

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY OCTOBER 11, 2010 AT 9:00 AM
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
4. ORAL COMMUNICATIONS (NON-ACTION ITEM)
5. PRESENTATION OF AWARDS
 - Recognition Certificate for Gregory Lewis for 10 Years of Service to SEJPA
 - Recognition Certificate for Michael Thornton for 10 Years of Service to SEJPA
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR THE SEPTEMBER 13, 2010 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. * DIGESTER NO. 4 CLEANING PROJECT REPORT
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. THE NORTH SAN DIEGO COUNTY COOPERATIVE DEMINERALIZATION PROJECT

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Staff Reference: General Manager Michael Thornton

14. CALIFORNIA STATE REVOLVING FUND (SRF) LOAN APPLICATION AUTHORIZATION FOR RECYCLED WATER DEMINERALIZATION PROJECT

It is recommended that the Board of Directors:

1. Review resolutions required by the State of California State Water Resources Control Board;
2. Take resolutions to Member Agencies for review and action; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager Michael Thornton

15. WHOLESALE PRICING OF RECYCLED WATER BY THE SAN ELIJO JOINT POWERS AUTHORITY

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Staff Reference: General Manager Michael Thornton

16. GENERAL MANAGER'S REPORT

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

17. GENERAL COUNSEL'S REPORT

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

18. 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.

19. CLOSED SESSION

None

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".

20. ADJOURNMENT

The next regular scheduled San Elijo Joint Powers Authority Board Meeting will be November 8, 2010 at 9:00 a.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.

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: October 6, 2010



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

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON SEPTEMBER 13, 2010
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Maggie Houlihan, Chair

Tom Campbell, Vice Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, September 13, 2010, 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 Houlihan called the meeting to order at 9:00 a.m.

2. ROLL CALL

Directors Present:

Teresa Barth
Thomas Campbell
Maggie Houlihan
Dave Roberts

Others Present:

General Manager
Director of Finance/Administration
Director of Operations
Administrative Assistant
Accounting Technician
Safety/HR Administrator
Operations Supervisor

Michael Thornton
Greg Lewis
Christopher Trees
Monica Blake
Carrie Cook
Marisa Buckles
Mike Henke

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Encinitas,

Director of Public Works

Larry Watt

City of Encinitas,

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

Guests:

Frank Warner
Al Evans
Lynn Farrar
Michael Welch

3. PLEDGE OF ALLEGIANCE

Frank Warner led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

Mr. Warner, Mr. Evans, and Mr. Farrar stated their concerns on the Santa Fe Irrigation District's (SFID) proposed recycled water rate increase. As the SEJPA wholesales recycled water to SFID, they requested that the SEJPA Board of Directors consider changes to the wholesale agreement with SFID to help provide cost relief to the end customer.

5. PRESENTATION OF AWARDS

General Manager Michael Thornton presented Mike Henke, Operations Supervisor, with a certificate of recognition for 10 years of continuous service to the SEJPA. The General Manager also gave recognition to Scott Carr, Water Reclamation Supervisor, on his retirement after 11 years of service to the SEJPA.

Mr. Thornton reported that the SEJPA has been awarded the 2010 CASA Honorable Mention for Outstanding Capital Project, the Performance Optimization of the Activated Sludge System Project.

6. CONSENT CALENDAR

Chair Houlihan requested Item Number 10 be removed from the Consent Calendar with approval from the Board.

Moved by Board Member Roberts and seconded by Vice Chair Campbell to approve the Consent Calendar with unanimous vote of approval.

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the July 12, 2010 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

11. ITEMS REMOVED FROM CONSENT CALENDAR

Agenda Item No. 10	San Elijo Joint Powers Authority Recycled Water Program – Monthly Report
--------------------	--

General Manager Michael Thornton reported that the demands for recycled water in the months of June and July were less than normal, which was likely due to the

unusually cool summer temperatures, strong messaging within the region for the need of water conservation, and customers reducing their water use due to financial reasons. For the last twelve months, the SEJPA has seen a reduction in recycled water demand of roughly 15% even though new customers have been added.

Chair Houlihan requested that a recycled water 'Master Plan' map be prepared that illustrates existing and possible future recycled water lines and customers.

This was an informational report not requiring Board action.

12. PRELIMINARY FINDINGS FOR FINANCING OF THE DEMINERALIZATION TREATMENT SYSTEM AT THE SAN ELIJO WATER RECLAMATION FACILITY

General Manager Michael Thornton reported that the Recycled Water Demineralization Treatment Project is in the final design stage. This project cost estimate still remains at the original estimate from the preliminary design at \$5 million. The SEJPA has funded approximately \$1 million of the project from its Recycled Water Program and is seeking a construction loan for the remaining estimated \$4 million. Staff has researched a variety of possible funding sources that include both public and private loan options. Based on information collected to date, the most attractive financing terms are being offered through the California Clean Water State Revolving Fund (SRF) loan program. Currently, this program is offering loans at a fixed 2.7% interest for a twenty year loan period. The SEJPA has completed the SRF loan application and is now preparing necessary supporting document and loan resolutions, which will be presented to the SEJPA Board for approval at a future Board meeting.

This was an informational report not requiring Board action.

13. TENTATIVE ORDER NO. R9-2010-0087, NPDES PERMIT NO. CA0107999; WASTE DISCHARGE REQUIREMENTS FOR THE SAN ELIJO WATER RECLAMATION FACILITY DISCHARGE TO THE PACIFIC OCEAN VIA THE SAN ELIJO OCEAN OUTFALL

General Manager Michael Thornton reported on the status of the SEJPA Ocean Outfall National Pollution Discharge Elimination System (NPDES) permit renewal. In August 2010, the California Regional Water Quality Control Board (Regional Board) provided the SEJPA with the Tentative Order No. R9-2010-0087. SEJPA staff performed a thorough review of the new proposed permit, and provided detailed comments to the Regional Board by the required deadline of August 25, 2010. Due to the number of comments on the proposed permit, coupled with new bacterial receiving water standards, the SEJPA requested that the Regional Board postpone hearing the permit on September 8, 2010. The Regional Board rejected the hearing extension, and at the September 8, 2010 Board meeting voted to adopt the permit.

The main area where the new permit differs from the existing is in new water quality objectives for bacterial in the receiving water, which is the Pacific Ocean. These new bacteria standards are equal to recreation water standards, often referred to as REC-1 standards, and apply from the shoreline to 3 miles offshore, from the water surface to the ocean bottom. In comparison, the bacteria standards in the existing permit extend from the shoreline to 1,000 feet offshore and are slightly less stringent.

Michael Welch, an engineering consultant for the SEJPA on this matter, explained the history of the existing permit and how the new regulations came into effect. He explained that this requirement began with the approval of the City of San Diego's NPDES ocean discharge permit and will be incorporated in all subsequent ocean discharge permits that are regulated under the authority of the San Diego Regional Board. This new requirement is being driven by a recent interpretation by the US EPA for water quality requirements as set forth in the region's Basin Plan and the California Ocean Plan.

The General Manager reported that staff is evaluating water quality data to determine how effective the current treatment process is in achieving compliance to these new standards. Based on a cursory review of the data, less than one percent of the sample results exceed these new limitations. Upon the completion of this review, staff will provide the SEJPA Board with options for moving forward.

The Regional Board has provided a mandated compliance schedule that includes submitting a work plan within 6 months, and that construction of any treatment facilities required to meet this new standard be initiated within 36 months. The Tentative Order goes into effect October 28, 2010.

This was an informational report not requiring Board action.

14. GENERAL MANAGER'S REPORT

General Manager Michael Thornton stated that the SEJPA is working with OMWD, San Elijo Lagoon Conservancy to develop a regional project called the North San Diego County Cooperative Demineralization Project. The project includes the construction of the recycled water demineralization treatment at the San Elijo Water Reclamation Facility, planning work for evaluating brackish water demineralization for potable water supply by OMWD, and water quantity and quality monitoring within the San Elijo Lagoon by the San Elijo Lagoon Conservancy. The project is aimed at providing salinity management for recycled water, accepting urban runoff and some first-flush storm water flows at strategic locations, and increasing local potable water supplies through brackish groundwater demineralization. The group requested \$1.1 million for this project, of which the SEJPA's portion would be approximately \$800,000 for demineralization treatment. This was submitted for a grant consideration to the San Diego Integrated Regional Management Group (IRWM) for Proposition 84 grant funding. The grant application was well received by the IRWM on its merits for addressing local water quality issues, increasing water supply, and treating urban runoff pollution. The grant request will now move forward to the IRWM Regional Advisory Committee for approval and submittal to California Department of Water Resources for funding.

15. GENERAL COUNSEL'S REPORT

General Counsel Greg Moser stated that AB827 is on the Governor's desk, awaiting approval. AB827 involves employee compensation rules as a result of the City of Bell issues.

16. BOARD MEMBER COMMENTS

Board Member Roberts requested that if the SEJPA has Environmental Impact Report comments on the proposed I-5 freeway expansion project, that comments are due by October 7, 2010. Board Member also Roberts inquired if the SEJPA staff was satisfied with the final recommendations of the Marine Life Protection Act initiative. Chair Houlihan asked for updates for everyone on this topic at a future time.

