlihan and seconded by Board Member Campbell to approve the Consent Calendar with two small edits. Motion carried with the following vote of approval:

AYES: Campbell, Houlihan and Roberts
NOES: None
ABSENT: Barth
ABSTAIN: None

Consent calendar:

Agenda Item No. 7	Approval of Minutes for the February 9, 2009 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. RECYCLED WATER IMPROVEMENT AND EXPANSION PROJECT

The General Manager proposed pursuing the development of the Recycled Water Improvement and Expansion Project. This proposed project will have three main components: (1) advanced treatment for TDS removal, (2) onsite storage, and (3) conveyance system improvements to serve new customers.

The project may qualify for partial grant funding and would qualify for performance incentives provided under existing agreements between the SEJPA and the Metropolitan Water District and the San Diego County Water Authority.

Moved by Vice Chair Houlihan and seconded by Board Member Campbell to:

1. Approve the transfer of \$90,000 from the Water Reclamation Fund account to the new capital improvement project titled: Recycled Water Improvement and Expansion Project;
2. Authorize the General Manager to use funds from the Recycled Water Improvement and Expansion Project for an amount not to exceed \$30,000 with DUDEK for professional environmental services associated with California Environmental Quality Act (CEQA) documentation;
3. Authorize the General Manager to use funds from the Recycled Water Improvement and Expansion Project for an amount not to exceed \$30,000 with Trussell Technologies, Inc. for professional engineering services associated with water treatment and disinfection;
4. Authorize the General Manager to use funds from the Recycled Water Improvement and Expansion Project for entering into an agreement for an amount not to exceed \$30,000 with Kennedy/Jenks Consultants for professional services associated with the Clean Water State Revolving Loan Fund and grant funding applications; and
5. Authorize the General Manager to request qualifications from engineering firms for developing the design and construction documents for the Recycled Water Improvement and Expansion Project.

Motion carried with the following vote of approval:

AYES: Campbell, Houlihan and Roberts
NOES: None
ABSENT: Barth
ABSTAIN: None

13. GENERAL MANAGER'S REPORT

The General Manager reported that Patricia Berge, Assistant General Manager, has left the Agency to pursue a career in the consulting industry. The position functions will be analyzed to determine the best direction to proceed for the agency.

The General Manager stated he has met with the City Managers regarding the request for a holistic approach of the fire risk management of the adjoining hillside properties. A meeting was held with Fire Marshall Bob Scott, City of Encinitas, to develop a broad ranging plan. City Manager Ott has given suggestions for seeking available grant funding. Mr. Zijlstra will be kept informed of SEJPA's direction and findings.

The engineering portion of the Fletcher Cove Pump Station repair work has been awarded to Nolte Associates, Inc., a joint selection by the City of Solana Beach and SEJPA. The work is expected to begin immediately.

The General Manager stated in June 2008 the California Governor called a statewide drought. In February 2009 the Governor announced a state of emergency for water supplies. The SEJPA has been in discussions with Olivenhain Municipal Water District and Santa Fe Irrigation District to develop a major recycled water project. An alliance of these agencies may be formed to seek grant funding under the Bureau of Reclamation, Title 16 Program.

14. GENERAL COUNSEL'S REPORT

General Counsel Greg Moser stated that new state legislation is being proposed that would allow agencies similar to the SEJPA to develop capital projects using the design/build method. Currently, only select government entities, such as charter cities, have the authority to use this construction method. SEJPA will be kept abreast of the situation.

19. BOARD MEMBER COMMENTS

Vice Chair Houlihan expressed concern over the state law Regional Housing Needs Assessment (RHNA) which affects land use and water issues.

20. CLOSED SESSION

None

21. ADJOURNMENT

The Board of Directors adjourned at 9:28 a.m. The next Board of Directors meeting will be held on Monday, April 13, 2009.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

PAYMENT OF WARRANTS

09-05

29-Apr-09

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
09-05 WARRANTS		
Abcana Industries	Hydrochloric acid - plant	\$323.80
Accu Diagnostics	Employee background check	\$189.00
Action Chemical Co.	Water treatment and degreaser - plant	\$394.53
AG Tech, LLC	Biosolids hauling - February	\$8,497.92
A T & T	Alarm service - March	\$380.84
A T & T / MCI	Phone service - February	\$503.48
Airgas West	Equipment rental - lab	\$396.87
Alliant Insurance Service	Life and disability insurance - March	\$2,022.89
Alliant Insurance Service	Life and disability insurance - April	\$2,024.37
Aramark	Uniform service - March	\$348.10
Aramark	Uniform service - February	\$125.50
Aramark	Uniform/jackets service - February	\$458.65
Arredondo, Susana	Expense report - lab workshop registration fee - lab	\$150.00
Arrowhead	Lab supplies - February	\$336.40
Arrowhead	Kitchen and lab supplies	\$270.04
Atlas Pumping Service	Grease and scum pumping - January	\$161.84
Atlas Pumping Service	Grease and scum pumping - February	\$1,028.84
Atlas Pumping Service	Grease and scum pumping - March	\$1,306.28
Atlas Pumping Service	Grease and scum pumping - April	\$277.44
Atlas Pumping Service	Grit and screening	\$1,484.70
Blake, Monica	Expense report - mileage	\$37.31
Brithinee	Repairs parts - V.F.D. for belt press #1 - plant	\$1,056.94
CWEA Membership	Membership - E. Hurtado	\$132.00
CWEA - TCP	Membership - S. Arredondo	\$115.00
CWEA - Specialty Conference	Conference - J.D. Mosqueda	\$140.00
California Water Technologies	Ferric chloride - plant	\$5,024.62
CDS Printing	Business cards, letterhead	\$440.16
City of Encinitas	Permit fee - Cardiff P. S.	\$1,996.54
Coast Waste Management, Inc.	Grit and screening - stormdrain cleaning	\$852.10
Coast Waste Management, Inc.	Grit and screening	\$372.00
Complete Office	Office supplies - February	\$186.49
Complete Office	Office supplies - March	\$256.26
Complete Office	Office supplies - April	\$122.60
Complete Office	Office supplies - April	\$158.39
Conocophillips Fleet	Vehicle fuel - February	\$676.95
Conocophillips Fleet	Vehicle fuel - March	\$500.10
Cor-o-van Records Mgmt. Inc.	Record storage - February	\$191.61
Cor-o-van Records Mgmt. Inc.	Record storage - March	\$57.65
County Burner Machinery	Repair - vent valve - plant	\$464.72
County of San Diego - APCD	Permit fee - Eden Garden P. S.	\$319.00
County of San Diego - APCD	Permit fee - San Elijo P. S.	\$319.00
County of San Diego - APCD	Permit fee - Moonlight Beach P. S.	\$1,302.00
County of San Diego - APCD	Permit fee - Solana Beach P. S.	\$365.00
County of San Diego - DEH	Plan check fee - Ocean Knoll School - wtr reclamation	\$345.00
County of San Diego	Hazmat division plan check - Cardiff P. S.	\$401.00
Covad Communications	T-1 service - March	\$359.00
Covad Communications	T-1 service - April	\$359.00
CS-Amsco	Digester plug valves - plant	\$1,421.29
DC Frost	Magazine bagger - grit building - plant	\$466.78
DLT & V	Programing for flow equalization pumps - Cardiff P.S.	\$1,281.00

PAYMENT OF WARRANTS

09-05

29-Apr-09

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
DMV	Safety records	\$2.00
DMV	Safety records	\$2.00
Daniel's Tire	Vehicle maintenance	\$72.19
Dave Dennison	Repair parts - exhaust fan and curb adapter - plant	\$500.25
Dionex Corporation	Service agreement - lab	\$2,504.51
Dell Commercial Credit	Computer	\$797.59
Edco Waste and Recycling Service	Trash and recycling service - February	\$184.01
Edco Waste and Recycling Service	Trash and recycling service - March	\$184.01
Electric Motor Specialists	Motor for conveyor belt press - plant	\$802.54
eMaint Enterprises, LLC	Annual service renewal	\$480.00
Evans Tire	Vehicle maintenance	\$246.03
Ferguson	Repair parts - flush seal gasket - plant	\$451.04
Ferguson	Repair parts - 750 grade gasket - plant	\$375.33
Fisher Scientific	Lab supplies - tubes and metal handles	\$431.72
Fred Pryor Seminars	Seminar - Records Retention & Destruction - M. Blake	\$199.00
Goates	Consulting firm for SEJPA's mission and vision statement	\$2,000.00
Golden State Overnight	Mailing monthly report	\$48.01
Golden State Overnight	Mailing monthly report	\$28.06
Grainger	Safety - safety supplies	\$145.98
Grainger	Shop and field supplies	\$1,512.91
Grainger	Emergency light - plant	\$164.62
Grainger	Current and voltage process calibrator - all P. S.	\$939.69
Hach Company	Cod digestion vial - lab	\$170.64
Hach Company	Colorimeter, reactor and cod test tube - lab	\$2,417.85
Hach Company	sc100 upgrade cable to connect - lab	\$187.27
Hach Company	Nitrification inhibitor, nutrient bfr soln - lab	\$205.05
Hardy Diagnostics	Azide dextrose broth and autoclave tape - lab	\$92.92
Hardy Diagnostics	Attest indication - lab	\$95.53
Harrington	Repair parts - pvc and fittings - plant	\$122.07
Henke, Michael	Expense report - office supplies for computers	\$36.59
Hirsh Pipe & Supply	Faucet for laboratory sink - lab	\$261.54
Hoch, Adam	Expense report - seminar and membership renewal	\$272.00
Horizon Health	Employee Assistance Program - February	\$367.84
Horizon Health	Employee Assistance Program - March	\$367.84
Hydrologix	Installation fee for grease reduction system	\$3,350.00
Hydrologix	April - grease reduction - Coast P. S.	\$350.00
Hydrologix	May - grease reduction - Coast P. S.	\$350.00
Infrastructure Engineering Corp.	Flow equalization - water reclamation	\$17,947.25
Infrastructure Engineering Corp.	Flow equalization - recycled water storage - wtr rec.	\$360.00
JPBLA, Inc.	Ocean Knoll conversion to recycled water	\$3,345.00
JPBLA, Inc.	Ocean Knoll conversion to recycled water	\$1,530.40
Jani-King	Janitorial service - March	\$882.64
Jani-King	Janitorial service - April	\$882.64
Jani-King	Janitorial supplies	\$434.97
Kennedy/Jenks Consultants	Cardiff pump station electrical project	\$1,155.40
Kennedy/Jenks Consultants	SEJPA - activated sludge system	\$33,226.48
Kennedy/Jenks Consultants	SCADA system - engery optimization project	\$1,495.43
Konica	Monthly copier maintenance	\$134.43
Larsen, Casey	Expense report - electrical supplies for testing equipment	\$183.33
Larsen, Casey	Expense report - SCADA laptop evaluation	\$39.50
Lewis, Greg	Expense report - new employee orientation	\$53.60
Lewis, Greg	Expense report - mileage	\$20.65

PAYMENT OF WARRANTS

09-05

29-Apr-09

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
MBC	Intensive ocean water monitoring and testing - outfall	\$10,267.69
MBC	Intensive ocean water monitoring and testing - outfall	\$8,698.26
NCG Group	Administrative, human resources and safety services	\$3,840.00
NCG Group	Administrative, human resources and safety services	\$2,940.00
NCPA	Membership - M. Buckles	\$75.00
Napa Auto Parts	Vehicle maintenance	\$83.66
Nolte	Station vault design - Fletcher Cove P.S.	\$6,378.00
North County Times	Subscription	\$174.00
O.M.W.D.	Manchester - 01/08 - 02/09	\$32.30
O.M.W.D.	Manchester - 02/09 - 03/09	\$29.63
One Source	Electrical supplies - all P. S.	\$1,769.83
One Source	Grip-n-strip stripper - all P. S.	\$44.36
One Source	Analog current - volt - Cardiff P.S.	\$287.79
One Source	1 3/8 base & tips, carrying case - plant	\$231.47
Orion	Energy optimization - December	\$46,188.00
Orion	Energy optimization - January thru February	\$33,984.01
Orion	Repair pump - water reclamation	\$1,153.72
Orion	Install frp tank - water reclamation	\$1,285.62
PARMA	Driver authorization program - G. Lewis and M. Buckles	\$50.00
PERS - Health	Health - March	\$12,865.31
PERS - Health	Health - April	\$13,359.59
PERS - Retirement	Retirement premium - 02/27/09	\$12,242.70
PERS - Retirement	Retirement premium - 03/13/09	\$12,694.48
PERS - Retirement	Retirement premium - 03/27/09	\$11,883.91
PERS - Retirement	Retirement premium - 04/10/09	\$11,909.46
Petty Cash	Replenish petty cash	\$188.85
Pacific Green	Landscape service - February	\$1,250.00
Pacific Green	Landscape service - March	\$1,250.00
Pacific Pipeline Supply	Pipe supplies for recycled water - water reclamation	\$925.21
Pacific Pipeline Supply	Victaulic cap and gasket, sewer plug - plant	\$617.66
Pacific Safety Council	Annual Safety seminar - G. Lewis and M. Buckles	\$70.00
Palomar Specialists, Inc.	Backflow certification testing - plant, Cardiff, Solana P. S.	\$450.00
Paul's Crane Service	40 ton crane rental - water reclamation	\$740.00
Piper, Michael	Expense report - safety boots	\$68.96
Polydyne	Clarifloc - plant and water reclamation	\$9,219.09
Polydyne	Clarifloc - plant	\$1,199.47
Polydyne	Clarifloc - plant	\$2,478.25
Polydyne	Clarifloc - water reclamation	\$1,199.47
Ponton Industries, Inc.	Turb sensor - water reclamation	\$1,523.41
Preferred Benefit	Dental insurance - March	\$1,842.03
Preferred Benefit	Dental insurance - April	\$1,757.61
Probuild	Repair, shop and field supplies - January	\$301.80
Probuild	Repair, shop and field supplies - February	\$485.21
Procopio	Legal services - general - January	\$1,453.50
Procopio	Legal services - labor and employment - January	\$1,026.00
Procopio	Legal services - general - February	\$1,909.50
PTS Laboratories, Inc.	Lab testing - water reclamation	\$97.00
Quality Laser Source, Inc.	Repair printer	\$267.56
RSIS, Inc.	Calibrate equipment - Cardiff, Solana P.S., plant, wtr rec.	\$1,213.00
RSF Security Systems	Patrol service - March	\$465.00
RSF Security Systems	Patrol service - April	\$465.00
RSF Security Systems	Tested fire sprinkler - plant	\$75.00

PAYMENT OF WARRANTS

09-05

29-Apr-09

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
RSF Security Systems	Security service - 03/01/09 - 05/31/09	\$1,482.00
Rohan & Sons, Inc.	March 90 days maintenance service and repair - plant	\$722.66
San Diego Gas and Electric	Gas and electric - 01/07 - 02/05	\$42,527.99
San Diego Gas and Electric	Cardiff P. S. - 01/08 - 02/06	\$1,548.35
San Diego Gas and Electric	Gas and electric - 02/06 - 03/10	\$42,618.96
San Diego Gas and Electric	Cardiff P. S. - 02/06 - 03/10	\$1,726.24
San Diego Pooled Insurance Auth	Bond - crime program renewal premium	\$368.00
San Diego Section - A.S.C.E.	Meeting - M. Thornton	\$30.00
San Dieguito Water District	2710 Manchester - 12/10 - 01/26 - Cardiff P. S.	\$184.01
San Dieguito Water District	Manchester - 01/29 - 02/25	\$2,552.58
San Dieguito Water District	Manchester - 01/29 - 02/25	\$93.28
San Dieguito Water District	Manchester - 01/29 - 02/25	\$5,365.65
San Dieguito Water District	Manchester - 01/26 - 03/23	\$138.96
San Dieguito Water District	Manchester - 01/26 - 03/23	\$169.41
San Dieguito Water District	S. Coast Highway 101 - 01/26 - 03/26	\$33.82
San Dieguito Water District	Manchester - 01/26 - 03/23 - Cardiff P.S.	\$318.85
San Elijo Payroll Account	Payroll - 02/27/09	\$75,018.89
San Elijo Payroll Account	Payroll - 03/13/09	\$81,917.88
San Elijo Payroll Account	Payroll - 03/27/09	\$72,369.42
San Elijo Payroll Account	Payroll - 04/10/09	\$64,616.35
Santa Fe Irrigation District	Water service - Highland dr - 12/16 - 02/17	\$142.34
Santa Fe Irrigation District	Water service - Valley - 01/03 - 02/27	\$33.59
Santa Fe Irrigation District	Water service - Seabright ln - 01/05 - 03/03	\$55.71
Santa Fe Irrigation District	Water service - Lomas Santa Fe Dr - 01/15 - 03/17	\$729.50
Santa Fe Irrigation District	Water service - Valley - 02/27 - 03/31	\$33.59
Siemens	Handheld programmer - water reclamation	\$155.74
Siemens Water Technologies Corp.	Hydrogen peroxide - Cardiff P. S.	\$2,749.85
Sloan Electric Company	Run conduit and wiring for sludge pump #4 - plant	\$1,813.07
Sloan Electric Company	Service call - Cardiff P. S.	\$170.00
Sloan Electric Company	Wiring for sodium hypochlorite tank - water reclamation	\$595.00
Sloan Electric Company	Remove and install v.f.d. - Cardiff P. S.	\$4,726.11
Smart & Final	Kitchen supplies	\$43.56
Smart & Final	Kitchen supplies	\$168.09
Sound Billing LLC	Vehicle maintenance	\$45.12
Sprint	Cellular phone service	\$653.71
Sprint	Cellular phone service	\$746.96
Stitcheree	Wheeled backpack	\$42.54
Stitcheree	Employee's shirt	\$52.75
Sy Nielson Services, Inc.	Calibration of balances - lab	\$285.00
Terminix	Pest control - February	\$81.00
Terminix	Pest control - March	\$81.00
Test America	Lab testing - February	\$1,416.00
Test America	Lab testing - March	\$638.00
Thatcher	Aluminum sulfate- liquid - water reclamation	\$3,083.75
The SoCo Group, Inc.	Lubricants - plant and water reclamation	\$527.61
Thornton, Michael	Expense report - Watereuse conference	\$1,451.16
Trussell Technologies, Inc	Treatment process analysis	\$7,956.00
Trussell Technologies, Inc	Recycled water reservoir and treatment process	\$8,583.10
Tyco Valves & Controls	651 in epi electric actuator - plant	\$985.91
UPS	Shipping	\$13.26
USA Bluebook	Submersible pump - water reclamation	\$196.05
USA Bluebook	10" industrial filter housing - water reclamation	\$65.98

PAYMENT OF WARRANTS

09-05

29-Apr-09

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
USA Bluebook	Adapter, hose nipple and hydrant wrench - wtr rec.	\$555.69
Underground Service Alert	Dig alert - February	\$51.00
Underground Service Alert	Dig alert - March	\$55.50
VWR International, Inc	Lab supplies - filter glass, tubes, gloves	\$646.22
VWR International, Inc	Lab supplies - bismark brown y reag, methylene blue reag	\$144.00
VWR International, Inc	Lab supplies - cystal violet reagent	\$72.17
VWR International, Inc	Lab supplies - acetic acid glacial, alcohol reagent	\$130.26
VWR International, Inc	Lab supplies - glass filters and gloves laxtex - plant	\$696.27
WEF	Membership - M. Thornton	\$217.00
	Total 09-05 Warrants:	<u>\$782,511.18</u>


SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

29-Apr-09

PAYMENT OF WARRANTS		\$782,511.18
Reference Number	09-05	

I hereby certify that the demands listed and covered by warrants are correct and just to the best of my knowledge, and that the money is available in the proper funds to pay these demands. The cash flows of the SEJPA, including the Member Agency commitment in their operating budgets to support the operations of the SEJPA, are expected to be adequate to meet the SEJPA's obligations over the next six months. I also certify that the SEJPA's investment portfolio complies with the SEJPA's investment policy.



Gregory Lewis
Finance Manager/Treasurer

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION
AS OF

29-Apr-09

<u>FUNDS ON DEPOSIT WITH</u>	<u>AMOUNT</u>
LOCAL AGENCY INVESTMENT FUND <i>(MARCH 2009 YIELD 1.91%)</i>	
SELF INSURANCE RESERVE	\$ 300,000.00
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 5,016,854.10
 CALIFORNIA BANK AND TRUST <i>(MARCH 2009 YIELD 0.10%)</i>	
REGULAR CHECKING	\$ 13,914.37
PAYROLL CHECKING	\$ 5,000.00
 TOTAL RESOURCES	 \$ 5,965,768.47

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

May 11, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECLAMATION FACILITY TREATED EFFLUENT FLOWS – MONTHLY REPORT

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Plant Performance and Evaluation

Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all NPDES effluent limitation requirements for the months of February and March 2009. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). Treatment levels for CBOD and TSS exceeded monthly percent removal requirements (as shown in Figure 1 and Figure 2).