17. CLOSED SESSION

None

18. ADJOURNMENT

The Board of Directors adjourned at 10:41 a.m. The next Board of Directors meeting will be held on October 11, 2010.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

PAYMENT OF WARRANTS

11-10

1-Oct-10

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
11-10 Warrants		
Advanced Air & Vacuum	Air compressor service - water reclamation	\$753.01
AG Tech, LLC	Biosolids hauling - August	\$10,383.67
AKZO Nobel Paints LLC	San Elijo white - rust prevention - plant	\$151.03
Aquatic Bioassay	Lab testing - lab	\$180.00
Arrowhead	Kitchen and lab supplies	\$207.36
AT&T	Phone service - 07/13/10 - 08/12/10	\$360.72
AT&T	Phone service - 08/13/10 - 09/12/10	\$362.43
AT&T	Alarm service - September - water reclamation	\$380.72
AT&T - Eden Garden	Phone service - 07/20/10 - 08/19/10	\$87.75
Atlas Pumping Service	Grease and scum pumping - August	\$277.44
Atlas Pumping Service	Grease and scum pumping - September	\$1,028.84
Atlas Pumping Service	Grit and screening - plant	\$1,484.70
Barracuda Networks, Inc.	Network back-up - September	\$50.00
Blake, Monica	Expense report - mileage	\$21.16
Blue Skies Landscape	Landscape service - August	\$1,200.00
Boot World, Inc.	Safety boots - M. Henke	\$136.98
Boot World, Inc.	Safety boots - A. Simonson	\$150.00
Brenntag Pacific, Inc.	Sodium Hydroxide - odor control - plant	\$1,302.53
Buckles, Marisa	Expense report -retirement luncheon, reward breakfast	\$123.45
CDPH - OCP	Operator certificate - J. Boyle	\$130.00
CWEA	Membership - C. Larsen	\$132.00
CWEA - TCP	Certificate renewal - T. Hutchinson	\$71.00
Coast Waste Management	Grit and screening -stormdrains -Cardiff , Solana P.S.	\$813.30
Complete Office	Office supplies - August	\$37.51
Complete Office	Office supplies - September	\$143.67
Conocophillips Fleet	Vehicle fuel - August	\$1,241.39
Cor-o-van Records Mgmt., Inc.	Record storage - August	\$62.37
Covad	T-1 service - August and September	\$718.00
County of San Diego,DEH	Reclaimed water shut down testing-Eden Gardens P.S.	\$595.00
D&H Water Systems	960 wire cable - water reclamation	\$251.85
Dell Business Credit	Network software/hardware support agreement	\$849.32
Edco	Trash service - August	\$184.01
Ferguson Waterwork	Parts - plants	\$627.97
Ferguson Waterwork	Parts - plants	\$344.64
Ferguson Waterwork	Flange and gasket - digester	\$823.38
Filter Belts	Wires for belt press - plant	\$108.75
Golden State Overnight - GSO	Mailing monthly regulatory reports	\$54.18
Grainger, Inc.	First aid supplies	\$25.67
Grainger, Inc.	Safety eyewear and gloves - plant	\$51.45
Harbor Freight Tools	Safety supplies used to work on the digester - plant	\$228.18
Harrington Industrial Plastics	Plumbing parts for aeration basin - plant	\$358.49
Henke, Michael	Expense report - e-waste - plant	\$43.00
Hoch, Adam	Expense report - mileage and registration fee	\$718.30
Home Depot	Repair parts and shop supplies	\$81.88
Horizon Health EAP	EAP - September	\$367.84
Jani-King	Janitorial supplies	\$448.35
Jani-King	Janitorial service - September	\$882.64
Keith Boger	Wastewater training course - A. Simonson	\$595.00
Kennedy/Jenks Consultants	Recycled water demineralization	\$1,887.48
Konica	Monthly copier maintenance	\$88.54
Lewis, Greg	Expense report - batteries for emergency radios- plant	\$50.73
Lewis, Greg	Expense report - ergonomic office furn./kitchen microwave	\$989.99
Marine Taxonomic Services	Ocean offshore monitoring - outfall	\$740.00

PAYMENT OF WARRANTS

11-10

1-Oct-10

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
Mayer Horrmann McCann P.C.	Annual audit of financial statements	\$5,086.00
McMaster-Carr Supply Co.	Plumbing parts for aeration basin - plant	\$240.84
MetLifeSBC	Dental insurance	\$1,441.75
Miramar Truck	Vehicle maintenance - pump run truck	\$851.31
Olin Corp - Chlor Alkali	Sodium hypochlorite - bleach - water reclamation	\$3,176.04
OMWD	Manchester - 07/12/10 - 08/09/10	\$35.83
One Source Distributors, Inc.	Repair parts - plant and lab	\$3,138.93
One Source Distributors, Inc.	Heat control for digester - plant	\$239.25
One Source Distributors, Inc.	Fuses - plant	\$41.99
One Source Distributors, Inc.	Black and white cart - plant	\$24.77
PERS - Health	Health - October	\$15,150.84
PERS - Retirement	Retirement premium - 09/10/10	\$14,394.05
PERS - Retirement	Retirement premium - 09/24/10	\$13,632.60
Packing & Seals, Inc.	Seals - plant and all pump stations	\$425.92
Pacific Pipeline Supply	Plumbing supplies for digester - plant	\$412.16
Pacific Safety Council	Safety training hazwoper - K. James	\$119.00
Postmaster	Annual fee for post office box	\$96.00
Preferred Benefit Insurance	Vision insurance - September	\$405.05
Probuild	Repairs, shop and field supplies - July	\$281.59
Probuild	Repairs, shop and field supplies - August	\$183.34
Procopio Cory Hargreaves	General - August - legal service	\$171.00
Procopio Cory Hargreaves	Bradley & Debra Gessner v. San Elijo JPA	\$299.76
RSF Security	Security check for water flow on zone 1	\$75.00
Rockwell Engineering	Impeller and cutter nut - digester - plant	\$1,110.38
Rohan & Sons, Inc.	Service air conditioning unit in lunch room - plant	\$294.24
San Diego Gas and Electric	Gas and electric - 07/09 - 08/09 - Cardiff P.S.	\$1,398.88
San Diego Gas and Electric	Gas and electric - 08/09 - 09/09 - Cardiff P.S.	\$662.15
San Diego Gas and Electric	Gas and electric - 08/09 - 09/09 - Valley	\$2,174.41
San Dieguito Trophy, Inc.	Retirement trophy for S. Carr	\$99.51
San Dieguito Water District	Manchester - 07/30/10 - 08/30/10	\$4,009.76
San Dieguito Water District	Manchester - 07/30/10 - 08/30/10	\$149.24
San Dieguito Water District	Manchester - 07/30/10 - 08/30/10	\$1,112.80
San Dieguito Water District	Manchester - 07/30/10 - 08/30/10	\$245.96
San Dieguito Water District	Manchester - 07/30/10 - 08/30/10	\$688.28
San Elijo Payroll Account	Payroll - 09/07/2010	\$86,654.95
San Elijo Payroll Account	Payroll - 09/24/2010	\$71,541.65
Santa Fe Irrigation District	Valley - 07/30/10 - 08/31/10	\$245.01
Santa Fe Irrigation District	Highland Dr. - 06/16/10 - 08/17/10	\$357.67
Santa Fe Irrigation District	Seabright Ln - 07/02/10 - 09/02/10	\$54.11
Siemens Water Technologies	Hydrogen peroxide - Olivenhain P. S.	\$2,724.74
Smart & Final	Kitchen and meeting supplies - plant	\$160.05
Southern CA Fleet	Preventative service - sludge semi-tractor trailer	\$581.53
SoCoGroup, Inc.	Preventative supplies - oil - water reclamation	\$207.07
Sprint	Cellular phone service	\$679.12
TNEMEC Company Inc.	Parts for digester - plant	\$176.97
T.S. Industrial Supply	Plastic suction hose and clamps - plant	\$102.53
Terra Renewal, LLC	Biosolids hauling - August	\$8,146.58
Test America	Lab testing	\$2,187.75
Toyotalift, Inc.	Preventative maintenance service	\$106.37
Trussell Technologies, Inc.	Recycled water improvement and expansion	\$3,834.00
Trussell Technologies, Inc.	Desal membrane selection - agreement	\$8,342.00
UPS	Mailing	\$14.58
Underground Service Alert	Dig alert - August	\$63.00
Unifirst Corporation	Uniform service - August	\$75.60

PAYMENT OF WARRANTS

11-10

1-Oct-10

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
Unifirst Corporation	Uniform service - September	\$226.80
VWR International, Inc.	Tubes, conductivity standard 100 and broth - lab, outfall	\$695.68
VWR International, Inc.	Tubes, ec medium and gloves - plant and outfall	\$903.41
VWR International, Inc.	Gloves, wtr reagent, brilliant green bile-plant, lab, outfall	\$323.69
VWR International, Inc.	Pipet cleaning set - plant, lab, and outfall	<u>\$556.00</u>
Total 11-10 Warrants		<u>\$294,217.16</u>

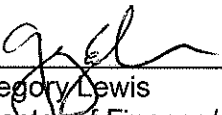
SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

1-Oct-10

PAYMENT OF WARRANTS		\$294,217.16
Reference Number	11-10	

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
Director of Finance/Administration
Treasurer

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

1-Oct-10

<u>FUNDS ON DEPOSIT WITH</u>	<u>AMOUNT</u>
LOCAL AGENCY INVESTMENT FUND <i>(SEPTEMBER 2010 YIELD 0.56%)</i>	
SELF INSURANCE RESERVE	\$ 300,000.00
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 5,661,887.81
CALIFORNIA BANK AND TRUST <i>(SEPTEMBER 2010 YIELD 0.10%)</i>	
REGULAR CHECKING	\$ 104,461.37
PAYROLL CHECKING	\$ 5,000.00
TOTAL RESOURCES	\$ 6,701,349.18

*

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

October 11, 2010

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 ocean effluent limitation requirements for the month of August 2010. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for CBOD and TSS were 98.3 percent and 97.4 percent, respectively, for August (as shown in Figure 1 and Figure 2).