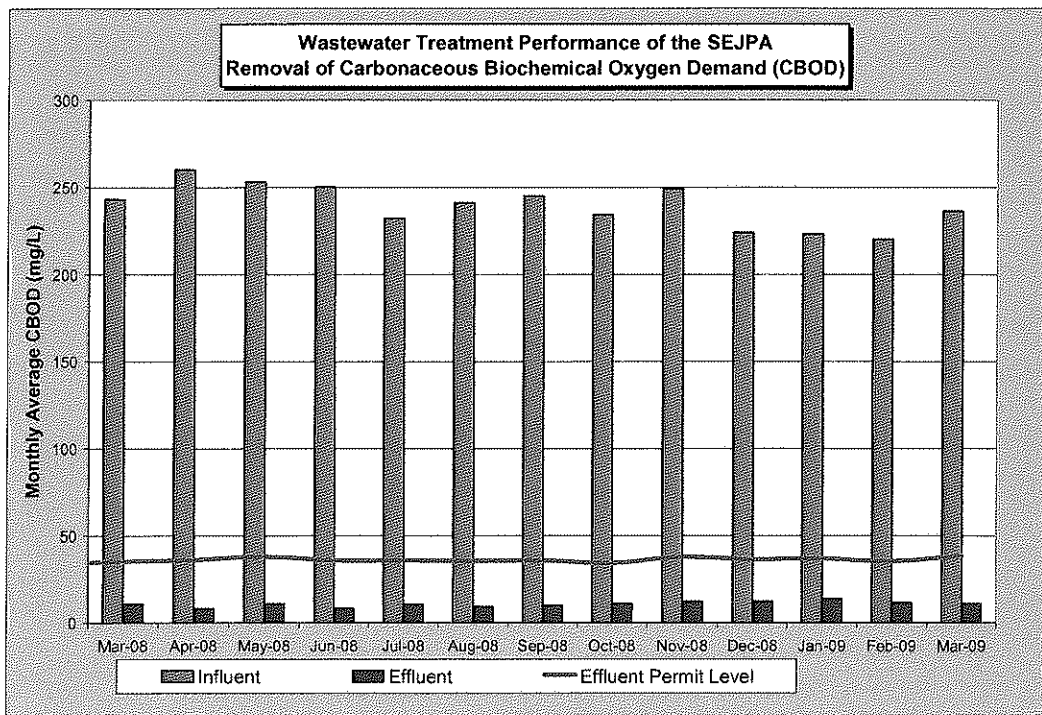


FIGURE 1

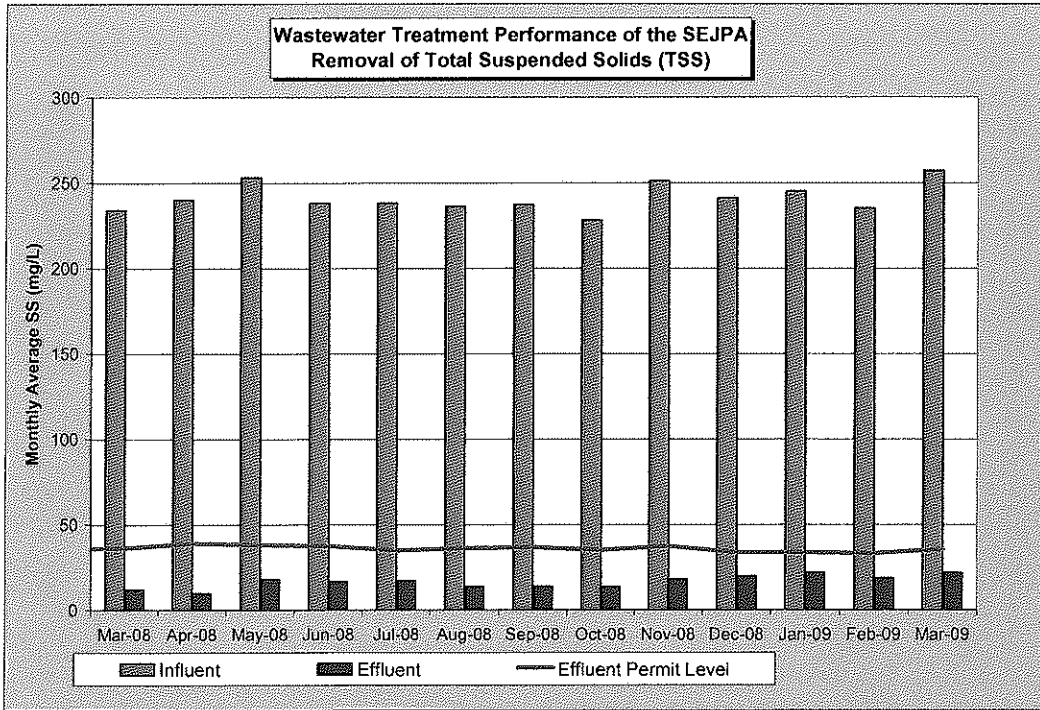


FIGURE 2

Member Agency Flows

Presented below are the influent and effluent flows for the months of February and March. Average daily influent flows were recorded for each Member Agency. Total effluent flow was recorded for the San Elijo Water Reclamation Facility.

	February		March	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.599	1.408	1.510	1.030
City of Solana Beach	1.330	1.171	1.307	0.892
Rancho Santa Fe SID	0.145	0.128	0.124	0.085
Total San Elijo WRF Flow	3.074	2.707	2.941	2.007

Notes: As of July 1995, Rancho Santa Fe Community Services District (CSD) combined SID #2 and SID #3 into one Sewer Improvement District (SID).

* Effluent is calculated by subtracting the recycled water production from the influent wastewater.

The attached table presents the historical average, maximum, and unit influent and effluent flow rates per month for each of the Member Agencies. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time period.

The attached figure presents the historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average treated flow by each agency. As shown in the figure, the average treated flow typically ranges between 2.9 and 3.1 million gallons per day (mgd). Also shown on the figure, is the total wastewater treatment capacity of the plant, 5.25 mgd, of which each Member Agency has the right to 2.5 mgd, and Rancho Santa Fe Community Service District has the right to 0.25 mgd.

City of Escondido Flows

The average and peak flow rate from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below. The following flows are reported by the City of Escondido for the months of February and March:

	February (mgd)	March (mgd)
Escondido (Average flow rate)	12.0	11.1
Escondido (Peak flow rate)	18.4	18.0

Connected Equivalent Dwelling Units

The number of EDUs connected for each of the Member Agencies for the months of February and March are as follows:

	February (EDU)	March (EDU)
Cardiff Sanitary Division	8,179	8,180
Rancho Santa Fe SID	462	463
City of Solana Beach	7,428	7,428
San Diego (to Solana Beach)	300	300
Total EDUs to System	16,369	16,371

Respectfully submitted,

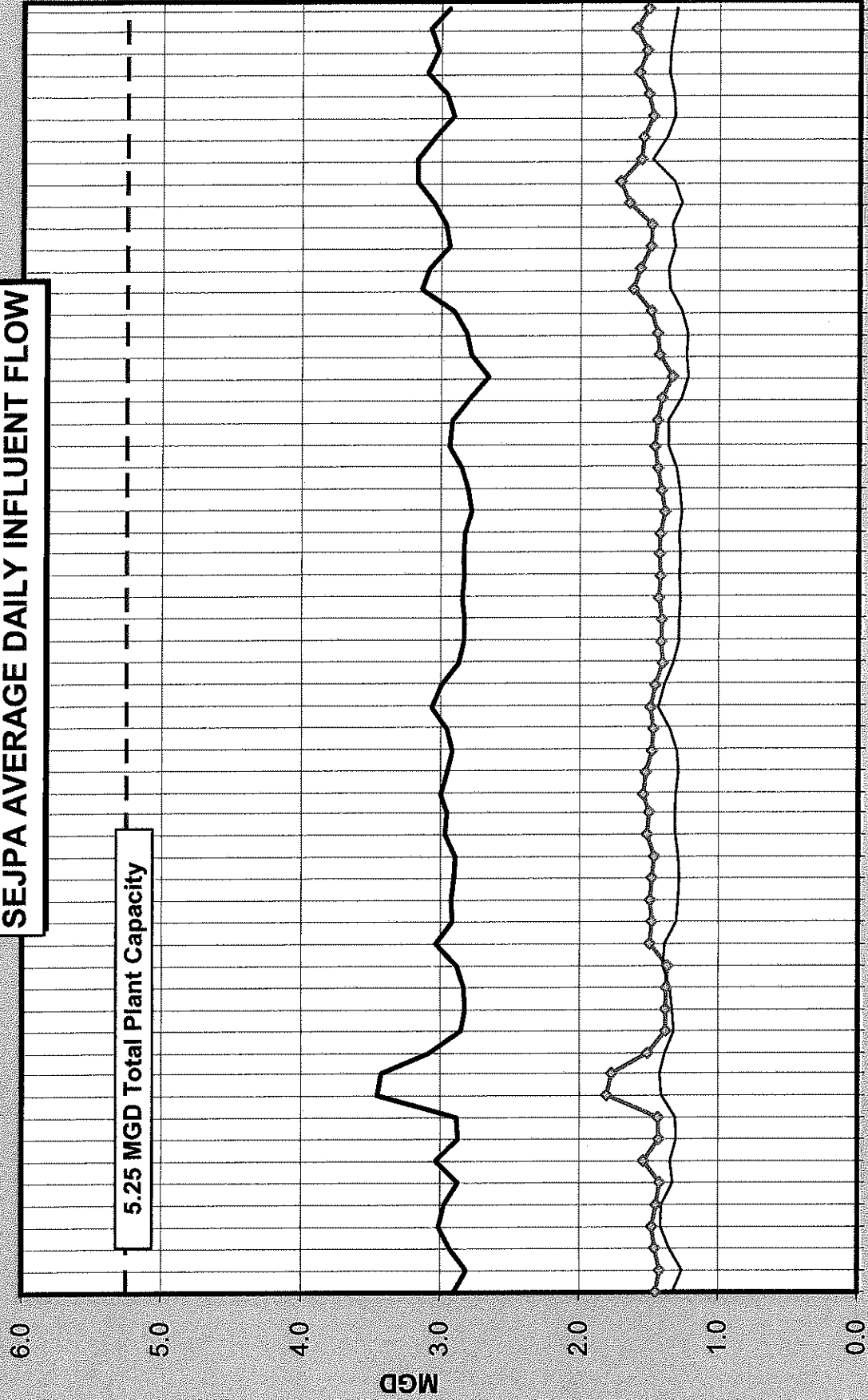


Michael T. Thornton, P.E.
General Manager

Attachments: Table: SEWRF Monthly Report – Flows and EDUs
 Figure: Average Daily Flow

SEJPA AVERAGE DAILY INFLUENT FLOW

5.25 MGD Total Plant Capacity



Apr-04
May-04
Jun-04
Jul-04
Aug-04
Sep-04
Oct-04
Nov-04
Dec-04
Jan-05
Feb-05
Mar-05
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Jan-09
Feb-09
Mar-09

— TOTAL PLANT - - - PLANT DESIGN CAPACITY ◆ CSD — SB

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

May 11, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECLAMATION PROGRAM – MONTHLY REPORT

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of February 2009, recycled water demand was 28.54 acre-feet (AF), which was met using 28.49 AF of recycled water and 0.05 AF of supplementation with potable water. This equates to a blend mix for February of 99.8 percent recycled water and 0.2 percent potable water supplementation.

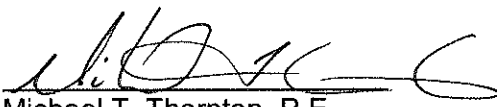
For the month of March 2009, recycled water demand was 88.34 acre-feet (AF), which was met using 88.13 AF of recycled water and 0.21 AF of supplementation with potable water. This equates to a blend mix for March of 99.8 percent recycled water and 0.2 percent potable water supplementation.

The attached Figure 1 provides monthly supply demands for recycled water since the inception of the program. The program has experienced a steady growth in the customer base that, in general, has translated into steady growth in recycled water demand from year to year. The attached Figure 2 provides a graphical view of annual recycled water demand spanning the last seven fiscal years. Recycled water demand can fluctuate from year to year, which is typically a function of weather. For example, Fiscal Year 2003-04, an unusually dry year, resulted in increased recycled water demand; and Fiscal Year 2004-05, an unusually wet year, resulted in lower recycled water demand.

For the first nine months of FY 2008-09, recycled water demand totaled 905 AF, which is slightly more than the demand for the same period one year ago.

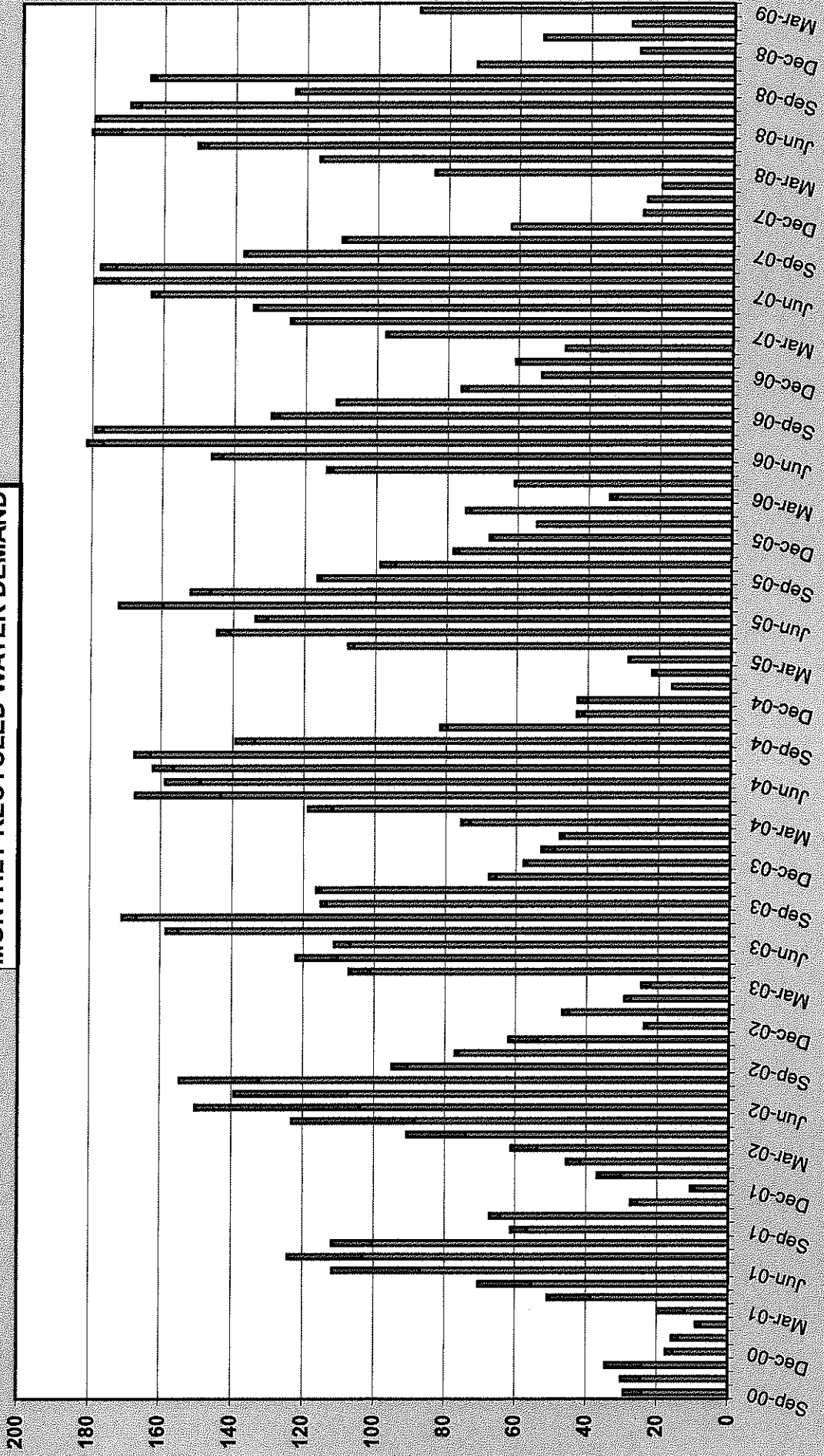
The San Elijo Joint Powers Authority (SEJPA) reports recycled water total dissolved solids (TDS) concentration to the Regional Water Quality Control Board on a quarterly basis. For the first quarter of 2009, recycled water TDS concentration violated the daily maximum permit limitation on sixteen days. The SEJPA is currently researching capital improvement projects that would reduce the TDS concentration of recycled water to a level below permit limitations.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

MONTHLY RECYCLED WATER DEMAND



■ Recycled Water ■ Potable Water

Figure 1

ANNUAL RECYCLED WATER DEMAND

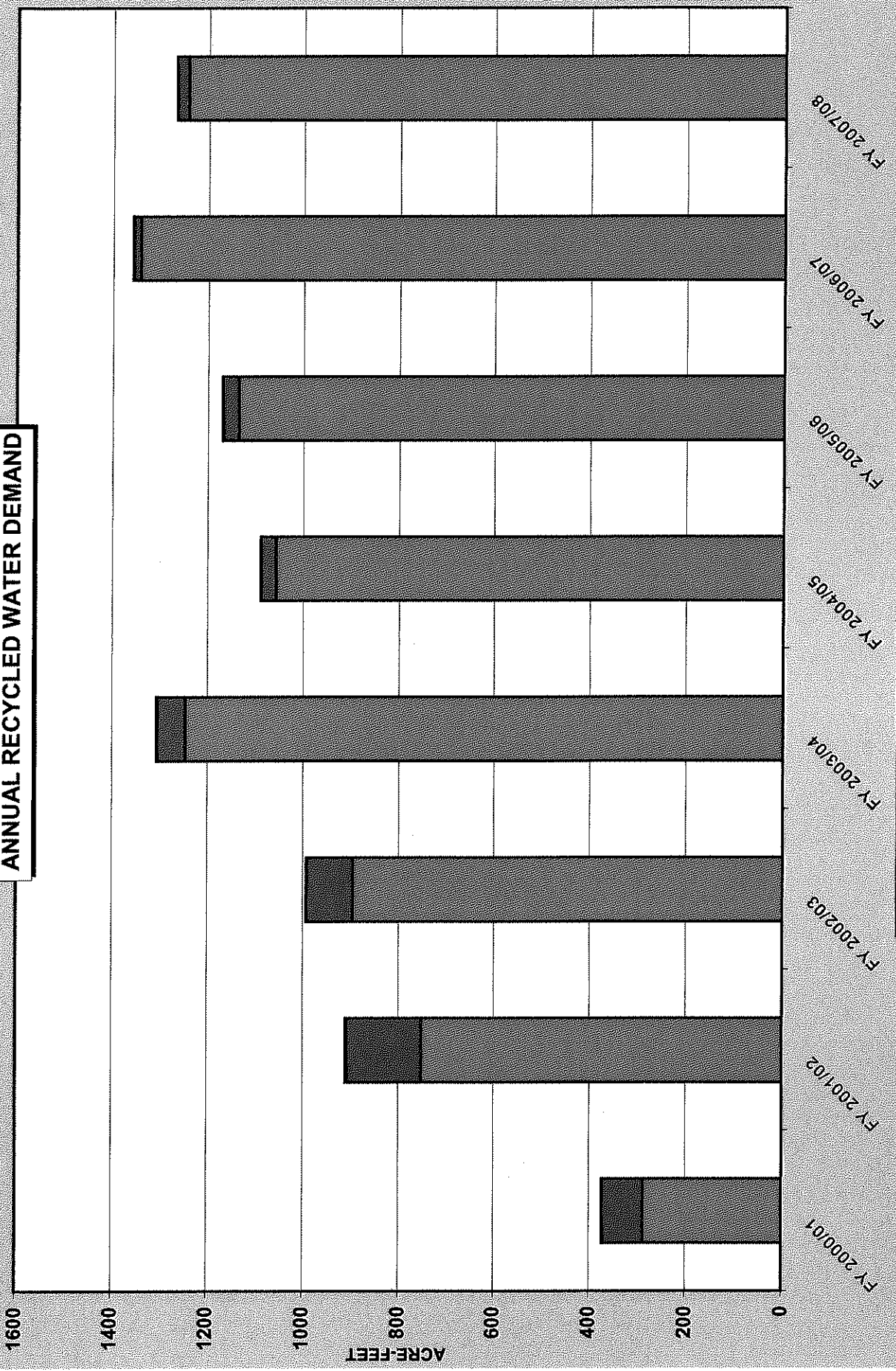


Figure 2

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

May 11, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: NOTICE OF COMPLETION FOR THE CONSTRUCTION OF THE PERFORMANCE OPTIMIZATION OF THE ACTIVATED SLUDGE SYSTEM PROJECT WITH ORION CONSTRUCTION CORPORATION

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to sign and record a Notice of Completion for the construction of the Performance Optimization of the Activated Sludge System Project with Orion Construction Corporation; and
2. Discuss and take other action as appropriate.

BACKGROUND

The Performance Optimization of the Activated Sludge System Project was designed to improve the energy efficiency and operational control of the treatment process at the San Elijo Water Reclamation Facility. Energy savings of this project are estimated to be on the order of 800,000 kilowatt hours (KWH) per year. Operational improvements are expected to increase control of the biological treatment process, especially for managing filamentous microorganisms which have been a prevalent treatment nuisance. In addition, the project also included repairing damaged concrete and to replace the failing protective coating system in the primary effluent channels. The approved project budget is \$1,819,000.

DISCUSSION

The construction contract of the Performance Optimization of the Activated Sludge System Project was awarded to Orion Construction Corporation on February 14, 2008. Kennedy/Jenks Consultants is the engineer of record for the project and is providing construction management services. Construction and start-up have been completed. The project was completed on budget, with no injuries and no filed claims.

Contract deletions, assessed costs, and additional work arising as a result of an extended construction schedule were negotiated with Orion Construction Corporation and are listed as Contract Change Order No. 3. The contract changes include the following elements:

1. Time and materials cost to repair flights in primary sedimentation basin and to demolish and remove a concrete pump pedestal in the primary gallery **(\$4,033)**.
2. Costs assessed due to construction extension caused by Blower No. 6 actuator failure **(\$11,000 Credit to SEJPA)**.
3. Delete optional bid items (Bid Items No. 10, 11, & 12) from contract **(\$3,200 Credit to SEJPA)**.
4. Total of all adjustments is a reduction in contract value of **\$10,167**.

Contract Amendment No. 3 to Kennedy/Jenks Consultants is for engineering and construction management services for this project that were outside of the original project contract due to the extension of the construction schedule. This additional work includes the following elements:

1. Extended construction management services due to an increase in the construction period **(\$2,535)**.
2. Additional mobilization costs for SCADA alarm, HMI, and PLC programming due to extended construction schedule **(\$15,765)**.
3. Extended project management services due to the extended construction schedule **(\$1,200)**.
4. Total of all adjustments is an increase in contract value of **\$19,500**.

With the acceptance of this project by the Board of Directors and the filing of the Notice of Completion, the contract with Orion Construction Corporation (Orion) will be completed. The SEJPA Attorney will file the Notice of Completion with the County Clerk. After 35 days, the final payment will be made to the Contractor.

PROJECT COST SUMMARY

The project has \$1,819,000 in approved funding (see Table 1); of which \$1,782,475 has been committed to project contracts. All major elements of the project have been completed. The SEJPA has negotiated a Contract Change Order No. 3 with Orion Construction Corporation for extra work and damages associated with contract work for a total cost of (-\$10,167); the SEJPA has negotiated a contract amendment with Kennedy/Jenks Consultants for \$19,500 for extended construction management services; and the SEJPA has entered into a contract with Trussell Technologies for professional services to assist the SEJPA with treatment diagnostics and process adjustments during startup for a cost of \$16,860. The combined total for this new work is \$26,193. The project has approximately \$36,525 in remaining funds. After payment of this new work, the project budget will have \$10,332 in remaining funds.