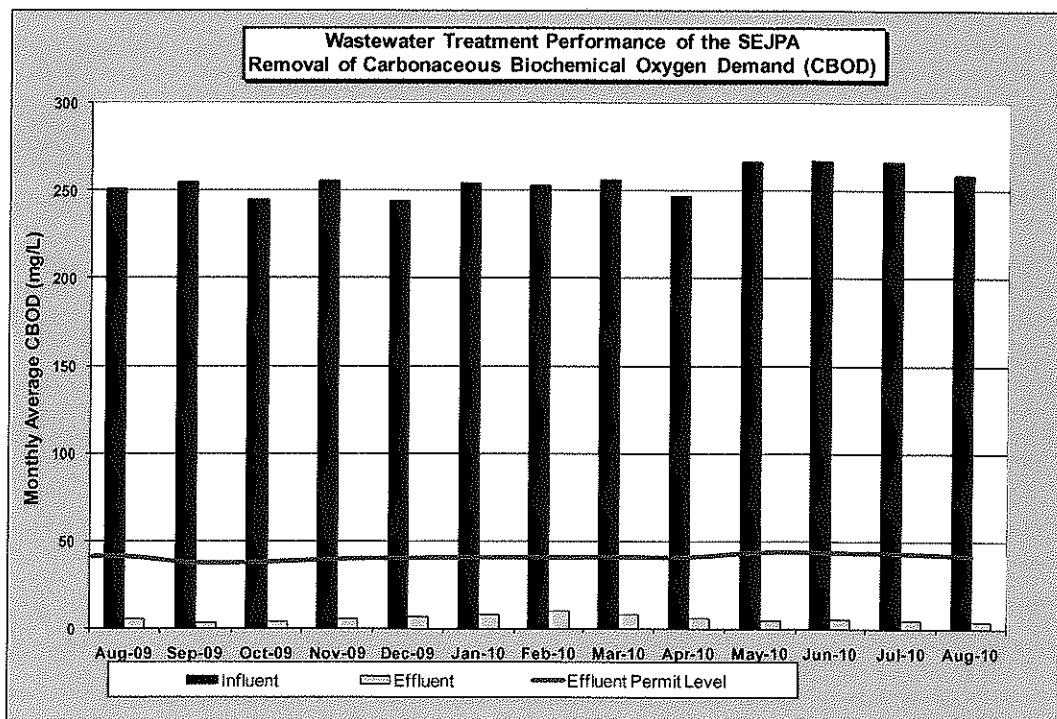


FIGURE 1

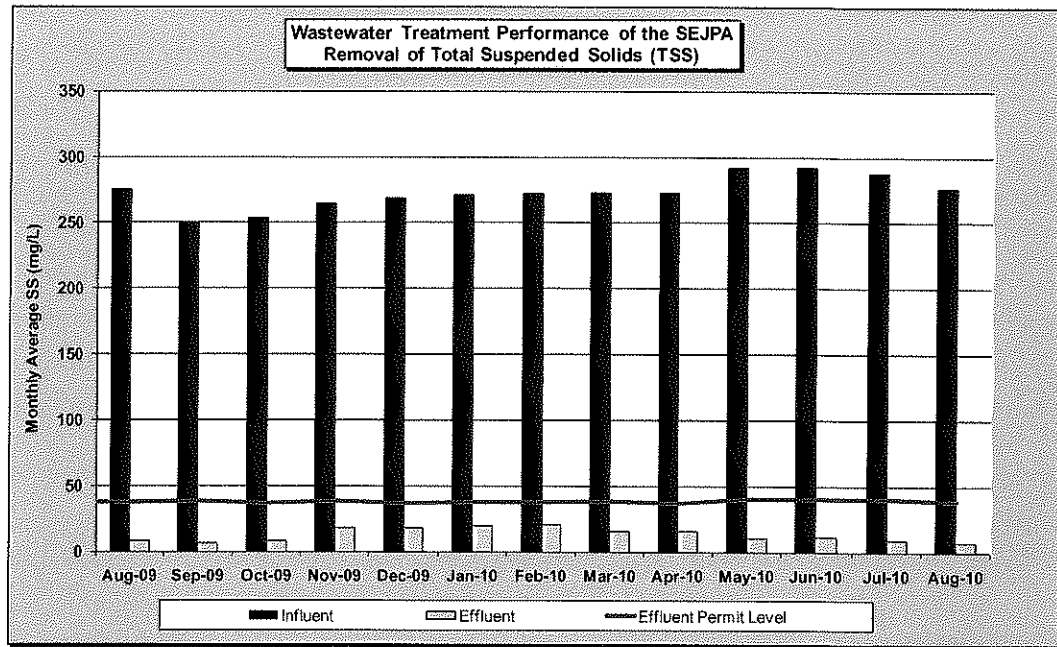


FIGURE 2

Member Agency Flows

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

	August	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.366	0.585
City of Solana Beach	1.451	0.621
Rancho Santa Fe SID	<u>0.125</u>	<u>0.053</u>
Total San Elijo WRF Flow	2.942	1.259

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.

Table 1 (attached) 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.

Figure 3 (attached) 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 in Figure 3 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 month of August:

	August (mgd)
Escondido (Average flow rate)	9.1
Escondido (Peak flow rate)	17.7

Connected Equivalent Dwelling Units

The number of EDUs connected for each of the Member Agencies for the month of August is as follows:

	August (EDU)
Cardiff Sanitary Division	8,205
Rancho Santa Fe SID	475
City of Solana Beach	7,428
San Diego (to Solana Beach)	300
Total EDUs to System	16,408

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachments: Table 1: SEWRF Monthly Report – Flows and EDUs
 Figure 3: Average Daily Flow

SAN ELIJO WATER RECLAMATION FACILITY MONTHLY REPORT - FLOWS AND EDUS

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)			AVERAGE DAILY EFFLUENT FLOW RATE (MGD)			AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)		
	CSD	RSE/CSD	TOTAL PLANT	CSD	RSE/CSD	TOTAL PLANT	CSD	RSE/CSD	TOTAL PLANT
Jan-06	1.515	0.139	1.310	1.410	0.129	1.219	8,044	423	16,126
Feb-06	1.499	0.139	1.313	1.268	0.118	1.111	8,044	423	16,126
Mar-06	1.542	0.144	1.309	1.475	0.137	1.259	8,044	424	16,127
Apr-06	1.523	0.139	1.288	1.400	0.128	1.184	8,044	424	16,196
May-06	1.480	0.134	1.299	0.979	0.089	0.859	8,066	429	16,223
Jun-06	1.471	0.130	1.350	0.762	0.068	0.699	8,080	430	16,238
Jul-06	1.490	0.135	1.436	0.719	0.065	0.693	8,087	431	16,246
Aug-06	1.456	0.144	1.392	0.748	0.074	0.715	8,088	432	16,248
Sep-06	1.403	0.138	1.327	0.744	0.072	0.704	8,092	432	16,252
Oct-06	1.414	0.132	1.286	0.868	0.086	0.857	8,092	432	16,252
Nov-06	1.408	0.135	1.284	1.100	0.105	1.003	8,094	434	16,256
Dec-06	1.429	0.138	1.275	1.296	0.126	1.156	8,099	436	16,263
Jan-07	1.419	0.128	1.282	1.205	0.109	1.089	8,100	441	16,269
Feb-07	1.425	0.129	1.277	1.284	0.116	1.150	8,106	443	16,277
Mar-07	1.421	0.118	1.285	1.014	0.085	0.917	8,112	444	16,284
Apr-07	1.386	0.122	1.267	0.868	0.076	0.794	8,115	447	16,290
May-07	1.411	0.106	1.281	0.763	0.058	0.693	8,116	448	16,294
Jun-07	1.438	0.104	1.304	0.697	0.051	0.632	8,117	449	16,294
Jul-07	1.461	0.109	1.364	0.657	0.049	0.613	8,119	450	16,297
Sep-07	1.410	0.107	1.270	0.596	0.046	0.537	8,120	450	16,298
Oct-07	1.335	0.096	1.222	0.777	0.056	0.712	8,124	452	16,303
Nov-07	1.430	0.113	1.235	1.122	0.088	0.969	8,138	453	16,318
Dec-07	1.443	0.143	1.225	1.380	0.137	1.171	8,144	453	16,324
Jan-08	1.491	0.144	1.268	1.488	0.144	1.266	8,146	454	16,327
Feb-08	1.620	0.162	1.355	1.499	0.150	1.254	8,150	456	16,334
Mar-08	1.569	0.149	1.365	1.261	0.119	1.097	8,151	456	16,335
Apr-08	1.493	0.125	1.318	1.154	0.097	1.019	8,151	456	16,335
May-08	1.487	0.136	1.339	0.755	0.069	0.680	8,153	456	16,337
Jun-08	1.649	0.131	1.270	0.952	0.052	0.880	8,161	456	16,345
Jul-08	1.713	0.131	1.324	0.722	0.055	0.658	8,163	456	16,347
Aug-08	1.562	0.125	1.483	0.608	0.048	0.577	8,165	457	16,350
Sep-08	1.547	0.121	1.378	0.813	0.064	0.724	8,167	459	16,354
Oct-08	1.478	0.111	1.319	0.671	0.051	0.599	8,170	460	16,358
Nov-08	1.511	0.118	1.329	1.080	0.084	0.950	8,171	462	16,361
Dec-08	1.580	0.156	1.362	1.446	0.143	1.246	8,172	462	16,362
Jan-09	1.522	0.141	1.354	1.256	0.116	1.117	8,177	462	16,367
Feb-09	1.599	0.145	1.330	1.408	0.128	1.249	8,179	462	16,367
Mar-09	1.510	0.124	1.307	1.030	0.085	0.892	8,180	463	16,369
Apr-09	1.463	0.116	1.262	0.731	0.058	0.630	8,183	463	16,374
May-09	1.465	0.117	1.247	0.712	0.057	0.606	8,185	464	16,377
Jun-09	1.479	0.115	1.319	0.712	0.056	0.635	8,185	465	16,378
Jul-09	1.437	0.109	1.376	0.589	0.045	0.573	8,186	467	16,381
Aug-09	1.431	0.113	1.419	0.603	0.047	0.598	8,186	467	16,381
Sep-09	1.404	0.108	1.346	0.690	0.053	0.661	8,187	468	16,383
Oct-09	1.375	0.108	1.332	0.744	0.058	0.721	8,187	468	16,383
Nov-09	1.366	0.111	1.323	0.843	0.069	0.816	8,189	469	16,386
Dec-09	1.401	0.127	1.322	1.149	0.104	1.084	8,193	469	16,390
Jan-10	1.532	0.155	1.372	1.271	0.128	1.138	8,196	472	16,396
Feb-10	1.487	0.148	1.382	1.371	0.136	1.274	8,197	474	16,399
Mar-10	1.455	0.145	1.398	1.108	0.110	1.064	8,198	474	16,400
Apr-10	1.451	0.137	1.391	1.058	0.100	1.014	8,198	474	16,400
May-10	1.379	0.128	1.385	0.672	0.063	0.675	8,201	474	16,403
Jun-10	1.437	0.122	1.453	0.650	0.055	0.657	8,202	474	16,404
Jul-10	1.375	0.119	1.466	0.694	0.061	0.740	8,204	475	16,407
Aug-10	1.366	0.125	1.451	0.585	0.053	0.621	8,205	475	16,408