**TABLE 1
PROJECT BUDGET
PERFORMANCE OPTIMIZATION OF THE ACTIVATED SLUDGE SYSTEM**


<i>ITEM DESCRIPTION</i>	<i>AMOUNT</i>
Preliminary Studies	\$68,000
Performance Optimization Design & Construction Management	\$484,000
Primary Effluent Channel Design & Construction Management	\$33,000
Construction	\$1,140,000
Contingency	\$94,000
Total Approved Budget	\$1,819,000
Current Funds Committed	\$1,782,475
Orion Construction Change Order No. 3	(-\$10,167)
Trussell Technologies Contract	\$16,860
Kennedy/Jenks Contract Amendment No.3	\$19,500
Total Estimated Funds Committed	\$1,808,668

Orion was the general contractor for the construction effort, which was completed for a total cost of \$1,154,317. The project had three construction change orders, for \$77,317, which were a result of unexpected conditions and design changes. The work by Orion was of good quality, and the contractor worked well with SEJPA staff.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to sign and record a Notice of Completion for the construction of the Performance Optimization of the Activated Sludge System Project with Orion Construction Corporation; and
2. Discuss and take other action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

May 11, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Finance Manager

SUBJECT: PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY
FISCAL YEAR 2009-10 RECOMMENDED BUDGET

RECOMMENDATION

It is recommended that the Board of Directors:

1. Review the Fiscal Year 2009-10 Recommended Budget and direct Member Agency Managers to take the recommended budget to their respective Councils for further discussion and support; and
2. Discuss and take action as appropriate.

DISCUSSION

The fiscal year (FY) 2009-10 San Elijo Joint Powers Authority (SEJPA) Recommended Budget has been prepared in accordance with the SEJPA agreement and the SEJPA's existing service agreements with other government entities. The operations and maintenance budget estimates all expenditures necessary to provide wastewater treatment, water reclamation, laboratory, ocean outfall, and pump station services.

The proposed operations budget, which includes services for the member agencies, the cities of Del Mar and Escondido, the San Dieguito Water District and Santa Fe Irrigation District, and the Rancho Santa Fe Community Service Districts, will increase by approximately \$157,000, or 3.2 percent. For the SEJPA member agencies, cost for services provided to the cities of Encinitas and Solana Beach are proposed to increase 2.8 percent and 1.6 percent, respectively.

SEJPA management has reviewed in detail all aspects of operations to trim costs without impacting the facility's ability to perform the vital functions it is tasked to do. Increased regulations have made it more difficult to operate the facility. However, many of the programs operated by the SEJPA will see no increases and in some cases see decreases in their operating budgets. The largest increase is seen to the Water Reclamation program as it continues to grow. These cost increases are paid for with revenues charged to end users for recycled water, not the member agencies.

Costs for wastewater services borne by the ratepayers of the member agencies are allocated based on use, indicated by measured flows or level of effort, as appropriate. Flows are averaged over a 12 month period and vary from year to year, impacting the level of participation for each agency. On the basis of 15,900 connected equivalent dwelling units (EDU's) through December 2008, the services provided to the Member Agencies by the SEJPA for wastewater treatment and disposal will cost an average of \$161.82 per EDU. This represents an increase of 2.27 percent from a year ago. In historic terms, the proposed EDU rate reflects an annualized increase of *less than 2 percent* since the facility was upgraded to secondary treatment (average EDU rate was \$127 in fiscal year 1993-94).

Contingency funding for each program area has been reviewed and budgeted on the basis of potential for unforeseen events within each program area. For all programs, the amount of contingency funding is \$197,440, a \$2,000 decrease from a year ago. This is a predetermined percentage of each program's supplies and services budget.

The Water Reclamation Program has completed its eighth full year of recycled water sales. Water sales are expected to grow approximately 6 percent from the current fiscal year. It is anticipated that sales will be about 1,350 acre-feet (AF) in the upcoming fiscal year, with 50 AF being supplemental potable water. The program is projected to generate \$1.87 million in recycled water revenues for FY 2009-10, and an additional \$60,000 in interest earnings. Expenses are projected to be \$1.82 million, which includes the \$834,675 loan payment to the State Revolving Fund.

The SEJPA Capital Improvement Program (CIP) includes both new and ongoing projects for improvements to the wastewater treatment, ocean outfall, pumping stations, and the water reclamation programs. For the wastewater treatment system, new short-term projects include rehabilitating blowers number 4 and 5, renovating the screenings washer/compactor system and rehabilitating the digester heat exchanger. New long-term projects include digester rehabilitation and upgrades; electrical/emergency power upgrades; secondary clarifier rehabilitation; building improvements, solar panel/LEED facility improvements; and onsite recycled water improvements and expansion. Additional reserve funding is also included to replace the process and conveyor system in the biosolids building.

The SEJPA will not be required to fund \$63,000 to the State Revolving Fund Reserve from the water reclamation program as funding for CIP replacement needs. This was required for 10 years and since none of those funds have been used, no additional funding of this reserve is required. Should these funds be needed in the future, then a minimum of 10 percent of the amount of funding used will be replenished to the reserve annually until it reaches the \$630,000 required.

The SEJPA FY 2009-10 bond debt service on the 2003 Revenue Bonds is \$1,590,400 with an interest rate of 4.6 percent. The annual State Revolving Fund (SRF) loan payment is \$834,675, with an interest rate of 2.5 percent. These debt payments are essentially unchanged from a year ago.

All issues related to the FY 2009-10 recommended budget are discussed in detail in the budget document, along with information regarding the contribution requirements of the various agencies served by the SEJPA.

SUMMARY

The total recommended FY 2009-10 operating budget for the Wastewater Treatment Fund (which includes operations and maintenance for wastewater, laboratory, outfall, and pump stations, as well as bond debt for the 2003 Revenue bonds) for the SEJPA is \$5,663,870, a 0.1 percent increase from a year ago. Revenues to support the Wastewater Treatment Fund come from the users of the provided services. The total recommended FY 2009-10 operating budget for the Water Reclamation Fund (which includes operations and debt service on the SRF loan) is \$1,828,245, a 6.2 percent increase from a year ago. Revenues to support the Water Reclamation Fund come from recycled water sales. The FY 2009-10 appropriation for Capital Project Fund is \$8,740,000. Funds required to support these expenditures come from a combination of user fees, reserves, and possibly a low interest state loan.

The budget document has been prepared to provide detailed information regarding each program and the cost of services to the Member Agencies and other contracted service recipients.

It is therefore recommended that the Board of Directors:

1. Review the Fiscal Year 2009-10 Recommended Budget and direct Member Agency Managers to take the recommended budget to their respective Councils for further discussion and support; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Gregory Lewis
Finance Manager/Treasurer

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

May 11, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER IMPROVEMENT AND EXPANSION – PROJECT UPDATE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) owns and operates a water reclamation system that serves the San Dieguito Water District (SDWD), Santa Fe Irrigation District (SFID), and the City of Del Mar. Currently the recycled water program serves an annual demand of approximately 1,300 acre-feet (AF) or 423 million gallons. The SEJPA's recycled water program has become an important component of the local water supply and the program is completely funded by recycled water sales.

Over the last seven years, the SEJPA has investigated opportunities to improve and expand the recycled water program. Based on previous and ongoing engineering studies, coupled with the program's challenges with increasing levels of total dissolved solids (TDS) in the water, the timing may be appropriate to pursue capital projects to improve and expand the program.

Of the identified improvements, the most critically needed is treatment for removing TDS. Adding new advanced water treatment would improved water quality to maintain permit compliance and would increase the facility's overall capacity to produce recycled water. Without treatment options, the SEJPA will have difficulties in complying with its recycled water master permit for TDS concentrations as well as being in violation of water quality requirements as set forth in the agency's wholesale water agreements.

Other system improvements needed to expand recycled water sales include increasing water storage and conveyance system improvements. Water storage could be added at the treatment plant or within the distribution system and there could be benefits to eventually adding storage to both. However, based on work completed to date, it appears that the most cost effective solution is to convert existing facilities located at the treatment plant to recycled water storage. Conveyance

system improvements include upgrading the existing distribution pump station to increase pumping rates and improve system efficiencies, as well as extending distribution pipelines to new customers.

DISCUSSION

PROJECT PURPOSE & GOALS

The primary goal of the project is to improve the quality of the recycled water to meet all permit and contractual requirements while expanding its capabilities to serve more customers. By meeting this goal, the program will increase the region's water supply, reduce the discharge of treated wastewater to the ocean, and assist the SEJPA's Member Agencies in achieving community sustainability.

CURRENT ACTIVITIES

Staff is in the process of selecting an engineering firm to prepare the project's preliminary design report (PDR). The PDR will serve as the basis of the project design and is a needed element for obtaining state financing.

Dudek is preparing the California Environmental Quality Act (CEQA) report for the project. The CEQA report will identify environmental impacts of the project, if any, and is also a needed element for obtaining state financing.

Staff, working with Trussell Technology, has completed the tracer study on the water reclamation facility's chlorine contact tank. The tracer study successfully demonstrated that the chlorine contact tank meets the California Departments of Public Health's requirements for re-rating the contact tank from 2.48 million gallons per day (MGD) to 3.0 MGD. This provides SEJPA cost savings by avoiding the need to improve or expand its disinfection system.

Staff has obtained used reverse osmosis membranes from the Water Replenishment Districts of Southern California. The membranes had reached their useful life for removing nitrogen and TOC from the water, making the units of little value to the Water Replenishment Districts. The SEJPA requested that the Water Replenishment District transfer ownership of the membranes as they still have useful life for removing TDS. The Water Replenishment District transferred ownership at no cost to the SEJPA.

Staff is working with Winzler & Kelly to conduct a third party review of the recycled water program's finances. The review will include an assessment of the program's current financial state and to develop financial revenue models to assist in determining the program's ability to sustain additional capital improvement debt.

PROJECT FINANCING

The following summarizes the status and latest actions pertaining to funding assistance for the Project.

- SEJPA is seeking State and Federal funding assistance for the proposed project.
- H.R. 1, the American Recovery and Reinvestment Act (ARRA) provided \$281 million for the State of California's Clean Water State Revolving Funds Program. This program provides low interest loans for wastewater and recycled water projects meeting certain criteria.

- SEJPA submitted a pre-application to the State Water Resources Control Board (SWRCB) for a Clean Water SRF grant/loan on March 23, 2009.
- On April 11, 2009, the SWRCB published a short list of projects for further consideration. Project proponents of these short-listed projects have until June 2009 to submit a full grant application. Unfortunately, SEJPA's proposed project did not make the short list. In fact, only 3 recycled water projects state-wide have been short listed. As the table below summarizes, most of the short-listed projects are in economically disadvantaged communities or were award grants through previous programs, whose funding was cut off due to the State budget shortfall.

Summary of 2009 Clean Water SRF Distributions as of April 17, 2009

Category	Dollar-Based Distribution		Project Based Distribution	
	Dollars	Percentage	Projects	Percentage
Stopped-Grant (previously awarded grants)	\$77 M	16%	78	72%
Disadvantaged Communities	\$346.6 M	72%	28	26%
Recycled Water	\$60.9 M	13%	3	3%
Total	\$485 M		109	

- SEJPA is monitoring other funding opportunities, including:
 - the Bureau of Reclamation Challenge Grant Program (funding projects through ARRA appropriations),
 - Bureau of Reclamation Title XVI Program,
 - 2009/10 SRF loan program (non-ARRA related), and
 - State of California's Water Recycling Construction Grants/Loans Program (through Prop. 13 and other grant programs)

Through these and other on-going efforts, SEJPA is working to develop a financing plan that includes State/Federal funding, and new/expanded recycled water user agreements that will financially support the proposed project.