TABLE 1

CSD: Carlsbad Sanitary Division
RSE/CSD: Ranch Santa Fe Community Service District
SB: Solana Beach
EDU: Equivalent Dwelling Unit

ASSUMPTIONS: SB average flow includes San Elijo Hills flow of .131 mgd
SB Connected EDUs includes 300 EDUs for the City of San Diego

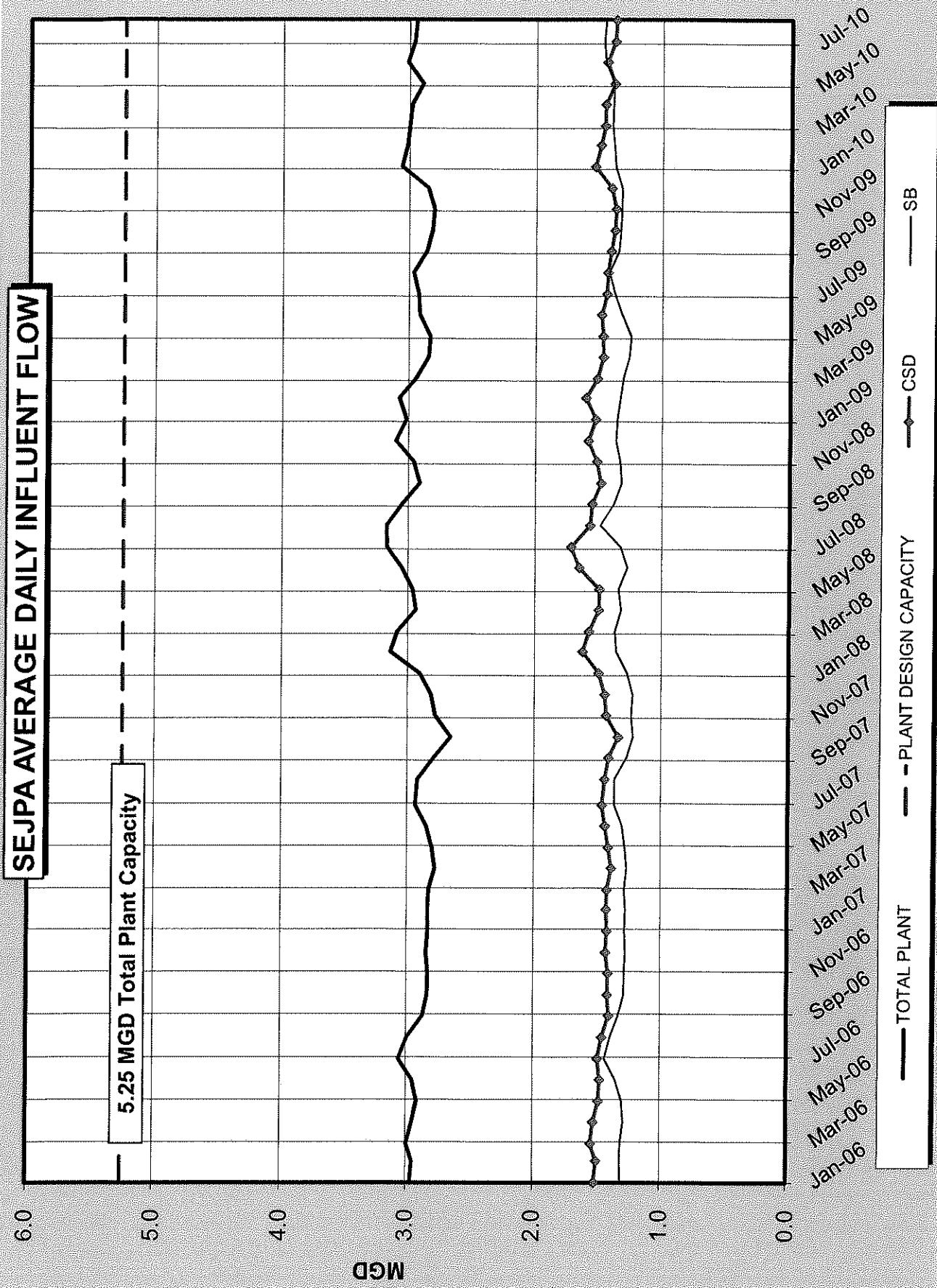


FIGURE 3

*

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

October 11, 2010

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 August 2010, recycled water demand was 151.07 acre-feet (AF), which was met using 148.02 AF of recycled water and 3.05 AF of supplementation with potable water. This equates to a blend mix for August of 98.0 percent recycled water and 2.0 percent potable water supplementation.

Figure 1 (attached) provides monthly supply demands for recycled water over the last five years. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning the last ten 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.

Respectfully submitted,


Michael T. Thornton, P.E.
General Manager

MONTHLY RECYCLED WATER DEMAND

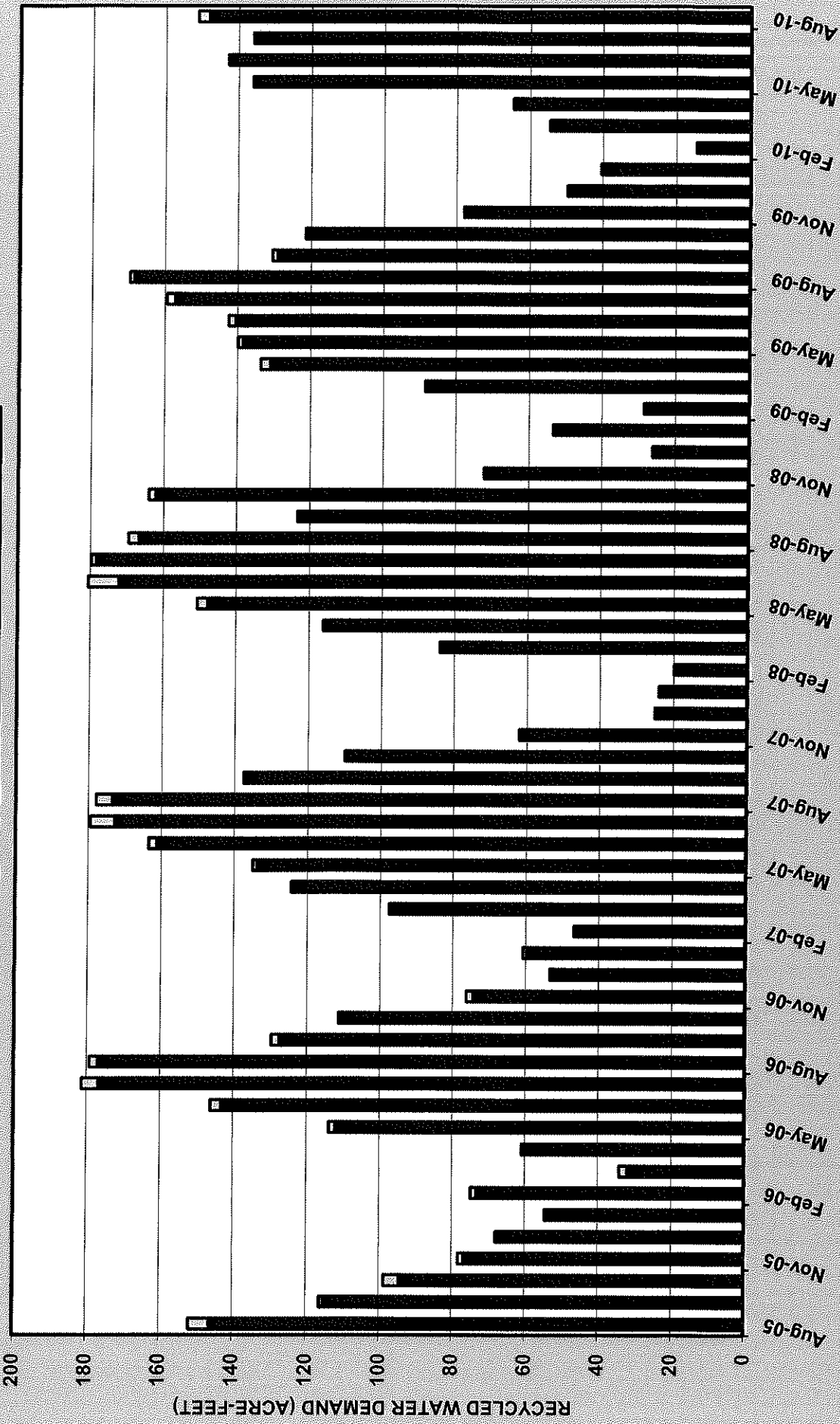


Figure 1

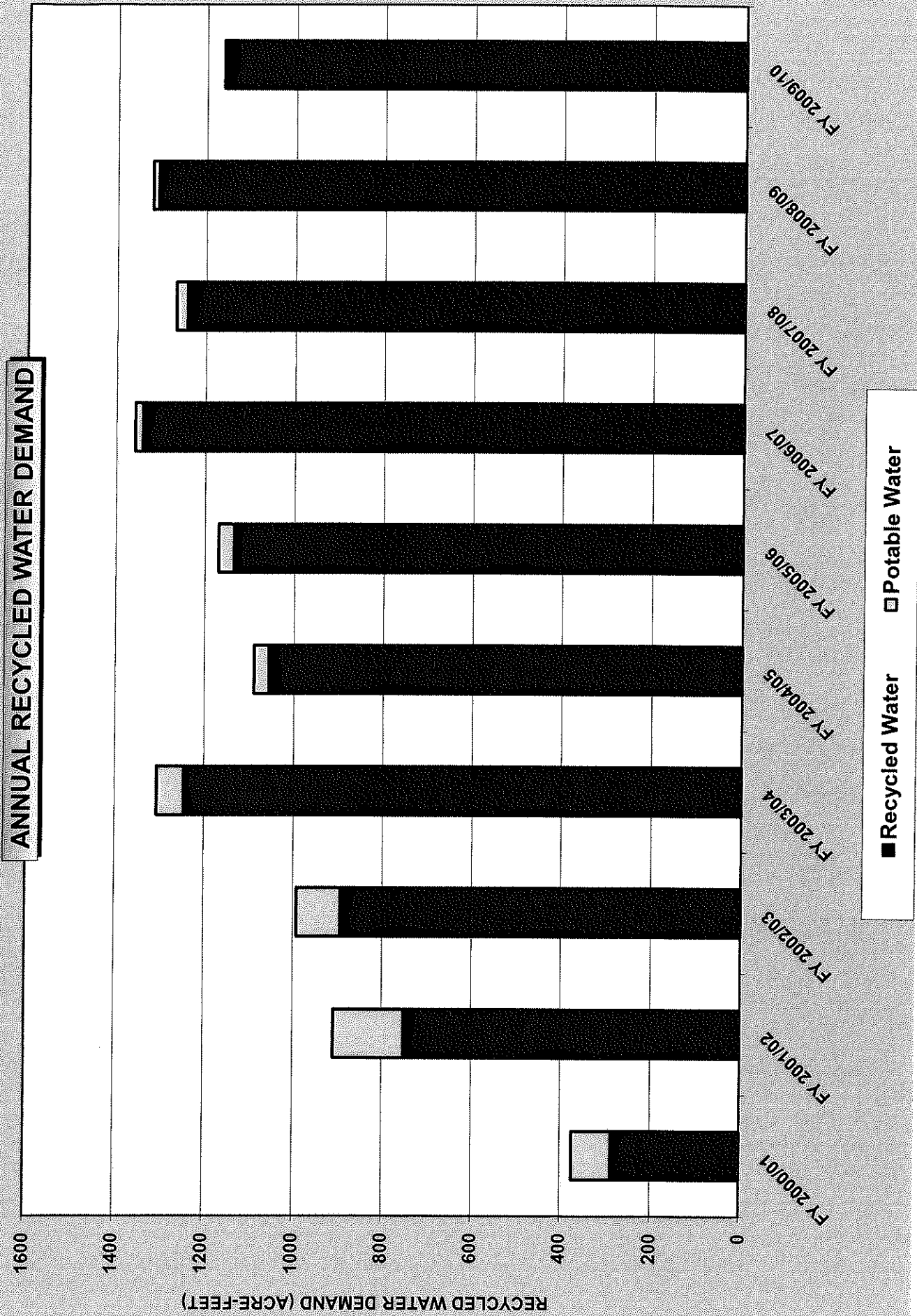


Figure 2

*

AGENDA ITEM NO. 11

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

October 11, 2010

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: DIGESTER NO. 4 CLEANING PROJECT REPORT

RECOMMENDATION

No action required. This memorandum is for information only.

DISCUSSION

The San Elijo Water Reclamation Facility has four anaerobic digesters, three of which are in full-time operation. The anaerobic digesters receive concentrated solids from the treatment process and convert the organic material to methane and carbon dioxide, thereby reducing the amount of solids that are trucked off-site for disposal. Inorganic material that cannot be broken down collects in the bottom of the digester and must be removed during regular cleaning cycles every 5 to 10 years. Digester No. 4 was last cleaned in the spring of 2005 and in April 2010 SEJPA staff noticed that the bottom outlet piping appeared to be clogged. Attempts to back flush the piping system were unsuccessful and so the decision was made to remove the digester from service for cleaning.

Staff solicited bids from reputable digester maintenance companies to remove and dispose of the sludge within the digester tank, provide a thorough cleaning of the tank, and unclog the outlet piping. Staff received only one bid for performing the work. The bid had a base price of \$135,750 for the removal of 125,000 gallons of sludge from the digester and included other cost adders that would be determined in the field.

Staff rejected the contractor's bid and determined that the SEJPA had the resources to complete the project with in-house staff augmented by specialty service providers. Staff did an outstanding job completing the project in a competent and cost-effective manner. The total project cost was \$60,300, which is savings of more than \$75,000 over the bid by an outside contractor. Furthermore, this cost included several minor repairs to the digester that were completed during the emptying and cleaning of the tank. Repairs to the digester included lining-system repairs, sludge piping repairs, and digester hot water re-circulation piping repairs. Also, the gas-mixing manifold inside the digester was removed by crane for cleaning, inspection, and re-coating. Inspection of the digester and ancillary components indicated the need for spot repairs, but overall the digester was in satisfactory condition. Staff also took this

opportunity to add the digester temperature controls to the SCADA system and replace outdated equipment.

No action required. This memorandum is for information only.

Respectfully submitted,

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

Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

October 11, 2010

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: THE NORTH SAN DIEGO COUNTY COOPERATIVE DEMINERALIZATION PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

DISCUSSION

In an effort to maximize the regional impact of the advanced water treatment project, the SEJPA has partnered with the Olivenhain Municipal Water District (OMWD) and the San Elijo Lagoon Conservancy to create the North San Diego County Cooperative Demineralization Project.

The project goals are to (1) create sustainable and diverse local water supplies, (2) provide salinity and nutrient management to the North County coastal region, (3) address existing high TDS issues in recycled water (which is currently in excess of basin plan requirements), (4) divert urban runoff and first flush storm water from the San Elijo Lagoon, a 303(d)-listed water body, (5) divert urban runoff and first flush storm water at the Seascape storm drain (Solana Beach), which has a chronic history exceeding REC-1 water quality bacterial standards, and (6) reduce wastewater discharge to the Pacific Ocean. The North San Diego County Cooperative Demineralization Project will accomplish these goals through the following four elements:

- Construction of an advanced recycled water treatment facility at the San Elijo Water Reclamation Facility (SEWRF);
- Construction of storm water diversion structures in Encinitas & Solana Beach (redirecting flows to the SEWRF);
- Monitoring of the water quantity and quality at the San Elijo Lagoon; and
- Preparation of a feasibility study for an OMWD brackish groundwater desalination facility in north San Diego County.

While each project partner will collaborate on all project elements, each partner has primary responsibility for individual elements of the project. The SEJPA has primary responsibility for the construction of the advanced recycled water treatment facility at the SEWRF. This project

element includes the construction of a 560 acre feet per year microfiltration/reverse osmosis treatment system, which will increase treatment capacity of the SEWRF to 3,231 AFY and allow the SEJPA to accept high-TDS flows, including urban runoff. Additionally, the SEJPA will partner to OMWD to identify operational and maintenance efficiencies with desalination facilities, explore infrastructure synergies with OMWD, construct on-site urban runoff diversion structures, help coordinate City of Solana Beach and City of Encinitas urban runoff projects, and partner with the San Elijo Lagoon Conservancy to monitor the water quality of the San Elijo Lagoon.