PROJECT SCHEDULE

As a result of not being selected as an ARRA funded project, the proposed project schedule is as follows:

PROPOSED 6 MONTH LOOK-AHEAD SCHEDULE (June - November)

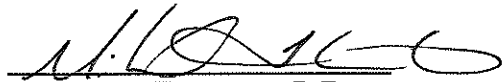
Month	Critical Activities
March 2009	Submit SRF Initial Loan Application & Complete Conceptual Design Report Begin CEQA Documentation & Conduct Tracer Study on Disinfection System
April 2009	Request Qualifications from Engineering Firms for Design Services
May 2009	Interview Engineering Firms, Select Best Qualified Firm & Negotiate Scope & Fee
June/July 2009	Recommend Award PDR contract
June/July 2009	Accept CEQA Documents
July 2009	Present Financial Analysis of Recycled Water Program
October 2009	Accept Final PDR
November 2009	Complete SRF Loan Application
November 2009	Recommend Award of Final Design

It is expected that the construction schedule will be determined on financing options available.

It is therefore recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment: Letter of Support from Surfrider Foundation

ATTACHMENT



Surfrider
Foundation
San Diego Chapter

Surfrider Foundation San Diego County Chapter



P.O. Box 1511 Solana Beach, California 92075 Phone (858) 792-9940 Fax (858) 755-5627

April 13, 2009

Michael T. Thornton, P.E.
General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff by the Sea, California 92007

SUBJECT: Expansion of the San Elijo Joint Powers Authority Water Reclamation Facility

Dear Mr. Thornton

The Surfrider Foundation San Diego Chapter supports the San Elijo Joint Powers Authority's (SEJPA) efforts to expand and improve its recycled water program. This program currently provides an important regional service by beneficially treating and reusing wastewater that would otherwise be disposed of in the ocean. Last year, your recycled water program kept approximately 1300 acre-feet (423 million gallons) of treated wastewater from entering the ocean.

As we understand, SEJPA's proposed Recycled Water Improvement and Expansion Project is the second phase of the agency's recycled water program. From your presentation to the Executive Committee, components of the project includes expanding treatment, adding new water storage, and improving the distribution system to serve more customers. Two main objectives of this proposed project are to increase recycled water production by more than 600 acre-feet annually and to provide the infrastructure necessary for the SEJPA to accept and treat urban runoff and potentially "first-flush" stormwater flows.

These project objectives align well with Surfrider Foundation's Clean Water Initiative, which begins "with a 'water ethic' of conserving our precious water resources, keeping pollution out of our water, and treating and reusing the wastewater that is produced". Therefore, your proposal to expand the existing recycled water program is strongly supported by the Surfrider Foundation San Diego Chapter.

Should you need additional information, please contact me at 858-792-9940.

Sincerely,

Scott Harrison

Chairman, Surfrider Foundation, San Diego Chapter

The Surfrider Foundation is a non-profit grassroots environmental organization dedicated to the protection and enjoyment of our world's oceans, waves and beaches. Now in its 25th year, the Surfrider Foundation has grown from a small group of dedicated surfers in Malibu, California to a global movement made up of over 50,000 members and 90 chapters worldwide. For an overview of the San Diego Chapter's current programs and events, log on to our website at www.surfriderSD.org or send email to info@surfridersd.org

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

May 11, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: MANAGEMENT STAFFING RECLASSIFICATION

RECOMMENDATION

It is recommended that the Board of Directors:

1. Eliminate the Assistant General Manager position;
2. Create the Director of Operations position;
3. Change the title of the Finance Manger to the Director of Finance/Administration; and
4. Discuss and take action as appropriate.

BACKGROUND

In March 2009, the Assistant General Manager (AGM) position became vacant. This position is responsible for providing direct supervision to the SEJPA's Administration and Laboratory Departments, and for general supervision of the Operations and Maintenance, Reclamation Program, and Finance Departments. Essential duties of the AGM position include managing operations to ensure environmental compliance with the agency's 34 permits, providing quality control oversight to the Laboratory and Wastewater Operations Departments, serving as the Laboratory Director as part of the SEJPA's compliance to the Environmental Laboratory Accreditation Program (ELAP), managing departmental activities, overseeing the agency's training and safety programs, preparing staff reports, and managing projects and special assignments.

The AGM position has 5 direct reporting positions; requires 7 or more years of experience in wastewater or recycled water; and requires a bachelor's degree in engineering or environmental science with registration as a professional engineer and advanced degree as preferred qualifications. Necessary proficiencies include excellent management skills; knowledge of engineering, science, and regulations associated with the wastewater and recycled water treatment process; the ability to conduct complex analytical analyses; and strong writing and oral communication skills. The current salary range for this exempt position is \$8,301 – \$11,680 monthly.

DISCUSSION

Upon the vacancy of the AGM position, an evaluation of the management structure and department organization was performed. Key considerations in the organizational evaluation included maintaining or improving the agency's quality control and environmental permit compliance;

positioning the organization to meet existing and anticipated future regulatory requirements; continuing the SEJPA's pursuit of capturing and using alternative and renewable resources; employee succession planning and institutional knowledge transfer; and maximizing the value and service the SEJPA provides to its member agencies, water district partners, and general public.

Based on the evaluation, it is recommended that minor organizational changes should be considered. The proposed changes will only directly impact two positions and should improve the organization by improving reporting channels, increasing clarity of roles and responsibilities, and will result in labor cost savings.

The organizational changes include replacing the AGM position with the Director of Operations position and changing the existing Finance Manager position to the Director of Finance/Administration. These proposed changes should provide clear areas of responsibilities for each Director and provide a balanced management team.

It is proposed that the Director of Operations will focus on the operational aspect of the facilities owned or managed by the SEJPA including wastewater treatment, recycled water, laboratory, outfall, and pump stations. Specific emphasis will be placed on technical skills necessary for maintaining regulatory compliance; maximizing operational efficiencies; and pursuing and employing sustainable practices.

It is also proposed that the Finance Manager position be changed in title to the Director of Finance/Administration and that the responsibilities of overseeing human resources, safety and insurances, administrative services, and accounting/finance functions be consolidated under this position.

The two director positions will report directly to the General Manager, as will the Associate Engineer position. Figure 1 provides the existing table of organization and Figure 2 presents the proposed table of organization.

FISCAL IMPACT

The proposed organizational changes are expected to have a minor reduction in labor costs. The proposed salary range for the Director of Operations position is \$8,301 - \$10,833, which is a 9 percent reduction as compared to the AGM position. There is no proposed salary change for the Director of Finance/Administration position.

It is therefore recommended that the Board of Directors:

1. Eliminate the Assistant General Manager position;
2. Create the Director of Operations position;
3. Change the title of the Finance Manger to the Director of Finance/Administration; and
4. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachments: Table of Organization Figure 1 & 2, and Director of Operations position description

ATTACHMENT

**SAN ELIJO JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Encinitas
Teresa Barth & Maggie Houlihan
Solana Beach
Thomas Campbell & Dave Roberts

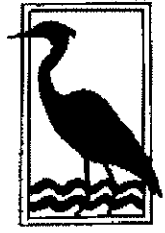
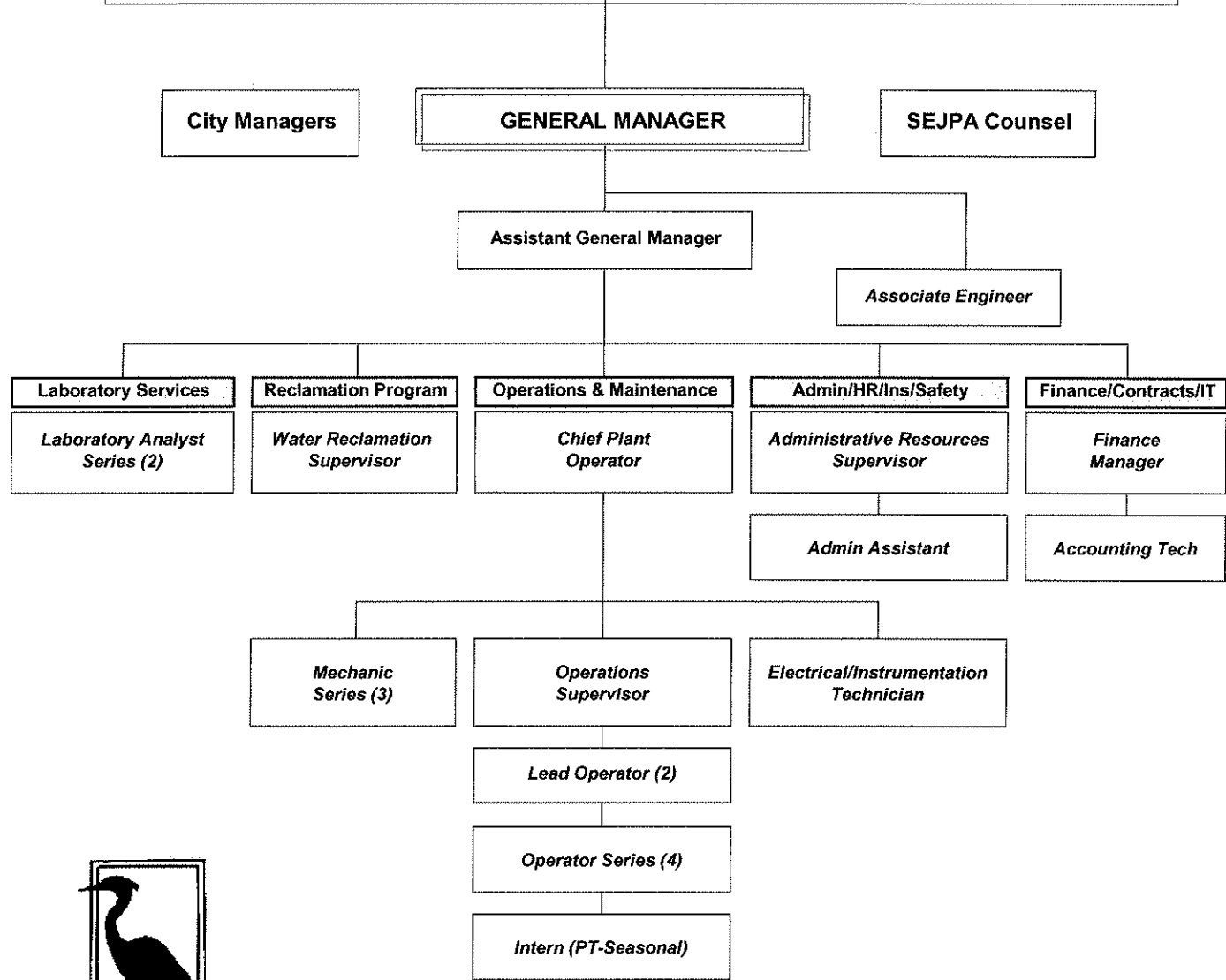