FINANCIAL IMPACT

The planning level cost estimate for the North San Diego County Cooperative Demineralization Project is \$5.6 to 7.5 million, for which each project partner is responsible for their share. The majority of the project cost is for the design and construction of the SEJPA Advanced Water Treatment System, estimated approximately \$5 million. Currently, the SEJPA Recycled Water Program has contributed approximately \$950,000 to this effort with the remaining funding being sought through a low interest loan provided by the Clean Water State Revolving Fund.

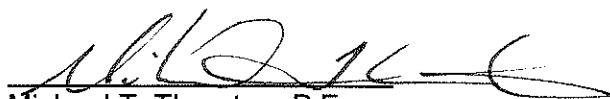
Furthermore, SEJPA has submitted the North San Diego County Cooperative Demineralization Project for grant consideration through the San Diego Integrated Regional Water Management (IRWM) program for Proposition 84 funding. The project has been accepted and rated as one of the highest ranked projects for the region. The San Diego IRWM program is recommending a grant of \$1.05 million for this project. If the project is ultimately awarded grant monies by the California Department of Water Resources, the SEJPA can expect approximately \$700,000 in grant monies towards the Advanced Water Treatment System, with the remaining grant monies to be spread among the remaining project elements.

As condition for receiving grant funding through this program, the SEJPA is required to adopt a resolution stating its endorsement of the San Diego IRWM Plan. The San Diego IRWM Plan can be viewed at the following link: <http://www.rmewater.com/clients/sdirwmp/plan.html>. At the November 2010 SEJPA Board meeting, staff will present for Board consideration a resolution of support for the San Diego IRWM Plan.

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

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

October 11, 2010

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CALIFORNIA STATE REVOLVING FUND (SRF) LOAN APPLICATION
AUTHORIZATION FOR RECYCLED WATER DEMINERALIZATION PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Review resolutions required by the State of California State Water Resources Control Board;
2. Take resolutions to Member Agencies for review and action; and
3. Discuss and take action, as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) has identified high total dissolved solids (TDS) levels in the recycled water as a potential threat to the program. The source of the TDS is a combination of higher TDS levels in the local potable water supply, brackish ground water infiltration in to the sanitary sewer collection system, and the use of salt-based water softeners by businesses and residences within the SEJPA service area.

Over the last three years, the SEJPA has received written letters from the San Diego Regional Water Quality Control Board (attached) for Discharge Specification violations for high TDS concentrations in the recycled water. These letters state that *“possible further enforcement action by the San Diego Water Board, including administration enforcement orders, requiring cease and desist from violations, or to clean up waste and abate existing or threatened conditions of pollution or nuisance; administrative assessment of civil liability in amounts of up to \$5,000 per day per violation; referral to the State Attorney General for injunctive relief; and referral to the District Attorney for criminal prosecution.”*

To mitigate the risk of further violation to the agency, a recycled water demineralization facility is recommended and is currently being designed. This facility has an estimated cost of \$5 million and will result in flexibility to control TDS levels to below the San Diego Regional Board basin plan requirements.

Currently, the SEJPA completed the conceptual planning and preliminary design of this project, as well as completed the California Environment Quality Act (CEQA) determination process.

DISCUSSION

The State Water Resources Control Board (SWRCB) administers the Clean Water State Revolving Fund loan program that provides low interest loans to public agencies for construction of wastewater and recycled water capital projects.

As part of the SRF application process, the SEJPA Board of Directors must approve resolutions to authorize the application, Attachment 1; adopt a reimbursement resolution, Attachment 2; and dedicate a source of revenue to repay the loan, Attachment 3. The first attachment establishes the SEJPA project representative and authorizes the loan agreement. The second attachment states that the SEJPA will reimburse the State Water Resources Control Board and that the loan proceeds will be spent on the project agreed upon. The third resolution, "Dedicating Certain Revenues for the Repayment of State Revolving Fund (SRF) Financing from the State Water Resources Control Board" requires the Member Agencies to guarantee repayment of the loan with recycled water rates, recycled water financial incentives from Municipal Water District and San Diego County Water Authority, and sewer rates if the recycled water program cannot make the payment. In essence, this resolution establishes that the Member Agencies are cosigning for the recycled water loan. The Member Agencies' City Councils will need to review and approve this commitment, prior to the SEJPA Board of Directors adopting this resolution.

FISCAL IMPACT

If these resolutions are adopted, the SEJPA could recognize savings of \$590,000 over the life of the loan, as compared to other traditional loan options investigated by staff.

RECOMMENDATION

It is therefore recommended that the Board of Directors:

1. Review resolutions required by the State of California State Water Resources Control Board;
2. Take resolutions to Member Agencies for review and action; and
3. Discuss and take action, as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Letters from the San Diego Regional Water Quality Control Board

Attachment 2: Resolution No. 2011-02, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Authorizing Application/Authorized Representative Resolution

Attachment 3: Resolution No. 2011-03, Reimbursement Resolution.

Attachment 4: Resolution No. 2011-04, Dedicating Certain Revenues for the Repayment of State Revolving Fund (SRF) Financing from the State Water Resources Control Board

ATTACHMENT 1



Linda S. Adams
Secretary for
Environmental Protection

California Regional Water Quality Control Board San Diego Region

Over 50 Years Serving San Diego, Orange, and Riverside Counties
Recipient of the 2004 Environmental Award for Outstanding Achievement from USEPA



Arnold Schwarzenegger
Governor

9174 Sky Park Court, Suite 100, San Diego, California 92123-4353
(858) 467-2952 • Fax (858) 571-6972
[http:// www.waterboards.ca.gov/sandiego](http://www.waterboards.ca.gov/sandiego)

July 7, 2010

In reply refer to:
ahdai:255265

Mr. Michael Thornton
General Manager
San Elijo Joint Powers Authority
P.O. Box 1077
Cardiff by the Sea, CA 92007-7077

2010 JUL 12 AM 9:18
JOINT POWERS AUTHORITY

Dear Mr. Thornton:

**SUBJECT: REVIEW OF MONITORING REPORT FOR ORDER NO. R9-2000-0010
SAN ELIJO RECLAMATION FACILITY**

The California Regional Water Quality Control Board, San Diego Region (San Diego Water Board) has reviewed the August 2009– May 2010 monthly monitoring reports; July – September 2009, October - December 2009, January – March 2010 quarterly monitoring reports; and January – December 2009 annual monitoring report submitted by the San Elijo Joint Powers Authority in accordance with Monitoring and Reporting Program No. R9-2000-0010.

The San Diego Water Board identified the following violation of the Discharge Specifications contained in Order No. R9-2000-0010:

The 12-month average Discharge Specification A.1 for total dissolved solids, established at 1,200 milligrams per liter (mg/L), was exceeded during August 2009 with a reported value of 1,202 mg/L.

Please be aware this violation subjects you to possible further enforcement action by the San Diego Water Board, including administrative enforcement orders requiring the you to cease and desist from violations, or to clean up waste and abate existing or threatened conditions of pollution or nuisance; administrative assessment of civil liability in amounts of up to \$5,000 per day per violation;¹ referral to the State Attorney General for injunctive relief; and referral to the District Attorney for criminal prosecution.

The next monitoring report to be submitted is the April – June 2010 quarterly monitoring report due by July 30, 2010.

¹ Under authority of California Water Code section 13350.

Mr. Thornton

- 2 -

July 7, 2010

In the subject line of any response, please include the requested **"In reply refer to:"** information located in the heading of this letter. For questions pertaining to the subject matter, please contact Ms. Amanda Dai at (858) 627-3977 or adai@waterboards.ca.gov.

Sincerely,

Robert Morris

Robert Morris, P.E.
Senior Water Resource Control Engineer
Groundwater Branch

Regulatory Measure #: 374727
CIWQS Violation #: 874158



Linda S. Adams
Secretary for
Environmental Protection

California Regional Water Quality Control Board

San Diego Region

Over 50 Years Serving San Diego, Orange, and Riverside Counties
Recipient of the 2004 Environmental Award for Outstanding Achievement from USEPA

CC: ADAM



Arnold Schwarzenegger
Governor

9174 Sky Park Court, Suite 100, San Diego, California 92123-4353
(858) 467-2952 • Fax (858) 571-6972
[http:// www.waterboards.ca.gov/sandiego](http://www.waterboards.ca.gov/sandiego)

July 6, 2009

In reply refer to:
CHenning:255265

Mr. Michael Thornton, General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue, P.O. Box 1077
Cardiff by the Sea, California 92007-7077

RECEIVED
SAN ELIJO
JOINT POWERS AUTHORITY
2009 JUL -8 AM 7:31

Dear Mr. Thornton:

**SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY
SAN ELIJO WATER RECLAMATION FACILITY**

The California Regional Water Quality Control Board, San Diego Region (Regional Board) has reviewed the following monitoring reports submitted by the San Elijo Joint Powers Authority in accordance with Monitoring and Reporting Program No. 2000-10.

FREQUENCY	PERIOD	DATE RECEIVED
Monthly	December 2008	January 29, 2009
	January 2009	March 2, 2009
	February 2009	March 20, 2009
	March 2009	April 28, 2009
	April 2009	May 27, 2009
	May 2009	June 24, 2009
Quarterly	October – December 2008	January 29, 2009
	January-March 2009	April 28, 2009
Annual	January - December 2008	January 29, 2009

Discharge Specification A.1 prescribes a daily maximum limitation of 1,300 milligrams per liter (mg/L) for concentration of Total Dissolved Solids in the discharge of recycled water. This Discharge Specification was violated in 19 of 151 samples collected during this period on the following dates:

Date	TDS Sample Results (mg/L)	Date	TDS Sample Results (mg/L)
10/12-13/2008	1,344	2/15/2009	1,326
11/16-17/2008	1,336	2/16/2009	1,366
12/21-22/2008	1,322	2/17/2009	1,346
1/24/2009	1,308	2/19/2009	1,526
1/24/2009	1,308	2/20/2009	1,392
1/25/2009	1,452	2/21/2009	1,398
2/11/2009	1,330	2/22/2009	1,522
2/12/2009	1,346	2/23/2009	1,374
2/13/2009	1,354	2/24/2009	1,318
2/14/2009	1,350		

The Regional Board urges you to take adequate measures to prevent further violations of Order No. 2000-10. Pursuant to the California Water Code, any violation of waste discharge requirements is subject to potential enforcement action(s) by the Regional Board including a time schedule order, cease and desist order, cleanup and abatement order, imposition of an administrative civil liability, referral to the district attorney for criminal prosecution, or referral to the attorney general. Administrative civil liability amounts that may be imposed by the Regional Board under authority pursuant to California Water Code Sections 13350, either on a daily basis not to exceed five thousand dollars (\$ 5,000) for each day the violation occurs, or on a per gallon basis, not to exceed ten dollars (\$ 10) for each gallon of waste discharged.

The comments on the reports referenced above are as follows:

1. Footnote 4 to Discharge Specification A.1 states: *The 12-month average concentration of the discharge shall not exceed the lesser of 1,200 mg/l or the imported water supply concentration plus an incremental increase equal to the typical incremental increase added to the water supply which has been used for domestic purposes.* Although water supply testing is not required by Monitoring and Reporting Program No. 2000-10, a comparison would be worthwhile of the 12-month average TDS concentration of the discharge with the water supply TDS concentrations reported by the local water supply agency. Please include such an assessment in the next quarterly report.
2. The January-March 2009 quarterly report did not include an assessment of compliance with the maximum 12-month average limitations. Footnote 1 to Discharge Specification A.1 states: *The 12-month average effluent limitation shall apply to the arithmetic mean of the results of monthly averages of all samples collected during the previous 12 months.* Please include such an

Ms. Michael Thornton
San Elijo Water Reclamation Facility

- 3 -

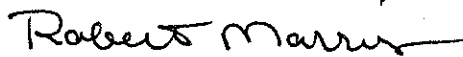
July 6, 2009

assessment in the subsequent quarterly monitoring reports. The Regional Board would consider a request for a modification of the 12-month running average requirement to an annual average based upon calendar year if the calculation is cumbersome or confusing.

The heading portion of this letter includes a Regional Board code number noted after "In reply refer to." In order to assist us in the processing of your correspondence please include this code number in the heading or subject line portion of all correspondence and reports to the Regional Board pertaining to this matter.

If you have any questions regarding the above, please contact Cathryn Henning at (858) 636-3161 or at email chenning@waterboards.ca.gov.

Respectfully,



ROBERT MORRIS
Senior Water Resource Control Engineer
Ground Water Branch



Linda S. Adams
Secretary for
Environmental Protection

California Regional Water Quality Control Board San Diego Region

Over 50 Years Serving San Diego, Orange, and Riverside Counties
Recipient of the 2004 Environmental Award for Outstanding Achievement from USEPA



Arnold Schwarzenegger
Governor

9174 Sky Park Court, Suite 100, San Diego, California 92123-4353
(858) 467-2952 • Fax (858) 571-6972
[http:// www.waterboards.ca.gov/sandiego](http://www.waterboards.ca.gov/sandiego)

ORIGINAL

February 18, 2009

Mr. Michael T. Thornton, P.E.
General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
P.O. Box 1077
Cardiff by the Sea, CA 92007-7077

In reply refer to:
CIWQS:255265:Jbrockman

RECEIVED
SAN DIEGO
JOINT POWERS AUTHORITY
2009 FEB 23 AM 8:51

SUBJECT: Violations of Order No. 2000-10
DISCHARGER: San Elijo WRF

Dear Mr. Thornton

You are hereby notified of the following violations of Order No. 2000-10. The violations were identified upon review of the monthly monitoring reports for June 2008, July 2008, August 2008, September 2008, October 2008, and November 2008; and the quarterly reports for April – June 2008, and July – September 2008.

1. Failure to comply with Discharge Specification A.1 of Order No. 2000-10

BASIS FOR ALLEGED VIOLATION:

- a. Whereas Discharge Specification A.1 states that the TDS daily maximum concentration shall not exceed 1300 milligrams per liter (mg/L), the effluent concentrations were exceeded on July 4, 2008 (1364 mg/L), July 5, 2008 (1388 mg/L), July 6, 2008 (1326 mg/L), July 11, 2008 (1336 mg/L), August 13, 2008 (1416 mg/L), August 27, 2008 (1338 mg/L), and September 24, 2008 (1324 mg/L).

Pursuant to the California Water Code, any violation of waste discharge requirements is subject to potential enforcement action(s) by the California Regional Water Quality Control Board, San Diego Region (Regional Board) including a time schedule order, cease and desist order, cleanup and abatement order, imposition of an administrative civil liability, referral to the district attorney for criminal prosecution, or referral to the attorney general. Administrative civil liability amounts that may be imposed by the Regional Board under authority of Water Code section 13350(c) include the sum of \$5,000 per day, and up to \$10 per gallon for each gallon of waste discharged.

Mr. Michael T. Thornton, P.E.
General Manager
San Elijo Joint Powers Authority

- 2 -

February 18, 2009

The heading portion of this notice includes a Regional Board code number noted after "In reply refer to". In order to assist us in the processing of your correspondence please include this code number in the heading or subject line portion of all correspondence and reports to the Regional Board pertaining to this matter.

If you have any questions regarding the above, please contact Mr. Jason Brockman at (858) 627-3977 or at jbrockman@waterboards.ca.gov.

Sincerely,

Robert Mavis

for

Julie Chan, P.G.
Supervising Engineering Geologist
Ground Water Basins Branch

JC:RM:jb

Regulatory Measure ID	147513
Place ID	255265
Violation ID	804779
	804780
	804781
	804782
	804783
	804784
	804785

ATTACHMENT 2

RESOLUTION NO. 2011-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF SAN ELIJO JOINT POWERS
AUTHORITY (SEJPA),
APPLICATION/AUTHORIZED REPRESENTATIVE RESOLUTION**

BE IT RESOLVED, by the Board of Directors that the General Manager is hereby authorized and directed to sign and file, for and on behalf of the San Elijo Joint Powers Authority, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board in the amount not to exceed \$4,000,000 for the planning, design, and construction of the Recycled Water Demineralization Project ;

BE IT ALSO RESOLVED, that the San Elijo Joint Powers Authority hereby agrees and further does authorize the aforementioned representative or his/her designee to certify that the Agency has and will comply with all applicable state and federal statutory and regulatory requirements related to any financing or financial assistance received from the State Water Resources Control Board; and

BE IT FURTHER RESOLVED, that the General Manager or his/her designee of the San Elijo Joint Powers Authority is hereby authorized to negotiate and execute a financial assistance agreement from the State Water Resources Control Board and any amendments or change orders thereto and certify financing agreement disbursements on behalf of the San Elijo Joint Powers Authority.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors of the San Elijo Joint Powers Authority held on this _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Maggie Houlihan, Chairperson
SEJPA Board of Directors

ATTEST:

Michael T. Thornton, P.E.
Secretary of the Board

ATTACHMENT 3

RESOLUTION NO. 2011-03

REIMBURSEMENT RESOLUTION

WHEREAS, the San Elijo Joint Powers Authority (the "Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines, and other infrastructure (the "Project");

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board);

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations");

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$4,000,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

AYES:

NOES:

ABSENT:

ABSTAIN:

Maggie Houlihan, Chairperson
SEJPA Board of Directors

ATTEST:

Michael T. Thornton, P.E.
Secretary of the Board

ATTACHMENT 4

RESOLUTION NO. 2011-04

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN ELIJO JOINT POWERS AUTHORITY (SEJPA), SAN DIEGO COUNTY, CALIFORNIA, DEDICATING CERTAIN REVENUES FOR THE REPAYMENT OF STATE REVOLVING FUND (SRF) FINANCING FROM THE STATE WATER RESOURCES CONTROL BOARD

WHEREAS, the State Water Resources Control Board (SWRCB) offers funding to assist local agencies with the construction of recycled water distribution facilities;

WHEREAS, the Board of Directors of the SEJPA has approved the Recycled Water Demineralization project for the implementation to facilitate use of recycled water and to comply with permit limitations; and

WHEREAS, SEJPA has applied for financial assistances from SWRCB, and SEJPA has been awarded for such financial assistances by the SWRCB for the design and construction of the Recycled Water Demineralization Project.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of SEJPA that revenue from the Metropolitan Water District of Southern California (MWD) derived from mutual obligations under the Local Project Program Agreement regarding the SEJPA Recycled Water Program is hereby pledged and dedicated to the repayment of State Revolving Fund (SRF) financing for water recycling projects;

BE IT ALSO RESOLVED, by the Board of Directors that SEJPA that revenue from the San Diego County Water Authority (SDCWA) derived from mutual obligations under the Local Project Program Agreement regarding the SEJPA Recycled Water Program is hereby pledged and dedicated to the repayment of State Revolving Fund (SRF) financing for water recycling projects;

BE IT ALSO RESOLVED, by the Board of Directors that SEJPA hereby pledge and dedicate revenue from the Contracting Agencies (water purveyors), derived from the wholesale transactions associated with the sale of recycled water to Contracting Agencies through the Water Reclamation System for beneficial reuse;

BE IT ALSO RESOLVED, by the Board of Directors that SEJPA hereby pledge and dedicate additional revenue from the SEJPA Member Agencies' sewer rates, if the revenue from the MWD LPP/LRP Agreement, SDCWA agreement and the recycled water revenues are, for any reason, insufficient to meet the annual SRF financing repayment obligation; and

BE IT ALSO RESOLVED, by the Board of Directors that these dedicated sources of revenue shall remain in effect throughout the term of such financing unless modification or change of such dedication is approved in writing by the SWRCB.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors held on this _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Maggie Houlihan, Chairperson
SEJPA Board of Directors

ATTEST:

Michael T. Thornton, P.E.
Secretary of the Board

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

October 11, 2010

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WHOLESALE PRICING OF RECYCLED WATER BY THE SAN ELIJO JOINT
POWERS AUTHORITY

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) operates a recycled water utility that wholesales recycled water to three water purveyors; Santa Fe Irrigation District (SFID), San Dieguito Water District (SDWD), and the City of Del Mar. These purveyors in turn retail the recycled water to customers within the cities of Encinitas, Del Mar and the SFID service area. The SEJPA owns the entire recycled water infrastructure system including treatment, storage and distribution facilities, and pipelines. The water districts own the recycled water meter that measures the customer's usage, provides customer billing, and other administrative services.

The SEJPA incurred more than \$16 million in debt constructing the recycled water infrastructure and the repayment of this debt makes up about half of the program's annual expense. The program debt is in the form of a State Revolving Fund (SRF) loan with a balance of \$7.9 million and an internal debt to the SEJPA Member Agencies (cities of Encinitas and Solana Beach) of \$5.2 million. The SRF loan is scheduled to be paid off in 10 years. The SEJPA will begin payments to the Member Agency internal loans in 2017, with the intent of repaying the entire debt in 10 years.

The infrastructure debt was financed based on wholesale water agreements with SFID, SDWD, and the City of Del Mar. These agreements establish the basis of cost for the recycled water and include a minimum water volume that each water district agrees to purchase. For SDWD, the minimum water volume is 700 acre-feet per year (AFY); SFID's minimum is 393 AFY; and the City of Del Mar's minimum is 150 AFY. These types of agreements are commonly known as "take or pay" agreements. Of these agreements, only SFID has been able to consistently meet or exceed its contract volume. The agreements set the wholesale

price of recycled water purchased from SEJPA at 85% of the potable water rate, which is set by each District. The agreements all have a twenty-year term with an expiration date of 2016.

In 2009, SEJPA hired Winzler & Kelly to update the Financial Assessment of the Recycled Water Program to determine the means to pay for required capital improvements to reduce the total dissolved solids levels in the recycled water. Various pricing and sales strategies were outlined in the report, all of them assuming a 5% increase in water rates going forward. Additionally, all of the assumptions anticipated a sales volume of at least 1,300 AFY, the current sales volume at the time.

At the September 2010 SEJPA Board meeting, two of SFID's largest recycled water customers addressed the SEJPA Board regarding the cost of recycled water and SFID's proposed 12% rate increase. They asked SEJPA to consider a lower increase that could be passed along to the customer by SFID. SEJPA staff subsequently met with both customers and with SFID staff to discuss solutions to the recycled water cost issue.

DISCUSSION

Currently, SFID is considering a proposed 12% annual rate increase on their potable water system for each of the next three years. This proposed rate increase will be considered by the SFID Board at the public hearing on October 21, 2010. Under the terms of the recycled water agreement, the SEJPA is permitted an equal rate increase for the recycled water. SFID has submitted a letter (attached) requesting the SEJPA consider not increasing the recycled water rate in calendar year 2011. SFID has indicated that if the wholesale recycled water rates are not increased, then they in turn would not increase the recycled water retail rates to the customer.

Staff has carefully reviewed this request and finds that although SEJPA's operating costs have stabilized, planned capital improvements will increase future revenue needs. These improvements, which will address high salinity in the recycled water, are not optional as they are needed to achieve permit compliance for total dissolved solids (TDS) in the recycled water. Therefore, staff does not recommend delaying construction of these improvements. Each District increased the water rate by approximately 12% in 2010 and there are plans to increase the rate by another 12-13% effective January 1, 2011 so the increases are above the Winzler & Kelly assumptions in the financial model.

Also, further complicating the financial impacts of this proposal is an unexpected decrease in recycled water use over the last year. The drop in usage was approximately 200 AF which equates to roughly \$290,000 in revenues that the program did not receive. Cooler temperatures, water conservation messaging, and the increasing cost of recycled water were likely factors for changing usage habits. In speaking with several large irrigation customers, the increased cost of recycled water was the primary reason for their reduction in use, coupled with a decrease in their business.

Staff concludes that it may be feasible for the SEJPA to accept a smaller rate increase over one to two years if this was coupled to a guaranteed purchase volume increase. For example, if SFID would commit to purchasing 520 AF in FY 2010-11 and 550 AF in FY 2011-12, then it is likely the SEJPA could commit to taking a 5% rate increase in January 2011 and January 2012, as opposed to the 12% increase currently proposed. This option may be feasible for SFID as the district currently uses approximately 500 AFY and has identified several large users that could be converted from potable to recycled water over the next 12 months. Furthermore, if both SEJPA and SFID pursue these pricing changes, then the recycled water rate to the SFID

customers could drop to below 80% of potable water by 2012, which might be more of an incentive for new customers.

FINANCIAL IMPACT

Staff has reviewed this proposed wholesale pricing restructure with SFID and concluded that accepting a 5% recycled water rate increase for calendar year 2011 and 2012 could be beneficial if it is coupled with increased water purchases. Staff proposes that for FY 2010-11 the new purchase volume be 520 AFY and for FY 2011-12 the purchase volume be 550 AFY. This proposal is roughly revenue neutral to the SEJPA when compared to 12% rate increases coupled with a slight reduction in recycled water sales.

SEJPA staff has also been working with SDWD and Del Mar to address recycled water use issues in those service areas. Each recycled water customer has its own unique set of circumstances, challenges, and opportunities. It is recommended that staff continue working with SFID, SDWD, and Del Mar to develop new long-term contracts that meet the needs of each agency.

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: Santa Fe Irrigation District Letter, Dated September 22, 2010, Requesting Future Rate Increase Relief.

ATTACHMENT

Santa Fe Irrigation District



September 22, 2010

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

Mike
Dear Mr. Thornton:

I'd like to take this opportunity to follow up on our recent discussion regarding the potential extension of the existing Agreement for the Sale of Reclaimed Water (Agreement) between the San Elijo Joint Powers Authority (Authority) and the Santa Fe Irrigation District (District). This letter communicates two proposals for your consideration. First, building upon the success of the recycled water program in place today, the District has an interest in securing a reliable supply of recycled water for our western service area (primarily located in the City of Solana Beach). To that end, I propose that the Authority and District initiate drafting of Principles of Understanding that could serve as the basis for a subsequent agreement that would take the place of the current Agreement which runs through 2016.

The District is currently considering proposed water rate increases, and the issue of the retail price of recycled water has been raised by our recycled water customers during the public review and comment period. After reviewing recycled water program financial information provided by the Authority and discussing with you the current pricing structure, it appears that the current pricing methodology may no longer be necessary to ensure full cost recovery for the Authority. In short, indexing the wholesale water purchase price to the price of potable irrigation water may no longer be applicable, particularly as potable water costs increase due to exogenous factors that do not affect the production/delivery of recycled water. While I anticipate pricing would certainly be a future point of discussion in the process of assessing a long term agreement, it is also an immediate concern to the District as we consider current water rate increases. This leads to the District's second proposal.

In accordance with Section 11: Price of Reclaimed Water of the Agreement, the District requests that the purchase price be adjusted, effective January 1, 2011. This proposed adjustment would consist of maintaining the current price as opposed to an automatic increase equal to the proposed potable water increase, which would also be effective January 1, 2011. This proposal is predicated on the fact that the cost of recycled water produced and delivered by the Authority is not escalating as dramatically as that of potable water. Recent potable water rate increases, combined with the District exceeding its "take or pay" purchase quantity by over 100 acre feet per year over the past several years have resulted in significant increases in revenue to the Authority, solidifying the financial viability of the recycled water program.

This proposal would mitigate the impact of potable water rate increases on recycled water customers, avoiding the possibility of reduced usage of recycled water solely because of cost. In addition, if acceptable to the Authority, this proposal provides a period of time to "bridge" to a potential new long term agreement that would meet the needs of both agencies.

On October 21, 2010, the District will be conducting a Public Hearing to consider a water rate proposal that includes an increase in the price of recycled water. I would appreciate a response to the above request prior to October 15, 2010 in order to allow time for District staff to address this matter at the October 21, 2010 Public Hearing.

Thank you for your continued cooperation and assistance. I look forward to hearing from you regarding the District's proposals.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Bardin", with a long horizontal flourish extending to the right.

Michael J. Bardin
General Manager