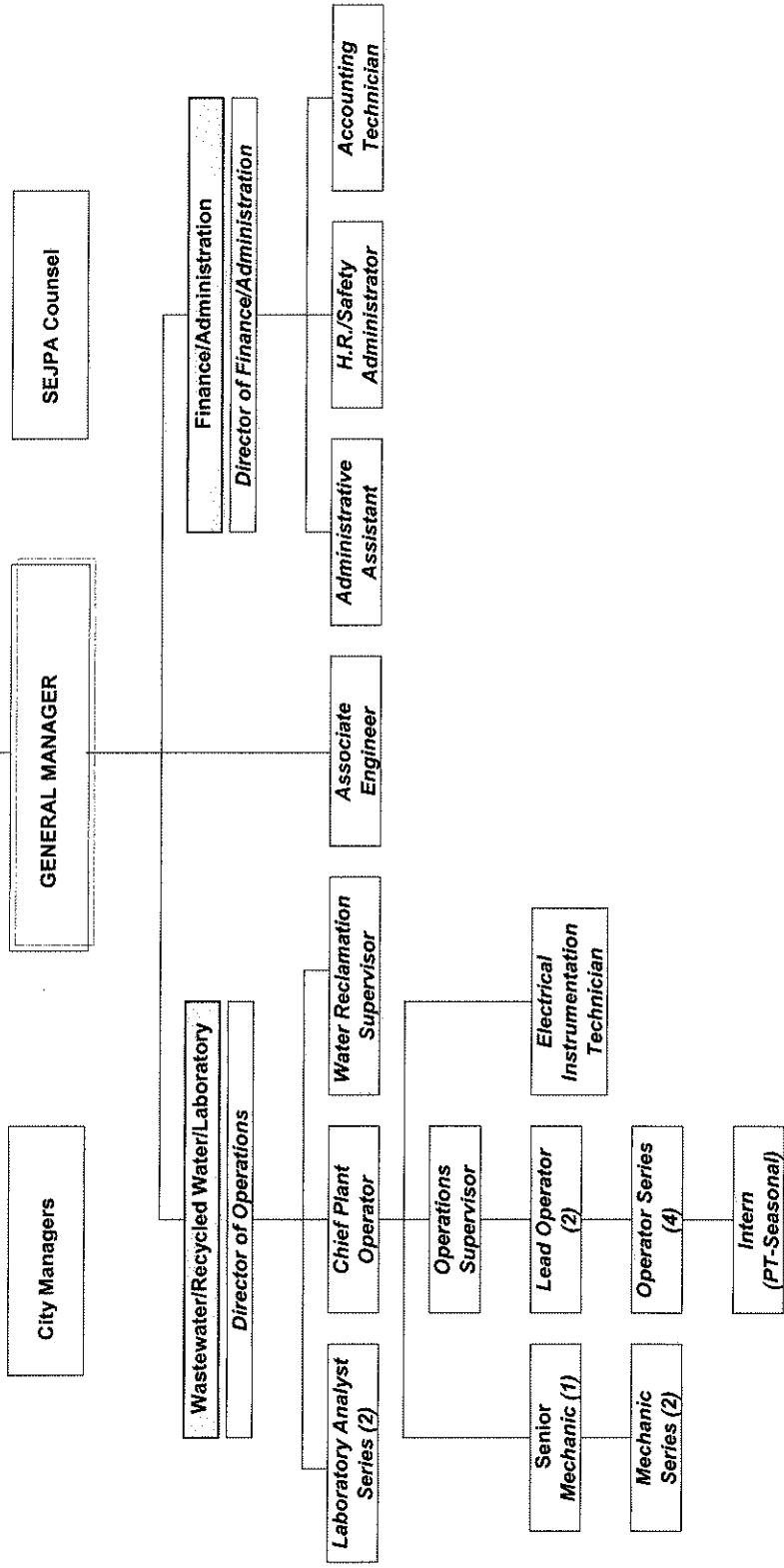
Figure 1

H:\SANELIJO\AGENDA\2009\5-May\Org Chart 2009 v2.xls\September 2008

**SAN ELIJO JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Encinitas
Teresa Barth & Maggie Houlihan

Solana Beach
Thomas Campbell & Dave Roberts



**SAN ELIJO
JOINT POWERS AUTHORITY**

Figure 2

San Elijo Joint Powers Authority (SEJPA)

DATE: May 2009

POSITION TITLE: Director of Operations

DEPARTMENT: Operations and Maintenance

SECTION(S): Wastewater, Recycled Water, Laboratory, Outfall, and Pump Stations

POSITION SUMMARY: The Director of Operations supports the General Manager, Board of Directors, and Member Agency staff and coordinates Department efforts to support the SEJPA's Mission/Vision/Values. The Director of Operations will focus on the operational aspect of the facilities owned or managed by the SEJPA including wastewater treatment, recycled water, laboratory, outfall, and pump stations. Specific emphasis will be placed on technical skills necessary for maintaining regulatory compliance; maximizing operational efficiencies; and pursuing and employing sustainable practices. The Director of Operations identifies and resolves issues/conflicts that arise within the organization and ensures timely completion of projects and operational work relating to SEJPA activities.

SUPERVISORY DIMENSIONS: Exercises direct supervision over Laboratory Services, Water Reclamation, Ocean Outfall, Pump Stations, and Wastewater Treatment Programs.

REPORTS TO: General Manager

ESSENTIAL JOB DUTIES:

The duties listed below are intended only as illustrations of the various types of work that may be performed.

- Assists the General Manager in carrying out directives of the Board of Directors.
- Coordinates daily inter-departmental activities, including special Board of Director's projects and/or assignments to assure timely response or completion.
- Manages the operations to ensure environmental compliance with the agency's 34 permits.
- Provides quality control oversight to the Laboratory and Wastewater Operations Departments, serving as the Laboratory Director as part of the SEJPA's compliance to the Environmental Laboratory Accreditation Program (ELAP).
- Manages departmental activities, prepares staff reports, and manages projects and special assignments.
- Identifies real or potential problems and works with departments to resolve conflict within the SEJPA.

- Committed to ethics of local government administration and the SEJPA's Mission/Vision/Values.
- Analyzes existing operating procedures and policies recommending revisions or new procedures to promote efficient, effective, and consistent service.
- Interprets policies and provides staff direction on policy, procedural, and permit revisions.
- Coordinates with Department Heads to identify and define issue/problems, establish criteria, evaluate alternatives, and make recommendations to the General Manager.
- Provides responsible staff assistance and guidance to the General Manager, the SEJPA Board of Directors and its committees/subcommittees, Member Agency Managers, and Department Heads.
- Directs complex policy and fiscal-related analytical studies involving the administration of the SEJPA. Analyzes data, prepares detailed reports, proposes solutions, and makes presentations to the Board and other groups on a variety of subjects.
- Reviews SEJPA contracts for conformance with applicable policy and legal standards and negotiates and administers consulting and service contracts.
- Serves on and chairs advisory panels and committees.

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. Reasonable accommodations will be made to enable qualified individuals with disabilities to perform the essential functions.

Specific Types of Knowledge, Skills and Physical Abilities Required for These Duties:

- Knowledge of engineering, science, and regulations associated with the wastewater and recycled water treatment process; the ability to conduct complex analytical analyses.
- Possession of executive level management skills, including planning, organizing, staffing, directing, controlling, and budgeting.
- Demonstrated ability to establish and maintain effective communications with a wide spectrum of political bodies, regulatory staffs and boards, public forums, and professional and non-professional staff.
- Knowledge of state and federal laws and regulation pertaining to wastewater treatment, water reclamation, biosolids management and use, and ocean effluent disposal.
- Ability to apply objective and fair assessments in disciplinary matters.
- Ability to establish and maintain cooperative working relationships to foster a team approach.

- Ability to communicate clearly and concisely, both written and orally, and to review and edit documents for proper English usage.
- Knowledge of modern office practices and procedures.
- Ability to operate a personal computer and standard desktop applications.

EDUCATION REQUIREMENT: A four-year college degree in Civil Engineering, Environmental Engineering, or a related field is required. A Masters Degree in Civil Engineering, Environmental Engineering or related field is desired, but not required.

EXPERIENCE REQUIREMENT: Ten (10) years of relevant experience in the field of wastewater and recycled water; including five (5) years experience at a supervisory level.

LICENSE/CERTIFICATION REQUIREMENT: Possession of a valid California Class C Driver's License and ability to be insured under the SEJPA's automobile insurance coverage.

Professional Engineering License is desirable.

Wastewater Operations Certification is desirable.

Distribution System Certification is desirable.

Note: Failure to maintain a valid California Driver's License constitutes possible cause for termination.

PHYSICAL AND MENTAL DEMANDS:

Physical Demands

While performing the duties of this position, an employee is regularly required to sit, stand and walk; talk or hear, in person, in meetings and by telephone; use hands to finger, handle, feel or operate standard office equipment.

Specific vision abilities required by this job include close and distance vision and the ability to adjust focus.

Mental Demands

While performing the duties of this position, the employee is regularly required to use written and oral communication skills; read and interpret complex data, information and documents; analyze and solve problems; observe and interpret people and situations; use math and mathematical reasoning; learn and apply new information or skills; perform highly detailed work on multiple, concurrent tasks with constant interruptions; work under intensive deadlines and interact with other managers, board members, government officials, regulators, employees, and the public.

WORK ENVIRONMENT: The employee will work in the office, laboratory, and field. The noise level in the work environment can be above 85dB. Hearing protection and other personal protective equipment is required in some work areas. However, the employee typically works under office conditions, and the noise level is usually quiet.

QUALIFICATIONS: Ability to pass SEJPA pre-employment physical examination; possession of a good driving record and ability to be insured by the SEJPA's insurance carrier; and the ability to read, write, speak and comprehend English.

RIGHT TO WORK REQUIREMENT: Must be a United States citizen or possess qualified alien status. Documentation of eligibility to work in U.S. will be required as a condition of employment.

The SEJPA does not discriminate against any applicant for employment on the basis of age, sex, sexual orientation, race, religious belief, national origin, marital status, or physical or mental disability.

The list of essential job duties contained in this job description is not exhaustive, and may be supplemented as necessary. This position performs other related duties as assigned, some of which may become essential to the position.

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

May 11, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Finance Manager

SUBJECT: CALPERS RESOLUTION TO APPROVE AN AGREEMENT TO PREFUND
OTHER POST EMPLOYMENT BENEFITS THROUGH CALPERS

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2009-05 to Approve an Agreement to Prefund Other Post Employment Benefits (OPEB) Through CalPERS Between the Board of Administration, California Public Employees' Retirement System and the Board of Directors, San Elijo Joint Powers Authority;
2. Authorize the General Manager to use contingency funding to pay the unfunded liability of \$98,075 at the end of Fiscal Year 2008-09, if available; and
3. Discuss and take action as appropriate.

BACKGROUND

GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was instigated by the Governmental Accounting Standards Board (GASB) in response to the growing concern over the potential employer obligations for other post-employment benefits (OPEB). GASB 45 will:

1. Recognize the cost of OPEB benefits in the period when services are received.
2. Provide information about the actuarial liabilities for the promised benefits.
3. Provide information useful in assessing potential demands on future cash flows.

GASB 45 applies to the financial statements issued by government employers that offer OPEB and that are subject to GASB accounting standards. GASB 45 does not apply to private employers or trusts that are established in order to prefund OPEB benefits or for trusts that are used as conduits to pay OPEB benefits.

The implementation of GASB 45 requires agencies to report the accrued unfunded liability and the annual required contribution (ARC) in their financial statements. Agencies must also disclose descriptive information about each OPEB plan in which they participate, including the funding policy followed.

Until the implementation of GASB 45, these costs were not previously recognized in the financial statements of government institutions.

DISCUSSION

In accordance with GASB 45, the San Elijo Joint Powers Authority (SEJPA) had an actuarial study performed. The results reported an unfunded actuarial accrued liability of \$98,075 and ARC of \$8,879 as of June 30, 2008. The ARC is the contribution the SEJPA will have to pay each year to fund the OPEB liability. The assumptions made by the actuary were based on historical trends for the SEJPA and reviewed by SEJPA management.

At this time, for the SEJPA, OPEB refers to the mandatory minimum medical premium contribution by the SEJPA to retired employees of the SEJPA. Currently, the amount is \$97 per month per retired employee if they choose to keep their insurance with CalPERS.

CalPERS has indicated that the current charges for operating the trust comprised of small agencies such as the SEJPA is 20 to 50 basis points. For the SEJPA that equates to between \$200 and \$500 per year. CalPERS also stated that even though an agency such as the SEJPA adopts a resolution stating it intends to fund the ARC at 100% and fully fund or partially fund the unfunded liability, the agency is under no obligation to actually do so.

At two year intervals, the agreement between CalPERS and the SEJPA would require a new actuarial, and it would take into account the actions, or inactions, of the SEJPA regarding funding these liabilities.

It is management's recommendation to fully fund the ARC in single payments at the end of each fiscal year in accordance with the proposed prefunding agreement. It is also management's recommendation to fully fund the unfunded liability of \$98,075 at the end of this fiscal year if contingency funding is available.

It is therefore recommended that the Board of Directors:

1. Adopt Resolution 2009-05 to Approve an Agreement to Prefund Other Post Employment Benefits (OPEB) Through CalPERS Between the Board of Administration, California Public Employees' Retirement System and the Board of Directors, San Elijo Joint Powers Authority;
2. Authorize the General Manager to use contingency funding to pay the unfunded liability of \$98,075 at the end of Fiscal Year 2008-09, if available; and

3. Discuss and take action as appropriate.

Respectfully submitted,



Gregory Lewis
Finance Manager

Attachment: Resolution No. 2009-05 to Approve an Agreement to Prefund Other Post Employment Benefits (OPEB) Through CalPERS Between the Board of Administration, California Public Employees' Retirement System and the Board of Directors, San Elijo Joint Powers Authority.

ATTACHMENT

**SAN ELIJO JOINT POWERS AUTHORITY
RESOLUTION NO. 2009-05**

**RESOLUTION TO APPROVE AN
AGREEMENT TO PREFUND OTHER POST EMPLOYMENT BENEFITS
THROUGH CALPERS
BETWEEN THE
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
BOARD OF DIRECTORS
SAN ELIJO JOINT POWERS AUTHORITY**

Resolution provided by CalPERS

CALIFORNIA EMPLOYER'S RETIREE BENEFIT TRUST PROGRAM ("CERBT")

**AGREEMENT AND ELECTION
OF**

(NAME OF EMPLOYER)

**TO PREFUND OTHER POST EMPLOYMENT
BENEFITS THROUGH CalPERS**

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) _____
(NAME OF EMPLOYER)

(Employer) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS
 Constituent Relations Office
 CERBT (OPEB)
 P.O. Box 942709
 Sacramento, CA 94229-2709

Filing in person, deliver to:
 CalPERS Mailroom
 Attn: Employer Services Division
 400 Q Street
 Sacramento, CA 95814

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.

C. Actuarial Valuation and Employer Contributions

(1) Employer shall provide to the Board an actuarial valuation report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB Statement No. 43, and shall be:

- (a) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
- (b) prepared in accordance with generally accepted actuarial practice and GASB Statement Nos. 43 and 45; and,
- (c) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any actuarial valuation report submitted to it, but shall not unreasonably do so. In the event that the Board determines, in its sole discretion, that the actuarial valuation report is not suitable for use in the Board's financial statements or if Employer fails to provide a required actuarial valuation, the Board may obtain, at Employer's expense, an actuarial valuation that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such actuarial valuation by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the actuarial valuation acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB Statement No. 45. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) The minimum Employer contribution will be at least \$5000 or be equal to Employer's Annual Required Contribution, whichever is less, as that term is defined in GASB Statement No. 45. Contributions can be made at any time following the seventh day after the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

- (1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts will be maintained for each employer so that Employer's assets will provide benefits only under employer's plan.**
- (2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).**
- (3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.**
- (4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.**
- (5) Investment income shall be allocated among employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.**
- (6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.**

E. Reports and Statements

- (1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.**
- (2) The Board shall prepare and provide a statement of Employer's Prefunding Account at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.**

F. Disbursements

- (1) Employer may receive disbursements not to exceed the annual premium and other costs of post employment healthcare benefits and other post employment benefits as defined in GASB 43.**
- (2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.**

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.

(4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) that are received on or after the first of a month will be processed by the 15th of the following month. (For example, a disbursement request received on or between March 1st and March 31st will be processed by April 15th; and a disbursement request received on or between April 1st and April 30th will be processed by May 15th.)

(5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

(6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer's Prefunding Account.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

H. Termination of Employer Participation in Prefunding Plan

(1) The Board may terminate Employer's participation in the Prefunding Plan if:

- (a) Employer gives written notice to the Board of its election to terminate;
- (b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.

(2) If Employer's participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.

(3) After Employer's participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

(4) After Employer's participation in the Prefunding Plan terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.

(5) After thirty-six (36) months have elapsed from the effective date of this Agreement:

- (a) Employer may request a trustee to trustee transfer of the assets in Employer's Prefunding Account. Upon satisfactory showing to the Board that the transfer will satisfy applicable requirements of the Internal Revenue Code and the Board's fiduciary duties, then the Board shall effect the transfer within one hundred twenty (120) days. The amount to be transferred shall be the amount in the Employer's Prefunding Account as of the disbursement date and shall include investment earnings up to the investment earnings allocation date immediately preceding the disbursement date. In no event shall the investment earnings allocation date precede the transfer by more than 120 days.
- (b) Employer may request a disbursement of the assets in Employer's Prefunding Account. Upon satisfactory showing to the Board that all of Employer's obligations for payment of post employment health care benefits and other post employment benefits and reasonable administrative costs of the Board have been satisfied, then the Board shall effect the disbursement within one hundred twenty (120) days. The amount to be disbursed shall be the amount in the Employer's Prefunding Account as of the disbursement date and shall include investment earnings up to the investment earnings allocation date immediately preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement by more than 120 days.

(6) After Employer's participation in the Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as defined in GASB 43), and (ii) amounts sufficient to pay reasonable administrative costs of the Board.

(8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated

with such appointment shall be paid from the assets attributable to contributions by Employer.

(9) If Employer should breach the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

(2) Audit.

- (a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.
- (b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

- (a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:

1. **Personal delivery.** When personally delivered to the recipient. Notice is effective on delivery.
2. **First Class Mail.** When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.
3. **Certified mail.** When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.
4. **Overnight Delivery.** When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.
5. **Telex or Facsimile Transmission.** When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.
6. **E-mail transmission.** When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

- (b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- (c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.

- (d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Modification

This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by the party to be charged.

(5) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(6) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(7) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

A majority vote of Employer's Governing Body at a public meeting held on the _____ day of the month of _____ in the year _____, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: _____

Name of Governing Body: _____

Name of Employer: _____

Date: _____

**BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

BY _____
KENNETH W. MARZION
ACTUARIAL AND EMPLOYER SERVICES BRANCH
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS

The effective date of this Agreement is: _____

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

May 11, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: DEVELOPMENT OF SEJPA WILDFIRE RISK REDUCTION PLAN

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate

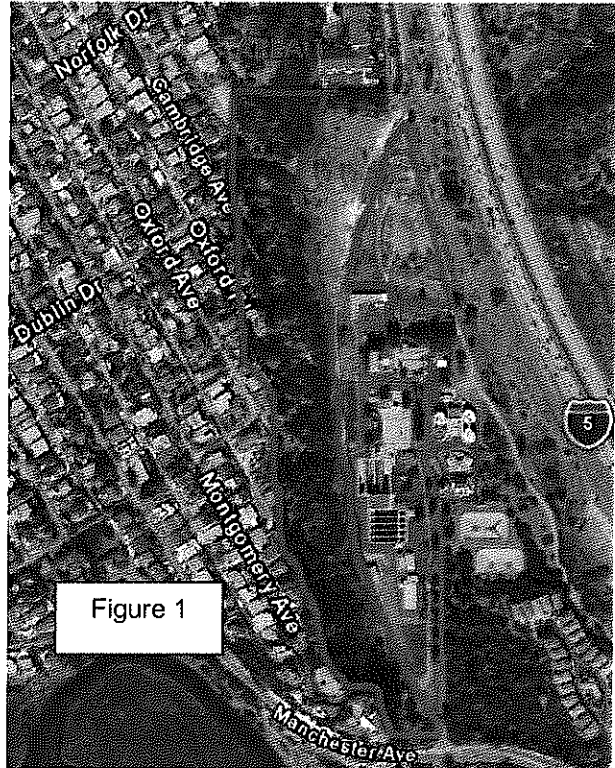
BACKGROUND

On September 5, 2008, the San Elijo Joint Powers Authority (SEJPA) received a request for an easement by an adjacent property owner to the San Elijo Water Reclamation Facility. The easement request was for creating a "fuel modification zone" between the two properties and it was proposed that the easement be located on the SEJPA's property but maintained at the homeowner's expense. The proposed fuel modification zone was to be 130 feet in length, paralleling the property line, and 25 feet wide. The adjacent property is currently undeveloped and the property developer stated that if the SEJPA does not grant the fuel modification zone, then the builder would be required to include one-hour fire rated doors and windows on the structure. After reviewing the proposal and meeting with the City of Encinitas' Fire Department, SEJPA staff recommended not approving the easement request on the basis that monitoring and managing the terms of the easement would be a burden to the SEJPA and that it would only reduced the risk of wildfire to one property. On February 9, 2009, the SEJPA Board of Directors directed staff to develop a broader, more holistic plan for managing wildfire risk on the open space at the SEJPA's Water Reclamation Facility (see Figure 1).

DISCUSSION

The SEJPA conducted a meeting with a planning consultant Michael Huff and Fire Marshall Robert Scott from the Encinitas Fire Department to discuss best management practices for reducing wildfire risk and balancing environmental concerns such as protecting wildlife habitat and minimizing slope soil erosion. The area of greatest concern is the steep hillside located on the west side of the property (highlighted Area 1). The dense vegetation and steep terrain coupled with dense housing located on the top of the ridge and the wildlife within the open space presents an opportunity for carefully applying best management practices to achieve a balanced solution.

To achieve this needed balance, SEJPA is assessing if a wildfire risk reduction plan can be created in-house or if retaining the services of an outside firm is required. Staff has met with one firm to discuss the potential necessary scope of work and associated fee for developing a Wildfire Risk Reduction Plan.



Other actions taken by the SEJPA to help reduce fire risk includes brush clearing on the open property north of the treatment plant and adjacent to the Caltrans, I-5, property line (highlighted Area 2), and tree trimming throughout the facility.

It is therefore recommended that the Board of Directors:

1. Discuss and take action as appropriate

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager