

**AGENDA**  
**SAN ELIJO JOINT POWERS AUTHORITY**  
**MONDAY JULY 11, 2016 AT 9:00 AM**  
**SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM**  
**2695 MANCHESTER AVENUE**  
**CARDIFF BY THE SEA, CALIFORNIA**

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1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS (NON-ACTION ITEM)
5. PRESENTATION OF AWARDS  
  
None
6. \* **CONSENT CALENDAR**
7. \* APPROVAL OF MINUTES FOR THE JUNE 13, 2016 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. \* SAN ELIJO JOINT POWERS AUTHORITY UPDATED EMPLOYEE HANDBOOK
12. \* CONSIDERATION OF APPROVAL OF RESOLUTION 2017-01, ENTITLED “RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT POWERS AUTHORITY IMPLEMENTING AN EMPLOYER-EMPLOYEE ORGANIZATIONS RELATIONS RESOLUTION”
13. \* SAN ELIJO OCEAN OUTFALL – STATE OF CALIFORNIA LAND LEASE RENEWAL NO. PRC 3228.96
14. \* 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

### 15. RECYCLED WATER COST OF SERVICE AND PROPOSED WHOLESALE RATE INCREASE

1. Review the Raftelis Financial Consultants Recycled Water Rate Review and Update; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

### 16. CLOSED SESSION

The Board will adjourn to Closed Session to discuss item(s) identified below. Closed Session is not open to the public; however, an opportunity will be provided at this time if members of the public would like to comment on any item listed below. (Three minute limit.) 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".

A closed session will be held per Government Code Section 54957, Public Employee Performance Evaluation: General Manager.

### 17. CONSIDERATION OF GENERAL MANAGER COMPENSATION PER CURRENT EMPLOYMENT AGREEMENT

1. Discussion and possible action to update the method of calculating the General Manager's compensation;
2. Discussion and possible action to ratify approval of General Manager's bonus for FY 2015-16; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

### 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. ADJOURNMENT

A Special Board Meeting is scheduled for Tuesday, July 12, 2016 at 8:30 a.m. at Encina Wastewater Authority.

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, September 12, 2016 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](http://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: July 6, 2016



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

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON JUNE 13, 2016  
AT THE  
SAN ELIJO WATER RECLAMATION FACILITY

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Catherine Blakespear, Chair

Ginger Marshall, Vice Chair

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A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, June 13, 2016, 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

Vice Chair Marshall called the meeting to order at 9:00 a.m.

2. ROLL CALL

*Directors Present:*

Ginger Marshall  
Mark Muir  
David Zito

*Directors Absent:*

Catherine Blakespear

*Others Present:*

General Manager  
Director of Operations  
Director of Finance & Administration  
SCADA Manager  
Associate Engineer  
Administrative Assistant/Board Clerk

Michael Thornton  
Christopher Trees  
Paul Kinkel  
Casey Larsen  
Michael Konicke  
Jennifer Basco

*SEJPA Counsel:*

Procopio, Cory, Hargreaves & Savitch

Tracie E. Stender  
Terri Gibbs

*City of Solana Beach:*

City Manager  
Director of Engineering/Public Works

Greg Wade  
Mohammad "Mo" Sammak

*City of Encinitas:*

Director of Engineering and Public Works  
Public Works Management Analyst

Glenn Pruum  
Bill Wilson

*Encina Wastewater Authority*

General Manager  
Administrative Services Manager

Michael F. Steinlicht  
Leeann Warchol

3. PLEDGE OF ALLEGIANCE

Vice Chair Marshall led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

The General Manager informed the Board of Directors that Casey Larsen was selected as the 2015 Electrical/Instrumentation Person of the Year Award by the California Water Environment Association.

6. CONSENT CALENDAR

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

Motion carried with unanimous vote of approval.

Agenda Item No. 7	Approval of Minutes for the May 9, 2016 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
Agenda Item No. 11	Request for Consent to Joint Legal Representation
Agenda Item No. 12	Professional Services Contract for Encinitas Ranch Recycled Water Expansion Project

13. ITEMS REMOVED FROM CONSENT CALENDAR

None

14. ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY (SEJPA) FISCAL YEAR 2016-17 BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF TREASURER

General Manager Thornton reported that the Recommended Budget for FY 2016-17 was presented publicly to both Member Agencies and other government agencies that receive services by the SEJPA. There were no comments or requested changes to the proposed budget.

Mr. Thornton also stated that Staff is not recommending any changes to the SEJPA's investment policy and recommended that the appointment of Paul F. Kinkel as SEJPA Treasurer be continued for FY 2016-17.

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

1. Adopt Resolution No. 2016-08, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2016-17; and
2. Adopt Resolution No. 2016-09, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Paul F. Kinkel as SEJPA Treasurer.

Motion carried with the following vote of approval:

AYES: Marshall, Muir, and Zito  
NOES: None  
ABSENT: Blakespear  
ABSTAIN: None

15. CALPERS UNFUNDED ACTUARIAL LIABILITY

Paul Kinkel, Director of Finance and Administration stated that the SEJPA participates in CalPERS' Miscellaneous Risk Pool for its defined benefit retirement program. The SEJPA employee pension fund was 74% funded as of June 30, 2013. In May 2015, the Board of Directors authorized the SEJPA to apply positive budget variance to the Unfunded Actuarial Liability (UAL) for FY 2014-15 which was \$125,000. Based on the most recent CalPERS actuarial (June 2014), the SEJPA employee pension is now 79% funded, an improvement of 5%.

Mr. Kinkel next informed the Board of Directors that the SEJPA anticipates completing FY 2015-16 under budget. To promote fiscal responsibility, Staff recommends further reducing the unfunded liability through the use of unspent budgeted operational funds. This will both reduce the unfunded liability and help avoid future interest cost. The current forecast for positive budget variance is estimated to be in excess of \$100,000. By prepaying an estimated \$100,000, the SEJPA will avoid approximately \$24,000 in future interest payments.

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

1. Authorize the General Manager to apply positive FY 2015-16 Budget variances to the CalPERS Unfunded Actuarial Liability.

Motion carried with the following vote of approval:

AYES: Marshall, Muir, and Zito  
NOES: None  
ABSENT: Blakespear  
ABSTAIN: None

16. GRAND JURY REPORT – NORTH SAN DIEGO WATER REUSE COALITION

General Manager Thornton stated that the San Diego County Grand Jury is tasked with investigating the operations of governmental programs of the County, cities, and special districts therein. Mr. Thornton informed the Board Members that he and Kim Thorner, General Manager of Olivenhain Municipal Water District, were called to testify in front of the Grand Jury on behalf of the North San Diego Water Reuse Coalition (NSDWRC). Subsequently, on May 31, 2016, the Grand Jury made public a report reviewing the NSDWRC and its efforts to expand water reuse in North County. NSDWRC efforts were characterized by the Grand Jury as a “green project” and were lauded as an “exemplary model” of local government collaboration to maximize efficiencies in providing local, drought-proof water supplies. Of note, the Grand Jury Report issued a commendation to the NSDWRC for its “voluntary, collaborative and innovative approach to enhancing the reliability and diversity of water supply.”

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

17. SAN ELIJO JOINT POWERS AUTHORITY (SEJPA) AND ENCINA WASTEWATER AUTHORITY (EWA) JOINT SUPPLIES AND SERVICES CONTRACTING

General Manager Thornton stated over the last several years, EWA and SEJPA have partnered to identify opportunities to share resources, collaborate on mutual aid, and create efficiencies to reduce costs and improve service. Recently, EWA and SEJPA have been examining opportunities to reduce costs through bulk purchasing of supplies and services. Chris Trees, Director of Operations, informed the Board Members that Staff identified two chemicals (Sodium Hypochlorite and Ferric Chloride) that are common to the operation of both agencies and that are purchased in large quantities. Staff also identified Ocean Monitoring and Water Quality services as a contract that could produce cost savings through economies of scale in conducting the work. As a result of cooperative purchasing, the SEJPA is anticipated to save approximately \$20,132 for FY 2016-17, with the potential for similar savings in FY 2017-18.

Moved by Board Member Zito and seconded by Vice Chair Marshall to:

1. Authorize the General Manager to utilize the agreement between EWA and Olin Corporation for the procurement of Sodium Hypochlorite;

2. Authorize the General Manager to enter into an agreement with Kemira Water Solutions, Inc. for the procurement of Ferric Chloride; and
3. Authorize the General Manager to enter into an agreement with EWA for the procurement of Ocean Monitoring-Water Quality Services.

Motion carried with the following vote of approval:

AYES: Marshall, Muir, and Zito  
NOES: None  
ABSENT: Blakespear  
ABSTAIN: None

18. ENCINA WASTEWATER AUTHORITY (EWA) – SAN ELIJO JOINT POWERS AUTHORITY (SEJPA) INTEGRATION PROPOSAL

General Manager Thornton stated that to date EWA and SEJPA have successfully initiated cost reduction activities and currently share human resource services, emergency response assistance, and employee leasing between the agencies. At this point, Staff is positioned to explore additional opportunities to streamline administration, lower operating costs, leverage existing infrastructure, and increase operational capabilities to generate additional revenue for the member agencies. At the Board's request, Staff researched the feasibility of EWA-SEJPA Integration and drafted a proposal outlining the process. Mr. Thornton informed the Board Members that the executive leadership teams of both agencies propose an Integration Plan that provides key actions and corresponding benefits. The plan is organized into three phases that identify clear objectives and provides adequate timelines to achieve measurable success while managing risk.

There is no substantive financial impact associated with the recommendation for a Special Board meeting to consider implementing the Integration Proposal. The financial goal of Phase I is a net saving of \$400,000 during the 18-month implementation period.

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

1. Receive and file the EWA-SEJPA Integration Proposal;
2. Authorize the General Manager to schedule a Special Board meeting with EWA to discuss and consider approval of the Integration Proposal; and

Motion carried with the following vote of approval:

AYES: Marshall, Muir, and Zito  
NOES: None  
ABSENT: Blakespear  
ABSTAIN: None



19. CONSIDERATION OF APPROVAL OF RESOLUTION 2016-10, ENTITLED "RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT POWERS AUTHORITY ADOPTING SALARY AND BENEFITS FOR FISCAL YEARS 2016-17, 2017-18, AND 2018-19"

General Manager Thornton stated that the SEJPA employees are currently operating under a 4-year labor agreement, which is scheduled to expire on June 30, 2016. Through an informal labor negotiation process, the General Manager engaged staff in preparing a new multi-year labor agreement. The employees voted to accept the proposed labor agreement on May 4, 2016. The agreement was presented to the Board of Directors for comments and direction at the May 9, 2016 Board meeting in closed session. The labor agreement is for a term of three years (fiscal years 2016-17, 2017-18, and 2018-19).

Moved by Board Member Zito and seconded by Vice Chair Marshall to:

1. Adopt Resolution No. 2016-10, Resolution Adopting the San Elijo Joint Powers Authority Salary and Benefits for Fiscal Years 2016-17, 2017-18, and 2018-19.

Motion carried with the following vote of approval:

AYES: Marshall, Muir, and Zito  
NOES: None  
ABSENT: Blakespear  
ABSTAIN: None

20. GENERAL MANAGER'S REPORT

General Manager Thornton informed the Board Members that the North San Diego Water Reuse Coalition Project has been nominated for an award for fiscal responsibility. Mr. Thornton will provide more information regarding the nomination at a future Board meeting.

21. GENERAL COUNSEL'S REPORT

None

22. BOARD MEMBER COMMENTS

None

23. CLOSED SESSION

The Board of Directors adjourned to closed session at 10:11 a.m.

Pursuant to Government Code Section 54956.9(d)(2): Potential Litigation with Caltrans; Agency Negotiator: Michael T. Thornton, General Manager.

Pursuant to Government Code Section 54957: Employee Performance Evaluation. Title: General Manager.

The Board of Directors came out of closed session at 10:22 a.m.

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

1. Approve the General Manager's merit bonus of \$5,000 for Fiscal Year 2015-16.

Motion carried with the following vote of approval:

AYES: Marshall, Muir, and Zito  
NOES: None  
ABSENT: Blakespear  
ABSTAIN: None

There was no reportable action for closed session item pursuant to Government Code Section 54956.9(d)(2): Potential Litigation with Caltrans; Agency Negotiator: Michael T. Thornton, General Manager.

24. ADJOURNMENT

The meeting adjourned at 10:24 a.m. The next Board of Directors meeting will be held on July 11, 2016.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

**SAN ELIJO JOINT POWERS AUTHORITY****PAYMENT OF WARRANTS****16-07****For the Month of June 2016**

<b>Warrant #</b>	<b>Vendor Name</b>	<b>G/L Account</b>	<b>Warrant Description</b>	<b>Amount</b>
33036	Aflac	EE Deduction Benefits	Aflac - June	627.96
33037	Ag Tech, LLC	Services - Biosolids Hauling	May	13,124.40
33038	All American First Aid & Safety	Supplies - Shop & Field	Boots	40.99
33039	Applied Industrial Tech.	Repair Parts Expense	Brushable ceramic blue	209.79
33040	Aquatic Bioassay	Services - Laboratory	NPDES Bioassays - Kelp germination	1,040.00
33041	Susana Arredondo	CSRMA Wellness Program	Health and wellness	60.00
33042	AT&T	Utilities - Telephone	DSL - 04/20/16 - 05/19/16	105.61
33043	AT&T	Utilities - Telephone	Alarm service	402.75
33044	Atlas Pumping Service Inc.	Services - Grit & Screenings	Grit and screening; grease and scum pumping	2,317.02
33045	B & B SmartWorx, Inc.	Repair Parts Expense	Routers	523.71
33046	BankCard Center	Supplies - Office	Education, parts, and office supplies	1,324.78
33047	Barracuda Networks, Inc.	Utilities - Internet	Network back-up	50.00
33048	Brenntag Pacific, Inc.	Supplies - Chemicals	Sodium Hydroxide	675.37
33049	Calpers	Retirement Plan - PERS	Calpers	11,906.00
33050	County Burner Machinery Corp.	Services - Maintenance	UV scanner replaced; cleaned out boiler	1,497.81
33051	Chevron & Texaco Business Card	Fuel	May	505.17
33052	Coast Waste Management, Inc.	Services - Grit & Screenings	10 yard bin, roll-off	704.64
33053	Complete Office	Supplies - Office	Office supplies	139.03
33054	Corodata	Rent	Record storage - May	77.26
33055	John Young	Services - Professional	SWAP Project labor compliance	800.00
33056	Daniels Tire Corporate Admin	Vehicle Maintenance	Tires	783.68
33057	Dept. of Consumer Affairs	Dues & Memberships	License renewal	120.00
33058	Dudek & Associates	Services - Professional	SRF loan support	1,886.25
33059	EDCO Waste & Recycling Service	Utilities - Trash	May	235.97
33060	City of Encinitas	Service - IT Support	Admin network - June	2,500.00
33061	Escondido Metal Supply	Repair Parts Expense	Repair parts	329.51
33062	Global Capacity	Utilities - Internet	T-1 service - June	296.03
33063	Hach Company	Supplies - Lab	Laboratory supplies	1,693.07
33064	Harbor Freight Tools	Minor Equip - Shop & Field	Tools	653.62
33065	Hardy Diagnostics	Supplies - Lab	Laboratory supplies	474.40
33066	Harrington Industrial Plastics	Repair Parts Expense	Valve	94.49
33067	Michael Henke	CSRMA Wellness Program	Health and wellness	53.23
33068	Home Depot Credit Services	Supplies - Shop & Field	Supplies and parts	488.98
33069	Jennifer Basco	Subsistence - Travel; CSRMA	Mileage; health and wellness	105.08
33070	Konica Minolta	Services - Maintenance	Copier maintenance service	98.14
33071	The Lawton Group	Services - Intern Program	Weeks worked - 05/18/16 - 05/27/16	507.15
33072	McMaster-Carr Supply Co.	Repair Parts Expense	Wire ferrule	129.39
33073	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium Hypochlorite	3,100.55
33074	Olivenhain Municipal Water District	Rent	Pipeline rental payment	5,193.00
33075	OneSource Distributors, Inc.	Licenses	Annual software support	1,490.00
33076	Eric ORiley	Seminars/Education; CSRMA	Education/exams; health and wellness	721.75
33077	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 05/23/16 - 06/03/16	11,639.47
33078	Polydyne Inc.	Supplies - Chemicals	Clarifloc	8,569.80
33079	Preferred Benefit Insurance	Dental/Vision	Vision - June	292.60
33080	ProBuild Company, LLC	Repair Parts Expense	Caulking	104.53
33081	Procopio Cory Hargreaves	Services - Legal	General; labor and employment - May	16,387.50
33082	Raftelis Financial Consultants	Services - Professional	Cost analysis on pipeline distribution system	6,440.00
33083	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	317.25
33084	Rohan & Sons, Inc.	Services - Maintenance	Air conditioning preventive maintenance	492.35
33085	San Dieguito Water	Utilities - Water	Recycled water	9,750.08
33086	Santa Fe Irrigation District	Utilities - Water	Recycled water	1,048.40
33087	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment - May	1,248.97
33088	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 04/05/16 - 05/05/16	53,968.94
33089	Smart & Final	Supplies - Office	Kitchen supplies	78.86
33090	Christopher A. Trees	Subsistence - Travel	Meetings	73.01
33091	Trussell Technologies, Inc.	Services - Engineering	Process engineering and evaluation	3,080.00
33092	Unifirst Corporation	Services - Uniforms	Uniform service	314.99
33093	Underground Service Alert/SC	Services - Alarm	Dig alert - May	64.50
33094	Vantagepoint Transfer Agents	EE Deduction Benefits	457 - ICMA	6,428.37

**SAN ELIJO JOINT POWERS AUTHORITY****PAYMENT OF WARRANTS****16-07****For the Month of June 2016**

<b>Warrant #</b>	<b>Vendor Name</b>	<b>G/L Account</b>	<b>Warrant Description</b>	<b>Amount</b>
33095	Vantagepoint Transfer Agents	ICMA Retirement	401a - ICMA	2,860.06
33096	Verizon Wireless	Utilities - Telephone	04/11/16 - 05/10/16	221.60
33097	VWR International, Inc.	Supplies - Lab	Laboratory supplies	359.20
33098	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - June	1,505.05
33099	Abcana Industries	Supplies - Chemicals	Hydrochloric Acid	390.39
33100	All American First Aid & Safety	Supplies - Shop & Field	Nitrile blue/black gloves	321.84
33101	Applied Industrial Tech.	Repair Parts Expense	Ball bearings and flex sleeves	197.38
33102	AT&T	Utilities - Telephone	DSL - 05/10/16 - 06/09/16	105.13
33103	AT&T	Utilities - Telephone	Phone service - 05/13/16 - 06/12/16	364.97
33104	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	554.88
33105	Boot World, Inc.	Uniforms - Boots	Safety boots	77.74
33106	California State Lands Commission	Fees - Permits	Permit	3,050.53
33107	Ravy H. Chea	CSRMA Wellness Program	Health and wellness	60.00
33108	Carrie Cook	Subsistence - Travel	Mileage - seminar	8.42
33109	CS-Amsco	Repair Parts Expense	Swing check valves	1,799.46
33110	D&H Water Systems	Supplies - Chemicals	Acetate buffer	226.80
33111	Dale Kreinbring	CSRMA Wellness Program	Health and wellness	60.00
33112	DMV	Services - Other	Safety records - 05/01/16 - 05/31/16	2.00
33113	Dudek & Associates	Services - Engineering	Preliminary design - Headworks; SWAP	30,372.95
33114	Encina Wastewater Authority	Service - EWA Support	Resource sharing	151.00
33115	Evantec Lab Supply	Supplies - Lab	Tubes and buffer	275.41
33116	Forte of San Diego	Supplies - Janitorial	Supplies	322.37
33117	Gierlich Mitchell, Inc.	Repair Parts Expense	Motor and gearbox	4,810.25
33118	Harrington Industrial Plastics	Repair Parts Expense	MLD grating grit top	510.84
33119	Insight Investments, LLC	Capital Outlay	Computer and laptop	1,124.61
33120	Kennedy/Jenks Consultants	Services - Engineering	Land ocean outfall - Prelim. and final design	16,298.65
33121	Casey Larsen	CSRMA Wellness Program	Health and wellness	60.00
33122	The Lawton Group	Services - Intern Program	Week worked - 05/31/16 - 06/03/16	210.11
33123	Lee's Lock & Safe	Repair Parts Expense	Pump station locks and keys	240.80
33124	Lomas Santa Fe Country Club	Other Personnel Cost	Deposit	300.00
33125	McMaster-Carr Supply Co.	Supplies - Shop & Field	Compressible corks, flag, dust masks	227.02
33126	MetLife - Group Benefits	Dental/Vision	Dental - July	1,397.49
33127	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium Hypochlorite	3,104.40
33128	Pacific Green Landscape	Services - Landscape	June service and parts	3,237.52
33129	Pacific Pipeline Supply	Supplies - Shop & Field	Bitumastic	334.63
33130	Pacific Safety Center	Training - Safety	Confined space entry; CPR/First Aid/AED	215.00
33131	Pall Corporation	Services - Maintenance	Health check of system	7,500.00
33132	P.E.R.S.	Medical Insurance - PERS	Health - July	19,605.99
33133	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 06/04/16 - 06/17/16	11,713.83
33134	Rohan & Sons, Inc.	Services - Maintenance	Service	209.34
33135	Sparling Instruments, LLC	Repair Parts Expense	Magnetic flow meter	758.62
33136	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - July	1,538.23
33137	Test America	Services - Laboratory	Water sample testing	658.00
33138	Michael Thornton	CSRMA Wellness Program	Health and wellness	60.00
33139	Christopher A. Trees	Subsistence - Meals	Staff meeting	56.98
33140	Unifirst Corporation	Services - Uniforms	Uniform service	355.13
33141	Valley Chain & Gear, Inc.	Repair Parts Expense	V-belt	69.47
33142	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,430.08
33143	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	2,877.94
33144	Verizon Wireless	Utilities - Telephone	05/11/16 - 06/10/16	221.60
33145	Verizon Wireless	Utilities - Telephone	Cell phone service - 05/08/16 - 06/07/16	675.75
33146	WageWorks	Payroll Processing Fees	Administration and compliance fee - May	134.00
	San Elijo Payroll Account	Payroll	Payroll - 06/10/16	62,535.05
	San Elijo Payroll Account	Payroll	Payroll - 06/24/16	67,355.88
				<u>\$ 435,500.59</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Month of June 2016  
As of June 29, 2016**

PAYMENT OF WARRANTS	\$	435,500.59
Reference Number	16-07	

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.



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Paul F. Kinkel  
Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS  
AND INVESTMENT INFORMATION  
As of June 29, 2016

FUNDS ON DEPOSIT WITH	AMOUNT
<b>LOCAL AGENCY INVESTMENT FUND</b>	
<i>(MAY 2016 YIELD 0.552%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 6,632,191.66
<b>CALIFORNIA BANK AND TRUST</b>	
<i>(MAY 2016 YIELD 0.01%)</i>	
REGULAR CHECKING	\$ 250,796.72
	\$ 5,000.00
TOTAL RESOURCES	\$ 7,517,988.38

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 11, 2016

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

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

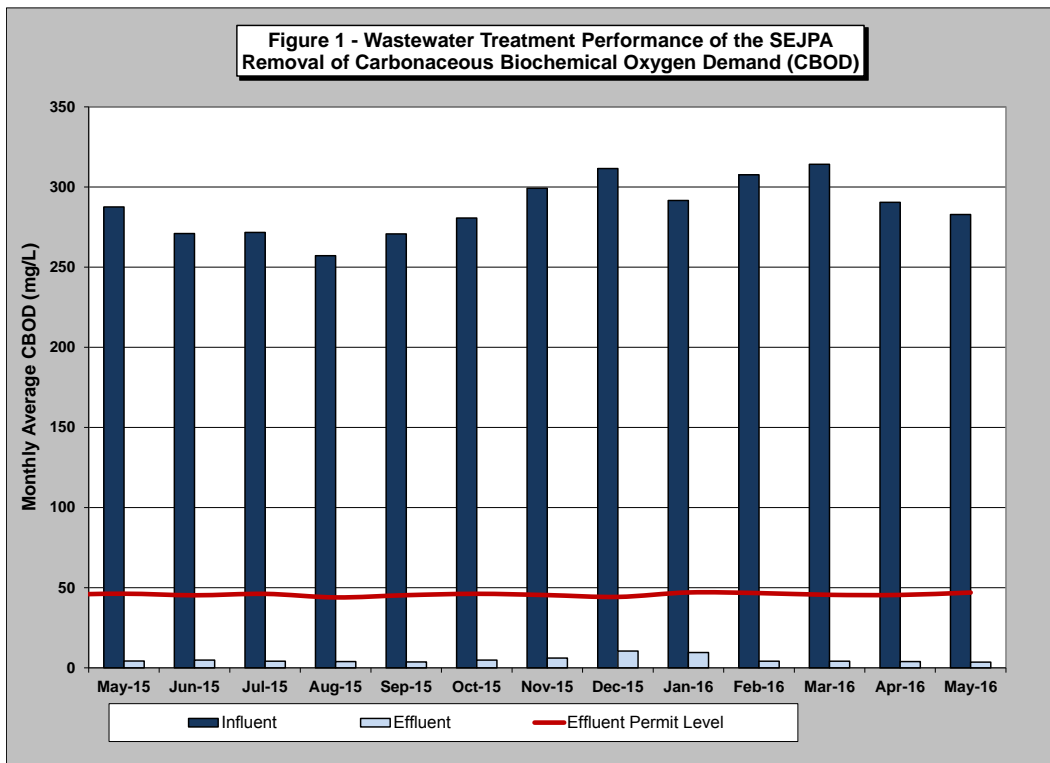
RECOMMENDATION

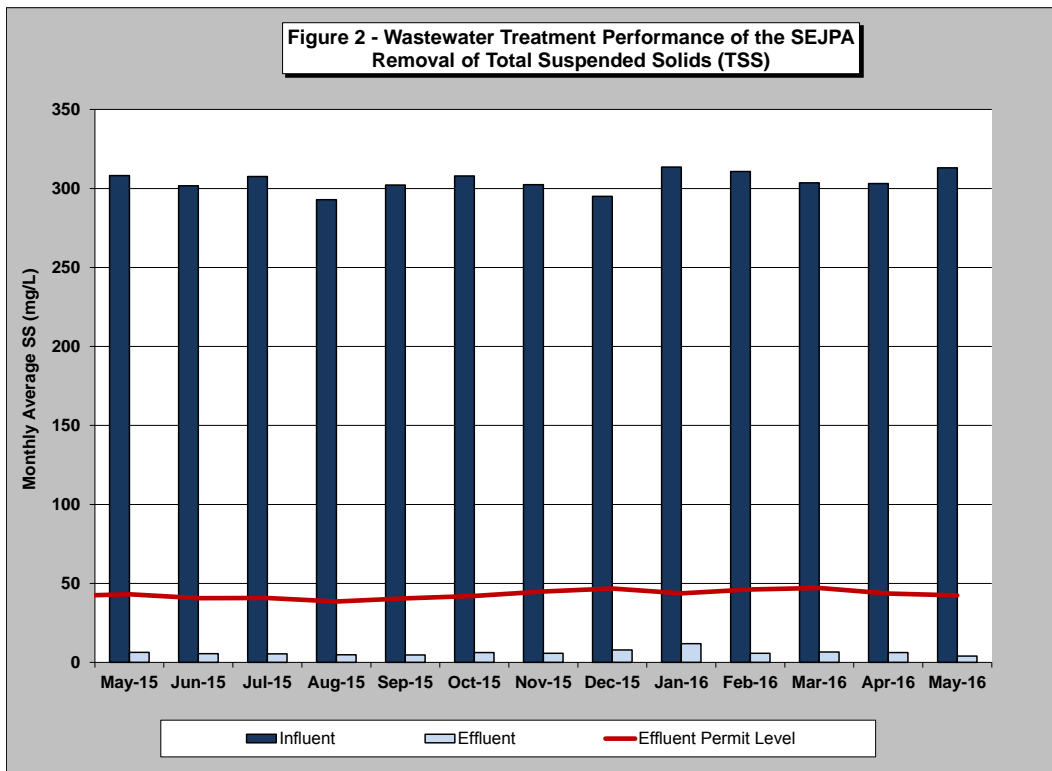
No action required. This memorandum is submitted for information only.

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 May 2016. 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. For the month of May, treatment levels for CBOD and TSS were 98.7 and 98.7 percent removal, respectively, (as shown in Figure 1 and Figure 2).





Member Agency Flows

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

	May	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.238	0.505
City of Solana Beach	1.002	0.409
Rancho Santa Fe SID	0.117	0.048
<b>Total San Elijo WRF Flow</b>	<b>2.357</b>	<b>0.962</b>

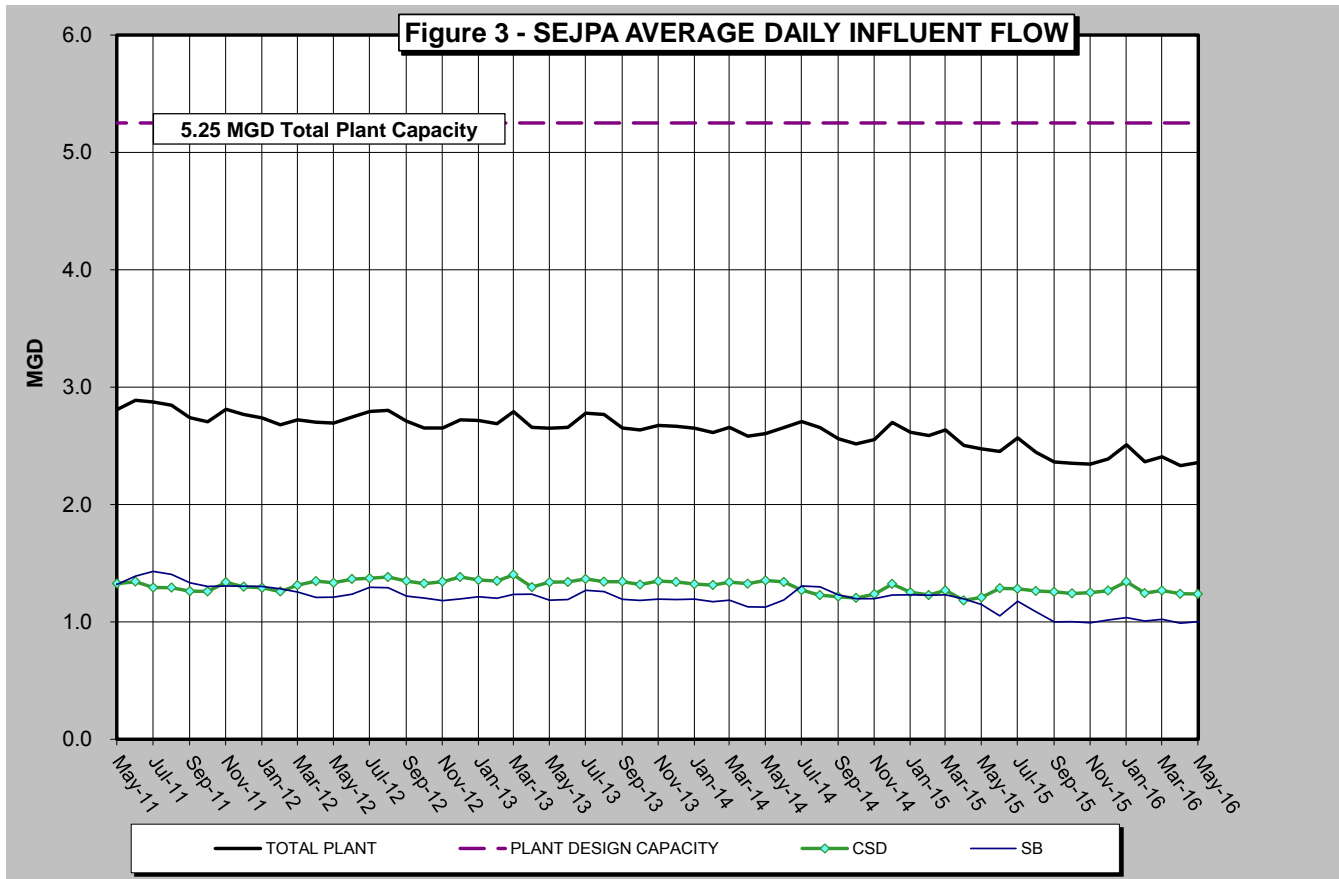
\* Effluent is calculated by subtracting the recycled water production from the influent wastewater.

Table 1 (next page) presents the historical average, maximum, and unit influent and effluent flow rates per month for each of the Member Agencies during the past 5 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time period.





Figure 3 (below) presents the 5-year 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. 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 leases 0.25 mgd.



City of Escondido Flows

The average and peak flow rate from the City of Escondido Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below. The following average flow rate and peak flow rate is reported by the City of Escondido for the month of May 2016.

	<b>Flow (mgd)</b>
Escondido (Average flow rate)	9.58
Escondido (Peak flow rate)	18.4

Connected Equivalent Dwelling Units

The City of Solana Beach updated the connected EDUs number that is reported to the SEJPA in July 2015. The City of Encinitas and Rancho Santa Fe CSD report their connected EDUs every month. The number of EDUs connected for each of the Member Agencies is as follows:

	<b>Connected (EDU)</b>
Cardiff Sanitary Division	8,389
Rancho Santa Fe SID	512
City of Solana Beach	7,666
San Diego (to Solana Beach)	337
<b>Total EDUs to System</b>	<b>16,904</b>

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 11, 2016

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO RECYCLED WATER PROGRAM – MONTHLY REPORT

RECOMMENDATION

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

DISCUSSION

*Recycled Water Production*

For the month of May 2016, recycled water demand was 144.11 acre-feet (AF), which was met using 144.10 AF of recycled water and 0.01 AF of supplementation with potable water. The distribution system was designed to use potable water during peak demand days.

The recycled water system has continued to experience low level coliform issues and another permit exceedance happened in May. System operational recommendations from the Coliform Study have been implemented and staff continues to gather data to troubleshoot the issue. Corrective actions have been implemented and staff continues to evaluate steps to increase system robustness. Staff is now considering capital improvements as recommended in the Coliform Study.

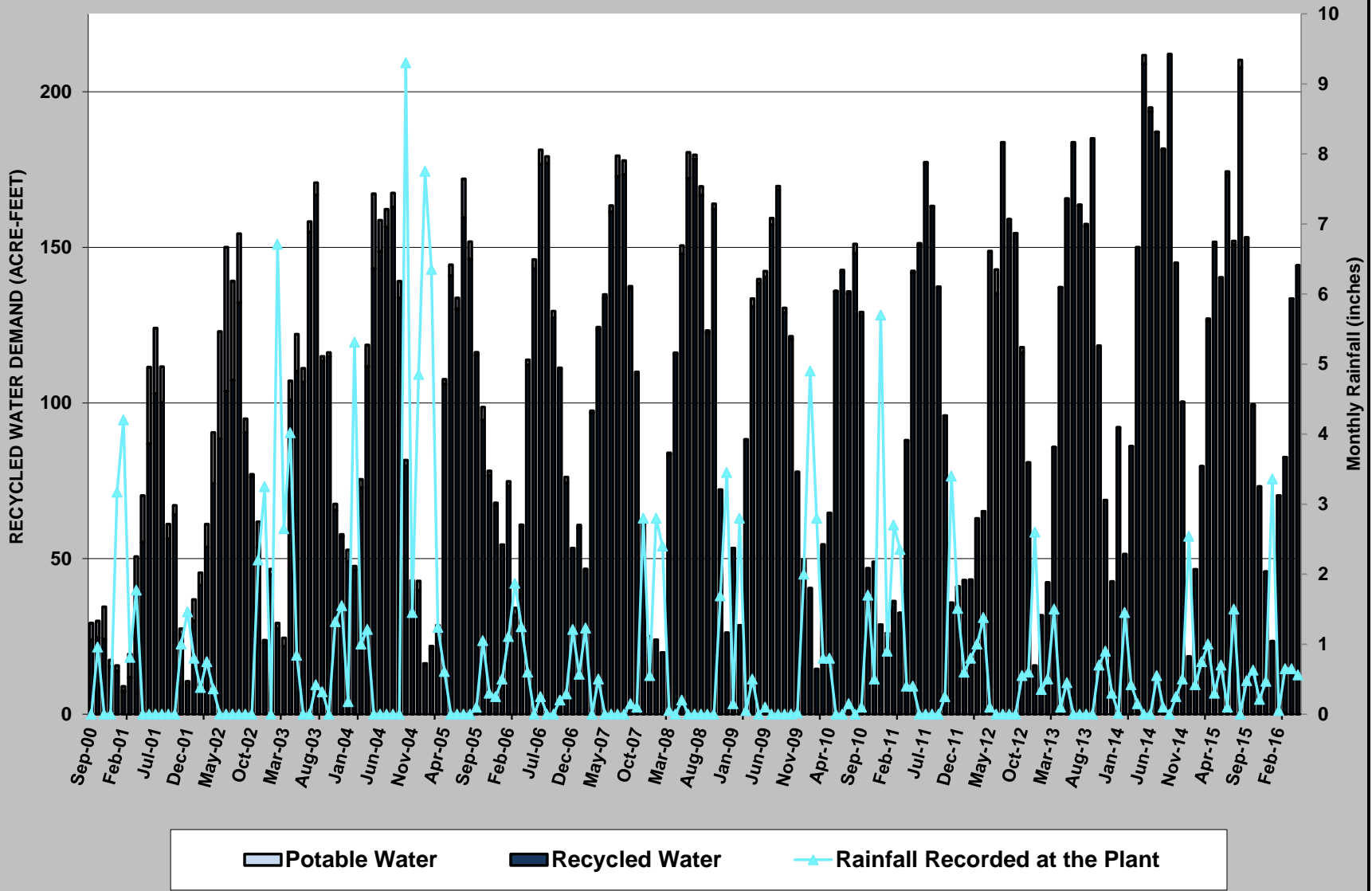
Figure 1 (attached) provides monthly supply demands for recycled water since September 2000. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning sixteen fiscal years. Figure 3 (attached) shows the monthly recycled water demand for each April since the program began operating.

Respectfully submitted,

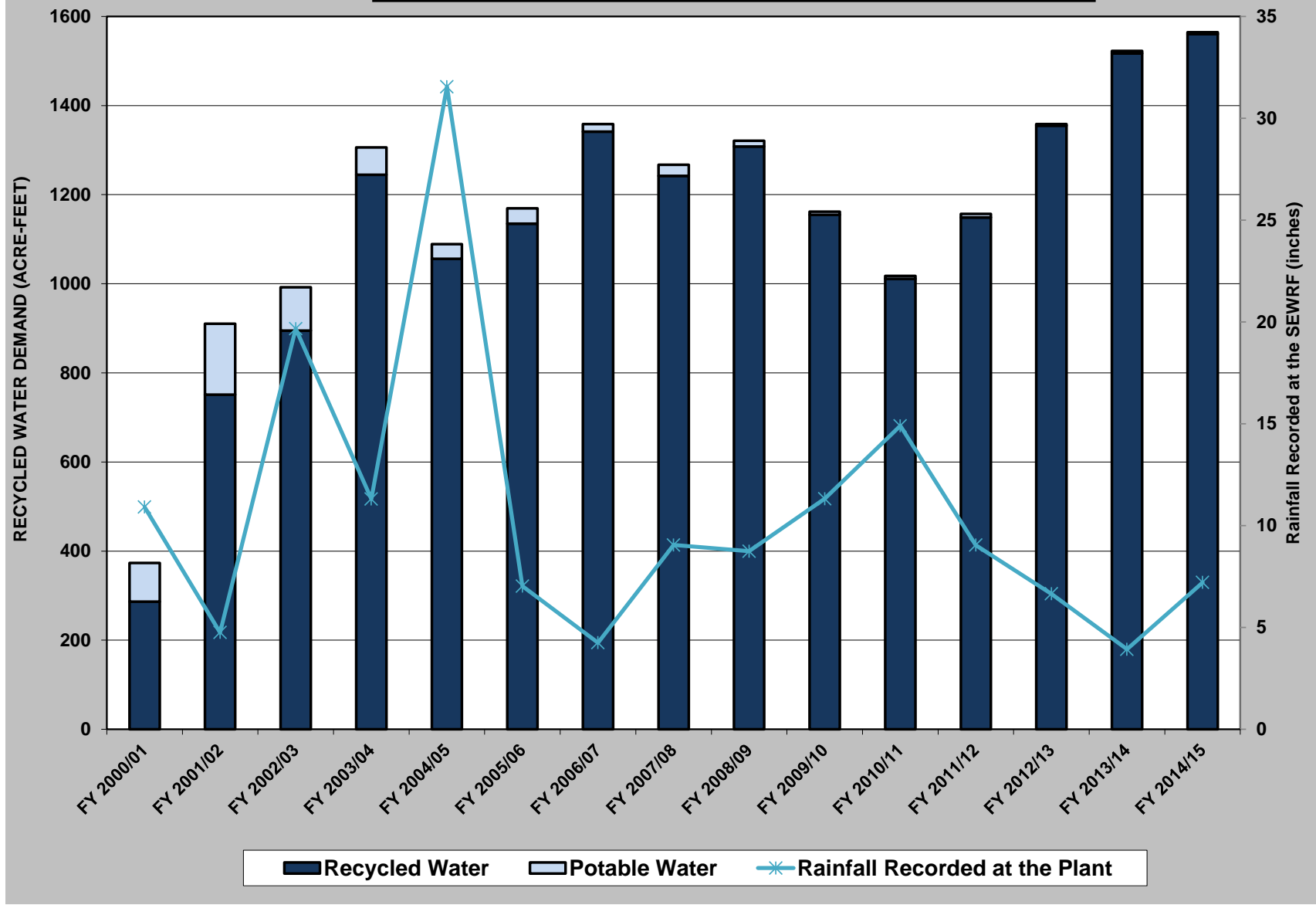


Michael T. Thornton, P.E.  
General Manager

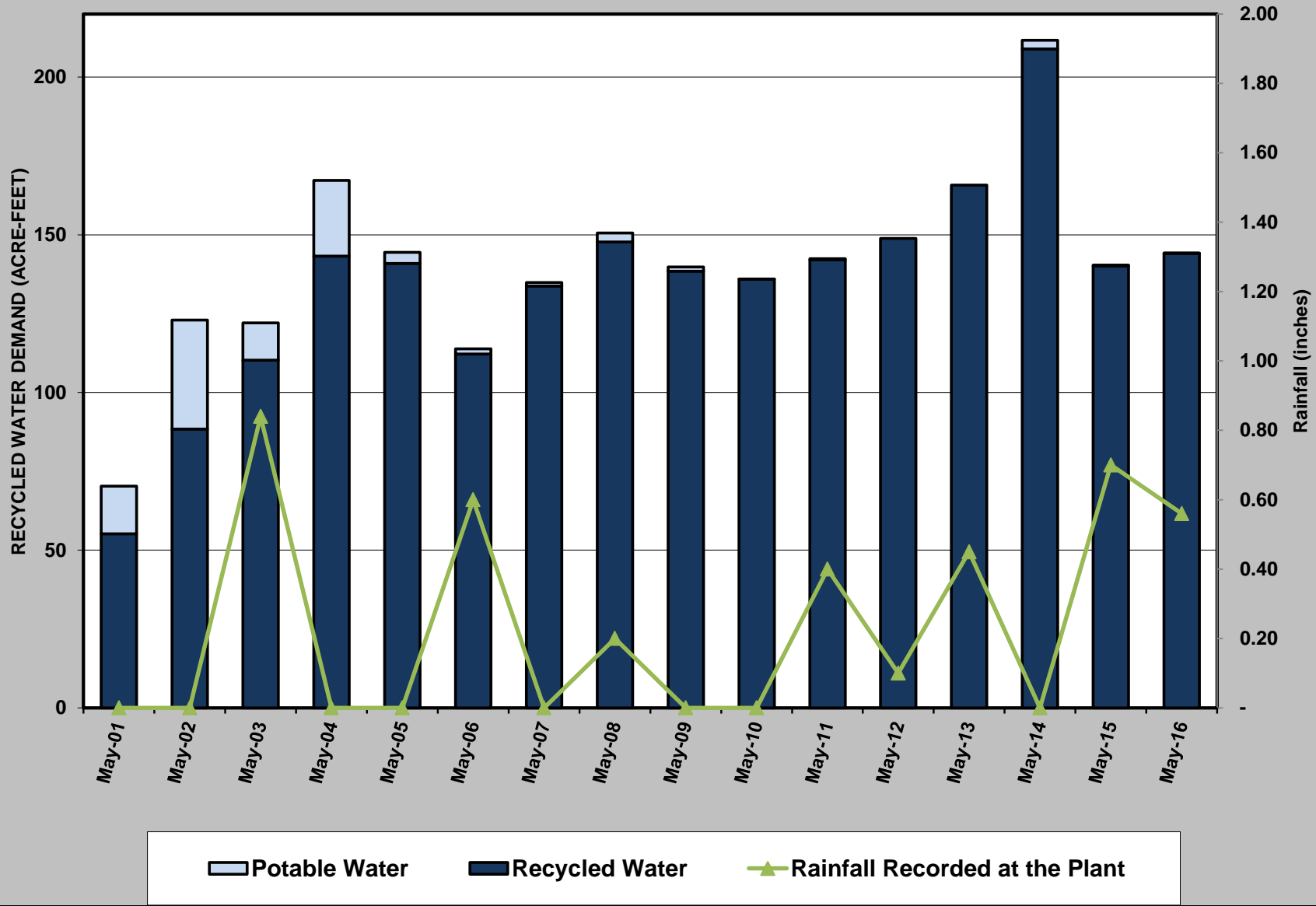
**Figure 1 - MONTHLY RECYCLED WATER DEMAND**



**Figure 2 - RECYCLED WATER DEMAND by FISCAL YEAR**



**Figure 3 - MAY RECYCLED WATER DEMAND**



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 11, 2016

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY UPDATED EMPLOYEE HANDBOOK

RECOMMENDATION

It is recommended that the Board of Directors:

1. Accept and File the Updated Employee Handbook; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) retained the services of Procopio Cory Hargreaves & Savitch, LLP ("Procopio") to update the dress code in the employee handbook. This update will provide clarification on the uniform requirement that uniforms are provided to protect the health and safety of the employees. SEJPA employees work in conditions that expose them to infectious materials and other workplace dangers. The SEJPA provides uniform and personal protective equipment to keep employees safe. SEJPA requires uniforms to remain at SEJPA facilities and not to be taken home, to prevent employees from accidentally exposing family members and others to potentially infectious materials that may be present on the uniforms. Currently, CalPERS is proposing additional pension contributions by the SEJPA for special compensation based on the value of the SEJPA uniforms (rental and laundry service). Staff does not agree with CalPERS, and has engaged Procopio to defend SEJPA's position that uniforms are a safety requirement and should not be considered employee compensation.

DISCUSSION

SEJPA's legal counsel (Procopio) reviewed the employee handbook and provided recommendations for updating the dress code section. Revisions included the requirement for certain SEJPA positions to wear an SEJPA provided uniform to perform their job duties, and that these uniforms are not to be removed from SEJPA premises or worn outside of work unless reporting on call-back duty or specifically authorized. In addition, clothing that has



become soiled or contaminated while on call-back duty should be left on site for appropriate laundering. These revisions were incorporated to address health and safety issues. It should also provide the necessary clarity to CalPERS that the uniforms are a requirement of the job and provide no value outside of the workplace.

It is, therefore, recommended that the Board of Directors:

1. Accept and File the Updated Employee Handbook; and
2. Discuss and take action as appropriate.

Respectfully submitted,



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Michael T. Thornton  
General Manager

Attachment 1: San Elijo Joint Powers Authority Employee Handbook Changes, July 2016

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## PAY ADVANCES

The SEJPA does not allow pay advances. Employees are therefore not eligible to receive paychecks in advance of their normal payday regardless of the reason for such request.

## SHOW-UP AND REPORTING PAY

Non-exempt employees who are required to report to work and work is not available and are sent home, will be paid for one-half the number of hours of the scheduled shift, but in no event less than two hours or more than four hours at their regular rate of pay. At the SEJPA's option, employees in these circumstances may be assigned to other work not normally performed by the employee, instead of being sent home.

Show-up pay provisions are not applicable under the following conditions:

- Business operations cannot commence or continue due to potentially unsafe conditions for employees or at a property.
- The interruption of work is caused by an act of God or other causes not within the SEJPA's control.
- The employee is notified in advance not to report for work.

Any employee sent home from work could supplement their hours with other earned benefit hours to make full pay.

## CALL-BACK PAY – Appendix C — Resolutions

Non-exempt employees who are called back to work outside their normally scheduled workweek and/or normally scheduled working hours, or if their normal schedule has been changed within 72-hours of the posted work schedule, will be paid at the rate of one and one-half times the employee's regular pay rate for actual time worked, or for a minimum of two hours, whichever is greater. Call-back on holidays, weekdays or weekends after midnight, and before the start of the employee's regular shift, are paid at the rate of two times the employee's regular pay rate. Since call-back time is paid at these premium rates, the time will not be included for overtime pay eligibility based on the total number of hours actually worked in the workweek.

Reasonable meal reimbursement costs will be provided to those employees called back under emergency conditions. For emergency call-back, the employees should ~~but will not be required to wear their uniform~~; however, in the event employees are unable to wear their uniform, they must wear long pants, shirt, work boots, and appropriate safety equipment necessary to resolve the problem. Clothing that has become soiled or contaminated should be left on site for appropriate laundering.

Comment [TST1]: Could this be accommodated?

Such call-back time shall include round trip travel time from the employee's residence not to exceed 60-minutes, or until their normal shift begins, whichever is the lesser. Therefore, it is necessary that employees occupying positions subject to call-back assignments respond within 30-minutes driving time of the San Elijo Water Reclamation Facility during non-peak traffic hours.

## ON-CALL/STANDBY PAY – Appendix C — Resolutions

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The success of this policy depends on the thoughtfulness, consideration and cooperation of smokers and non-smokers. All SEJPA employees are responsible for advising members of the public, or other visitors who are observed smoking or using tobacco products on SEJPA property, of the SEJPA's policy on the matter. These individuals shall be asked by staff to refrain from smoking or using tobacco products, and if the person fails to comply, the requesting staff member should then inform a member of the management staff.

## DRESS CODE

When at work, employees are expected to utilize good judgment in determining their dress and appearance. Clothing and appearance should be neat, clean, in good business taste, and not constitute a safety hazard. Attire with bare back or midriffs, tank tops, or any other revealing or extreme attire, is not appropriate.

Certain positions with SEJPA require a uniform to be worn during working hours to protect personal health and safety. Employees whose position requires a uniform cannot perform their job duties without wearing the required uniform. The uniform identifies the individuals as an employee of the SEJPA and provides health and safety protection. Uniforms should always be neat and clean. Uniforms are furnished by SEJPA are to be worn during regular working hours and employees may not remove uniforms from the premises or wear them ~~may not be worn to and or~~ from work unless reporting on call-back duty or specifically authorized.

Employees who are inappropriately dressed may be sent home and directed to return to work in the proper attire. ~~Employees that require uniforms for health and safety are required to wear such uniforms when on duty or on call.~~ Failure to adhere to this policy may result in disciplinary action including, but not limited to termination. Non-exempt employees will not be compensated for the time away from work.

**Comment [TST2]:** These employees should be captured by the term "working hours" above, correct?

## UNIFORMS – Appendix C – Resolution

### IDENTIFICATION

During new hire processing and orientation, each SEJPA employee will receive an employee identification badge with his/her photograph. The identification badge is to be worn for identification purposes when appropriate to conditions in which employee must or should show proper identification.

This badge shall be used to identify the employee as an SEJPA employee where required. If the identification badge is lost or stolen, or has had a name change, a request must be made to Human Resources for issuing a replacement identification badge. All incidents of lost or stolen badges should be reported promptly to the employee's supervisor, manager, or Human Resources for security reasons and actions.

Upon separation from the SEJPA, an employee must return his/her identification badge to Human Resources.

### USE OF TOOLS AND EQUIPMENT

When using equipment or tools in performing tasks, employees are expected to exercise care and follow all operating and maintenance instructions, safety standards, and guidelines. No employee is

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 11, 2016

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CONSIDERATION OF APPROVAL OF RESOLUTION 2017-01, ENTITLED  
“RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT  
POWERS AUTHORITY IMPLEMENTING AN EMPLOYER-EMPLOYEE  
ORGANIZATIONS RELATIONS RESOLUTION”

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2017-01, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Implementing an Employer-Employee Organizations Relations Resolution; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) is a sanitation agency that employs a non-unionized workforce of 21 employees. Core functions of the agency include wastewater treatment, water recycling treatment and distribution, remote facilities operation and maintenance, and laboratory services.

Prior to July 1, 1995, the employees of the SEJPA were provided under contract by the City of Encinitas. As part of the transition to becoming SEJPA employees, the SEJPA Board unanimously approved Resolution 95-5, which is an Employer-Employee Relations resolution. Procopio Cory Hargreaves & Savitch, LLP (“Procopio”) recently completed a review of the SEJPA Employee Handbook that includes Resolution 95-5, and has recommended that the resolution be replaced with an updated resolution that is consistent with current employment law.

DISCUSSION

Resolution 2017-01 is an Employer-Employee Organizations Relations Resolution which provides procedures for recognition of employee organizations and meeting and conferring in good faith with Recognized Employee Organizations regarding matters that directly affect and primarily involve the wages, hours and other terms and conditions of employment of

employees in appropriate units pursuant to the Meyers-Milias-Brown Act. Approval of this Resolution is an administrative update to and supersedes the original Resolution 95-5 which was adopted to officially implement SEJPA's employer-employee organizations relations policy.

It is therefore recommended that the Board of Directors:

1. Adopt Resolution No. 2017-01, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Implementing an Employer-Employee Organizations Relations Resolution; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

Attachment 1: Resolution No. 2017-01

# ATTACHMENT 1

## RESOLUTION NO. 2017-01

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT POWERS AUTHORITY IMPLEMENTING AN EMPLOYER-EMPLOYEE ORGANIZATIONS RELATIONS RESOLUTION

BE IT RESOLVED by the Board of Directors of the San Elijo Joint Powers Authority:

#### Article I - General Provisions

##### Section 1. Statement of Purpose

This Resolution implements Chapter 10, Division 4, Title 1 of the Government Code of the State of California (Sections 3500 et seq.) captioned "Local Public Employee Organizations," by providing orderly procedures for the administration of employer-employee relations between the San Elijo Joint Powers Authority (SEJPA) and its employee organizations. However, nothing contained herein shall be deemed to supersede the provisions of State law which regulate the merit system, or which provide for other methods of administering employer-employee relations through the establishment of uniform and orderly methods of communications between employees, employee organizations and the SEJPA.

It is the purpose of this Resolution to provide procedures for recognition of employee organizations and meeting and conferring in good faith with Recognized Employee Organizations regarding matters that directly affect and primarily involve the wages, hours and other terms and conditions of employment of employees in appropriate units and that are preempted by Federal or State law. However, nothing herein shall be construed to restrict any legal or inherent exclusive SEJPA rights with respect to matters of general legislative or managerial policy, which include among others: the right to determine its organization; direct the work of its employees; determine the times and hours of operation; determine the level, mean, and kinds of services to be provided; establish its policies, goals, and objectives; determine staffing patterns; determine the number and kinds of personnel required; contract out work, transfer work out of the unit; maintain the efficiency of SEJPA operations; build, move, or modify facilities; establish budget procedures and determine budgetary allocation; determine the methods of raising revenue; and take action on any matter in the event of an emergency. In addition, the SEJPA Board of Directors retains the right to hire, classify, assign, evaluate, promote, terminate, and discipline employees.

This Resolution supersedes Resolution 95-5, passed and adopted by the SEJPA Board of Directors on July 13, 1995.

#### Definitions

As used in this Resolution, the following terms shall have the meanings indicated:

- A. Appropriate Unit - a unit of employee classes or positions, established pursuant to Article II hereof.
- B. SEJPA - means the San Elijo Joint Powers Authority, and where appropriate herein, refers to the SEJPA Board of Directors or any duly authorized SEJPA representative as herein defined.

- C. Confidential Employee - an employee who, in the course of his/her duties, has access to confidential information relating to the SEJPA's administration of employer-employee relations.
- D. Consult/Consultation in Good Faith - to communicate orally or in writing for the purpose of presenting and obtaining views or advising of intended actions; and, as distinguished from meeting and conferring in good faith regarding matters within the required scope of such meet and confer process, does not involve an exchange of proposals and counter proposals with an exclusively recognized employee organization in an endeavor to reach agreement in the form of a Memorandum of Understanding, nor is it subject to Article IV hereof.
- E. Day - calendar day unless expressly stated.
- F. Employee Relations Officer - the SEJPA Manager or his duly appointed representative.
- G. Impasse - means the point at which the parties have exhausted the prospects of concluding an agreement and further discussion would be fruitless, which may be the point when the last, best, and final offer of each party has been rejected by a vote of the SEJPA Board of Directors, in the case of the SEJPA, and the general membership in the case of the Recognized Employee Organization.
- H. Management Employee - an employee having responsibility for formulating, administering or managing the implementation of SEJPA policies and programs.
- I. Proof of Employee Support - means a signed petition, authorization cards, or union membership cards that clearly demonstrate that the employee desires to be represented by the petitioning employee organization for the purpose of meeting and conferring on wages, hours and other terms and conditions of employment, and that meets the requirements of Section 61020, Title 8 of the California Code of Regulations. The only authorization which shall be considered as proof of employee support hereunder shall be the authorization last signed by an employee within the prior 12 months.
- J. Exclusively, Recognized Employee Organization - an employee organization which has been formally acknowledged by the SEJPA as the sole employee organization representing the employees in an appropriate representation unit pursuant to Article II hereof, having the exclusive right to meet and confer in good faith concerning statutorily required subjects pertaining to unit employees, and thereby assuming the corresponding obligation of fairly representing such employees.
- K. Supervisory Employee - any employee having authority, in the interest of the SEJPA, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibility to direct them, or to adjust their grievances, or effectively to recommend such action if, in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

## Article II - Representation Proceedings

### Section 2. Filing of Recognition Petition by Employee Organization

An employee organization that seeks to be formally acknowledged as the Exclusively Recognized Employee Organization representing the employees in an appropriate unit shall file a petition with the Employee Relations Officer containing the following information and documentation:

- A. Name and address of the employee organization.
- B. Names and titles of its officers.
- C. Names of employee organization representatives who are authorized to speak on behalf of its members.
- D. A statement that the employee organization has, as one of its primary purposes, the responsibility of representing employees in their employment relations with the SEJPA.
- E. A statement whether the employee organization is a chapter of, or affiliated directly or indirectly in any manner, with a local, regional, state, national or international organization, and, if so, the names and addresses of each such other organization.
- F. Certified copies of the employee organization's constitution and bylaws.
- G. A designation of not more than two persons, including their addresses, to whom notice sent by regular United States mail will be deemed sufficient notice to the employee organization for any purpose.
- H. A statement that the employee organization has no restriction on membership based on race, color, creed, sex, national origin, age, physical disability, or any other bases prohibited by applicable law.
- I. The job classifications or position titles of employees in the bargaining unit or units the employee organization wishes to represent and claims to be appropriate and the approximate number of member employees therein.
- J. A statement that the employee organization has in its possession proof of employee support as herein defined to establish that a majority of eligible employees in the appropriate bargaining unit or at least 30% of eligible employees in the case of an intervener employee organization, desire that the employee organization represent them in their employment relations with the SEJPA. Such written proof shall be submitted for confirmation to the Employee Relations Officer.
- K. A request that the Employee Relations Officer formally acknowledge the petitioner as the Exclusively Recognized Employee Organization representing the employees in the unit claimed to be appropriate for the purpose of meeting and conferring in good faith.

The Petition, including the proof of employee support and all accompanying documentation, shall be declared to be true, correct and complete, under penalty of perjury, by the duly authorized officer(s) of the employee organization executing it.



Section 3. Employee Revocation of Support

Employees who previously signed an instrument showing support of an employee organization may revoke their cards by submitting a letter to the employee organization stating that they no longer wish to be represented by the organization. The employee organization will have an affirmative obligation to provide a copy of the written revocation to the third party neutral prior to the date of the card count.

Section 4. Determination of Exclusive or Majority Representation

Proof of employee support shall be submitted to and determined by a neutral third party pursuant to the procedures set forth in California Government Code section 3507.1.

Section 5. SEJPA Response to Recognition Petition

Under receipt of the Petition, the Employee Relations Officer shall determine whether:

- A. There has been compliance with the requirements of the Recognition Petition, and
- B. The proposed representation unit is appropriate in accordance with Section 10 of this Article II.

If an affirmative determination is made by the Employee Relations Officer on the foregoing two matters, he shall so inform the petitioning employee organization, shall give written notice of such request for recognition to the employees in the unit and shall take no action on said request for thirty (30) days thereafter. If either of the foregoing matters are not affirmatively determined, the Employee Relations Officer shall offer to consult thereon with such petitioning employee organization and, if such determination thereafter remains unchanged, shall inform that organization of the reasons therefor in writing. The petitioning employee organization may appeal such determination in accordance with Section 12 of this Article II.

Section 6. Open Period for Filing Challenging Petition.

Within thirty (30) days of the date written notice was given to the affected employees that a valid recognition petition for an appropriate unit has been filed, any other employee organization may file a competing request to be formally acknowledged as the Exclusively Recognized Employee Organization of the employees in the same or overlapping unit (one which corresponds with respect to some but not all the classifications or positions set forth in the recognition petition being challenged) , by filing a petition evidencing proof of employee support in the unit claimed to be appropriate of at least thirty (30) percent and otherwise in the same form and manner as set forth in Section 3 of this Article II. If such challenging petition seeks establishment of an overlapping unit, the Employee Relations Officer shall call for a hearing on such appropriate unit, at which time the petitioning employee organizations shall be heard. Thereafter, the Employee Relations Officer shall determine the appropriate unit or units in accordance with the standards in Section 10 of this Article II. The petitioning employee organizations shall have fifteen (15) days from the date notice of such unit determination is communicated to them by the Employee Relations Officer to amend their petitions to conform to such determination or to appeal such determination pursuant to Section 12 of this Article II.

Section 7. Election Procedure.

The Employee Relations Officer shall arrange for a secret ballot election to be conducted by a party agreed to by the Employee Relations Officer and the concerned employee organization(s), in accordance with its rules and procedures subject to the provisions of this Resolution. All employee organizations which have duly submitted petitions which have been determined to be in conformance with this Article II shall be included on the ballot. The ballot shall also reserve to employees the choice of representing themselves individually in their employment relations with the SEJPA. Employees entitled to vote in such election shall be those persons employed in regular permanent positions within the designated appropriate unit who were employee during the pay period immediately prior to the date which ended at least fifteen (15) days before the date the election commences, including those who did not work during such period because of illness, vacation, or other authorized leaves of absence, and who are employed by the SEJPA in the same unit on the date of the election. An employee organization shall be formally acknowledged as the Exclusively Recognized Employee Organization for the designated appropriate unit following an election or run-off election if it received a numerical majority of all valid votes cast in the election. In an election involving three or more choices, where none of the election shall be conducted between the two choices receiving the largest number of valid votes cast; the rules governing an initial election being applicable to a run-off election.

There shall be no more than one valid election under this Resolution pursuant to any petition in a 12-month period affecting the same unit.

In the event that the parties are unable to agree on a third party to conduct an election, the election shall be conducted by the State Conciliation Services.

Costs of conducting elections shall be borne in equal shares by the SEJPA and by each employee organization appearing on the ballot.

Section 8. Procedure for Decertification of Exclusively Recognized Employee Organization.

A Decertification Petition alleging that the incumbent Exclusively Recognized Employee Organization no longer represents a majority of the employees in an established appropriate unit may be filed with the Employee Relations Officer at any time following the first full year of recognition. A Decertification Petition may be filed by two or more employees or their representative, or an employee organization, and shall contain the information and documentation required by California Code of Regulations, Title 8, Section 61350.

The Employee Relations Officer shall initially determine whether the Petition has been filed in compliance with the applicable provisions of this Article II. If this determination is in the negative, he shall offer to consult thereon with the representative(s) of such petitioning employees or employee organization and, if such determination thereafter remains unchanged, shall return such Petition to the employees or employee organization with a statement of the reasons therefor in writing. The petitioning employees or employee organization may appeal such determination in accordance with Section 12 of this Article II. If the determination of the Employee Relations Officer is in the affirmative, or if his negative determination is reversed on appeal, he shall give written notice of such Decertification or Recognition Petition to the incumbent Exclusively Recognized Employee Organization and to unit employees.

The Employee Relations Officer shall there upon arrange for a secret ballot election to be held on or about fifteen (15) days after such notice to determine the wishes of unit employees as to

the question of decertification and, if a Recognized Petition was duly filed hereunder, the question of representation. Such election shall be conducted in conformance with Section 8 of this Article II.

If, pursuant to this Section 9, a different employee organization is formally acknowledged as the Exclusively Recognized Employee Organization, such organization shall be bound by all the terms and conditions of any Memorandum of Understanding then in effect for its remaining term.

Section 9. Policy and Standards for Determination of Appropriate Units.

The policy objectives in determining the appropriateness of units shall be the effect of a proposed unit on (1) the efficient operations of the SEJPA and its compatibility with the primary responsibility of the SEJPA and its employees to effectively and economically serve the public, and (2) providing employees effective representation based on a recognized community of interest. These policy objectives require that the appropriate unit shall be the broadest feasible grouping of positions that share an identifiable community of interest. Factors to be considered shall be:

- A. Similarity of the general kinds of work performed, types of qualifications required, and the general working conditions.
- B. History of representation in the SEJPA and similar employment; except however, that no unit shall be deemed to be an appropriate unit solely on the basis of the extent to which employees in the proposed unit have organized.
- C. Consistency with the organizational patterns of the SEJPA.
- D. Number of employees and classifications, and the effect on the administration of employer-employee relations created by the fragmentation of classifications and proliferation of units.
- E. Effect on the classification structure and impact on the stability of the employer-employee relationship of dividing a single or related classifications among two or more units.

Notwithstanding, the foregoing provisions of this Section, managerial, supervisory and confidential responsibilities, as defined in Section 2 of Article I, are determining factors in establishing appropriate units hereunder, and therefore managerial, supervisory and/or confidential employees may be included in a unit consisting solely of managerial, supervisory or confidential employees respectively. Managerial, supervisory and confidential employees may not represent any employee organization which represents other employees.

The Employee Relations Officer shall allocate new classifications or positions, delete eliminated classifications or positions, and retain, reallocate or delete modified classifications or positions from units in accordance with the provisions of this Section.

Section 10. Procedure for Modification of Established Appropriate Units.

Requests by employee organizations for modifications of established appropriate units may be considered by the Employee Relations Officer at any time. Such petitions must be signed by an

authorized agent of each petitioning party and include the information and documentation required by California Code of Regulations, Title 8, Section 61450.

The Employee Relations Officer shall give written notice of the proposed modification(s) to any affected employee organization and shall hold a meeting concerning the proposed modification(s), at which time all affected employee organizations shall be heard. Thereafter, the Employee Relations Officer shall determine the composition of the appropriate unit(s) in accordance with Section 10 of this Article II, and shall give written notice of such determination to the affected employee organizations. The Employee Relations Officer's determination may be appealed as provided in Section 12 of this Article. If a unit is modified pursuant to a petition filed by the SEJPA, employee organizations may thereafter file Recognition Petitions seeking to become the Exclusively Recognized Employee Organization for such new appropriate unit (s) pursuant to section 3 hereof.

#### Section 11. Appeals.

An employee organization aggrieved by an appropriate unit determination of the Employee Relations Officer under this Article II may appeal such determination to the SEJPA Board of Directors for final decision within fifteen (15) days of notice of the Employee Relations Officer's determination.

An employee organization aggrieved by a determination of the Employee Relations Officer that a Recognition Petition (Section 3), Challenging Petition (Section 7) or Decertification of Recognition Petition (Section 9) - or employees aggrieved by a determination of the Employee Relations Officer that a Decertification Petition (section 9) - may, within fifteen (15) days of notice of such determination, appeal the determination to the SEJPA Board of Directors for final decision.

Appeals to the Board of Directors shall be filed in writing with the SEJPA General Manager. The SEJPA Board of Directors shall consider the matter within thirty (30) days of the filing of the appeal. The Board of Directors may, in its discretion, refer the dispute to a third party hearing process. Any decision of the Board on the use of such procedure, and/or any decision of the Board determining the substance of the dispute shall be final and binding.

### Article III - Administration

#### Section 12. Submission of Current Information by Recognized Employee Organizations

All changes in the information filed with the SEJPA by an Exclusively Recognized Employee Organization under items (A) through (G) of its Recognition Petition under Section 3 of this Resolution shall be submitted in writing to the Employee Relations Officer within fourteen (14) days of such change.

#### Section 13. Payroll Deductions on Behalf of Employee Organizations

Upon formal acknowledgment by the SEJPA of an Exclusively Recognized Employee Organization under this Resolution, only such Exclusively Recognized Employee Organization, contingent on the negotiating process and in accordance with the provisions of the Memorandum of Understanding and/or applicable administrative process, may be provided payroll deductions of membership dues and insurance premiums. After the agreement through the Memorandum of Understanding and/or applicable administrative process, such deductions

are contingent upon the SEJPA's receipt of the written authorization of employees in the unit represented by the Exclusively Recognized Employee Organization on forms provided by the SEJPA for this purpose.

Section 14. Employee Organization Activities - Use of SEJPA Resources

Access to SEJPA work locations and the use of SEJPA facilities, equipment, and other resources by employee organizations and those representing them must be authorized in writing by the Employee Relations Officer in advance of such access/use and may be authorized only to the extent provided for in the Memorandum of Understanding and/or SEJPA Employee Handbook and administrative procedures. Such access and use shall be limited to lawful activities consistent with the provisions of this Resolution that pertain directly to the employer-employee relationship and shall not interfere with the efficiency, safety or security of SEJPA operations. Employees and employee organizations may not solicit membership, campaign for office, or hold organization meetings and elections during paid working hours.

Section 15. Administrative Rules and Procedures

The SEJPA Manager is hereby authorized to establish such rules and procedures as appropriate to implement and administer this Resolution after consultation with affected employee organizations.

Article IV - Impasse Procedures

Section 16. Initiation of Impasse Procedures

If the meet and confer process has reached impasse as defined in this Resolution, either party may initiate impasse procedures by filing with the other party a written request for an impasse meeting, together with a statement of its position on all disputed issues. An impasse meeting shall then be scheduled promptly by the Employee Relations Officer. The purpose of such meeting shall be:

- A. To review the position of the parties in a final effort to reach agreement on a Memorandum of Understanding; and
- B. If the impasse is not resolved, to discuss arrangements for the utilization of the impasse procedures provided herein.

Section 17. Impasse Procedures

Impasse procedures are as follows:

- A. If the parties agree to submit the dispute to mediation, and agree on the selection of a mediator, the dispute shall be submitted to mediation. All mediation proceedings shall be private. The mediator shall make no public recommendation, not take any public position at any time concerning the issues.
- B. If the parties fail to agree to submit the dispute to mediation or fail to agree on the selection of a mediator, or fail to resolve the dispute through mediation within fifteen (15) days after the mediator commenced meeting with the parties, the parties may seek

resolution of the impasse as provided under California Government Code section 3505.4 or by any other mutually agreed upon procedure.

If the parties did not agree on mediation or some other mutually agreed upon procedure, or having so agreed, the impasse has not been resolved, the SEJPA Board of Directors may take such action regarding the impasse as it in its discretion deems appropriate as in the public interest. Any legislative action by the Board on the impasse shall be final and binding.

Section 18. Costs of Impasse Procedures

The costs for the services of a mediator and other mutually incurred costs shall be borne equally by the SEJPA and the Exclusively Recognized Employee Organization.

Article V - Miscellaneous Provisions

Section 19. Construction

This Resolution shall be administered and construed as follows:

- A. Nothing in this Resolution shall be construed to deny to any person, employee, organization, the SEJPA, or any authorized officer, body or other representative of the SEJPA, the rights, power and authority granted by Federal or State law.
- B. This Resolution shall be interpreted so as to carry out its purpose as set forth in Article I.
- C. Nothing in this Resolution shall be construed as making the provisions of California Labor Code Section 923 applicable to SEJPA employees or employee organizations, or of giving employees or employee organizations the right to participate in, support, cooperate or encourage, directly or indirectly, any strike, sickout or other total or partial stoppage or slowdown of work. In consideration of and as a condition of initial and continued employment by the SEJPA, employees recognize that any such actions by them are in violation of their conditions of employment except as expressly otherwise provided by applicable law. In the event employees engage in such actions, they shall submit themselves to discipline up to and including termination, and may be permanently replaced, to the extent such actions are not prohibited by preemptive law; and employee organizations may thereby forfeit any rights accorded them.

Section 20. Severability

If any provision of this Resolution, or the application of such provision to any persons or circumstance, shall be held invalid, the remainder of this Resolution, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

PASSED AND ADOPTED THIS 11TH DAY OF JULY, 2016 BY THE FOLLOWING VOTE:

AYES:	Boardmembers:
NOES:	Boardmembers:
ABSTAIN:	Boardmembers:
ABSENT:	Boardmembers:

ATTEST:

---

Catherine Blakespear, Chairperson  
SEJPA Board of Directors

ATTEST:

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

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 11, 2016

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO OCEAN OUTFALL – STATE OF CALIFORNIA LAND LEASE  
RENEWAL NO. PRC 3228.9

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2017-02, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Approving Lease No. PRC 3228.9 with the California State Lands Commission and authorizing the General Manager to execute the Lease on behalf of the Authority; and
2. Discuss and take action as appropriate.

BACKGROUND

The State Lands Commission (Commission) has jurisdiction and management control over public trust lands received by the State of California upon its admission to the United States in 1850 (sovereign lands). Generally, those lands include all ungranted tidelands and submerged lands, beds of navigable rivers, streams, lakes, bays, estuaries, inlets, and straits. The Commission manages these lands for the benefit of all the people of the State.

The San Elijo Joint Powers Authority (SEJPA) is the managing authority for the San Elijo Ocean Outfall (outfall) which provides ocean disposal of treated wastewater for the City of Escondido and the SEJPA. The outfall was originally constructed in 1965 and extended further into the ocean when the City of Escondido became an outfall partner in 1974. The outfall is permitted to discharge up to 25.5 million gallons per day (MGD) of treated wastewater and is considered critical wastewater infrastructure as it is in constant use. The ocean outfall crosses beneath the San Elijo Lagoon, the North County Transit District (NCTD) railroad tracks, and the Coast Highway, before extending approximately 1.5 miles into the ocean. The original outfall had a lease with the Commission which had a 49-year lease term that expired on October 27, 2014.

DISCUSSION

At the October 13, 2014 Board Meeting, SEJPA staff notified the Board that a lease renewal application had been completed and submitted with the Commission. Subsequently, the SEJPA began design of the Land Outfall Replacement Project and in 2015, additional information was



submitted to the Commission to add the location of the new pipeline to the lease. The Commission approved the application on June 28, 2016 and Commission Staff requested a Resolution from the Board authorizing the General Manager to execute the new lease. This resolution has been drafted, reviewed by legal counsel, and is hereby presented to the Board for consideration.

### FINANCIAL IMPACT

The total expected cost was originally estimated at \$3,025 for the application review effort and filing fee. Due to the addition of the new lease area for the Land Outfall Replacement Project, the Commission recently requested an additional \$3,051 for a total request of \$6,076. Adequate funds are available for this expenditure in the Ocean Outfall Program Budget.

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2017-02, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Approving Lease No. PRC 3228.9 with the California State Lands Commission and authorizing the General Manager to execute the Lease on behalf of the Authority; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

Attachment 1: Resolution No. 2017-02

ATTACHMENT 1

**RESOLUTION NO. 2017-02**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SAN ELIJO JOINT POWERS AUTHORITY  
APPROVING LEASE NO. PRC 3228.9 WITH THE  
CALIFORNIA STATE LANDS COMMISSION AND AUTHORIZING THE GENERAL  
MANAGER TO EXECUTE THE LEASE ON BEHALF OF THE AUTHORITY**

**WHEREAS**, the State of California, acting through the State Lands Commission, hereinafter called "Permitter", heretofore granted a permit to the Cardiff Sanitation District and the Solana Beach Sanitation District, as Tenants in Common, by instrument dated April 2, 1965, said permit being an agreement designated as PRC 3228.9, covering certain tide and submerged land in the Gulf of Santa Catalina, San Diego County, for the construction, operation and maintenance of a sewer outfall line; and,

**WHEREAS**, the Solana Beach and Cardiff Sanitation Districts (predecessors in interest to the San Elijo Joint Powers Authority) entered into an agreement with the City of Escondido dated May 22, 1974, ("Outfall Agreement"); and,

**WHEREAS**, said Permit PRC 3228.9 was subsequently amended by an agreement with the State Lands Commission dated December 5, 1974, authorizing an increase in the area let to the Permittee to extend the sewer outfall line and to revise certain language in said Permit, effective January 1, 1975; and,

**WHEREAS**, said Permit 3228.9 was thereafter assigned to the San Elijo Joint Powers Authority ("SEJPA"), as successor Permittee, effective June 17, 1987, in recognition of an agreement between the Cardiff Sanitation District and the Solana Beach Sanitation District, said agreement dated June 17, 1987; and,

**WHEREAS**, said Permit PRC 3228.9 was subsequently amended by an agreement with the State Lands Commission, authorizing certain maintenance measures for a new pipe support system on the sewer outfall line and to revise certain language in said Permit, effective July 13, 1992; and,

**WHEREAS**, said Outfall Agreement was subsequently amended, extended, supplemented, and clarified until said agreement was superseded and replaced by the 2000 Ocean Outfall Agreement ("2000 Agreement"); and,

**WHEREAS**, said 2000 Agreement was amended in the First Amendment dated October 13, 2003; and,

**WHEREAS**, the State Lands Commission notified SEJPA in a letter dated August 22, 2014 that said Permit PRC 3228.9 was set to expire on October 27, 2014; and,

**WHEREAS**, on September 15, 2014 SEJPA submitted an application to renew said Permit PRC 3228.9, as amended, and subsequently requested an additional area for lease and authorization to replace the land portion of the outfall within the San Elijo Lagoon by directional drilling ("Land Outfall Replacement Project"); and,

**WHEREAS**, SEJPA has applied for necessary regulatory permits and approvals for the Land Outfall Replacement Project from the State Lands Commission, California Coastal Commission, California Parks and Recreation, U.S. Fish and Wildlife Service, Regional Water Quality Control Board, U.S. Army Corps of Engineers, and the City of Encinitas and anticipates that such approvals and permits will be granted in 2016 contingent upon the approval of the renewed Permit PRC 3228.9 by the State Lands Commission; and,

**WHEREAS**, SEJPA released the Draft Initial Study/Mitigated Negative Declaration (IS/MND) for the Land Outfall Replacement Project for a 30-day public review and comment period. No significant unavoidable adverse impacts were identified. During a duly noticed public meeting of the SEJPA Board of Directors on March 7, 2016, the Board of Directors adopted the Proposed Mitigated Negative Declaration. On March 8, 2016, SEJPA filed a Notice of Determination in compliance with Section 21108 and 21152 of the Public Resources Code concerning the Land Outfall Replacement Project; and,

**WHEREAS**, attached as Exhibit A is a copy of Lease No. PRC 3228.9, which SEJPA staff have negotiated with the California State Lands Commission as Lessor and SEJPA and the City of Escondido as Co-Lessees for the purpose of renewing Permit PRC 3228.9 for the term of 20 years, beginning June 28, 2016 and ending June 27, 2036, and which authorizes SEJPA's continued use and maintenance of the existing treated-water conveyance pipeline and outfall and further authorizes SEJPA's construction of the Land Outfall Replacement Project and use and maintenance of a new treated-water conveyance pipeline; and,

**WHEREAS**, the General Manager recommends that the Board of Directors approve Lease No. PRC 3228.9.

**NOW, THEREFORE BE IT RESOLVED**, by the Board of Directors of the San Elijo Joint Powers Authority, as follows:

1. That the above recitations are true.
2. That the Board of Directors hereby approves Lease No. PRC 3228.9 with the State Lands Commission.
3. That the General Manager is hereby authorized to execute, on behalf of the SEJPA, Lease No. PRC 3228.9 with the State Lands Commission.

PASSED AND ADOPTED this 11<sup>th</sup> day of July, 2016, at a regularly scheduled meeting of the SEJPA Board of Directors, by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

ABSTAIN: Boardmembers:

ATTEST:

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Catherine Blakespear, Chairperson  
SEJPA Board of Directors

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

**EXHIBIT A**

**LEASE NO. PRC 3228.9 WITH THE CALIFORNIA STATE LANDS COMMISSION**

**CALENDAR ITEM  
C63**

A 76  
S 36

06/28/16  
PRC 3228.9  
K. Foster

**GENERAL LEASE – PUBLIC AGENCY USE**

**APPLICANT:**

San Elijo Joint Powers Authority  
2695 Manchester Avenue  
Cardiff by the Sea, CA 92007-7077

City of Escondido  
201 North Broadway  
Escondido, CA 92025

**PROPOSED LEASE:**

*LAND TYPE AND LOCATION:*

Sovereign land in the San Elijo Lagoon and the Pacific Ocean, city of Encinitas, San Diego County.

*AUTHORIZED USE:*

Use and maintenance of an existing treated-water conveyance pipeline and outfall; construction, use and maintenance of a new treated-water conveyance pipeline; and the decommissioning-in-place of the existing treated-water conveyance pipeline.

*LEASE TERM:*

20 years, beginning June 28, 2016.

*CONSIDERATION:*

The public use and benefit; with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interests.

*SPECIFIC LEASE PROVISIONS:*

1. Lessee shall coordinate with the California Department of Fish and Wildlife (CDFW) as Lessee under Lease No. PRC 5328.9 for management of the State's San Elijo Lagoon parcel, to ensure that no activities conducted within the parcel interfere, conflict with, or

CALENDAR ITEM NO. C63 (CONT'D)

otherwise impact CDFW's lease management responsibilities for the San Elijo Lagoon Ecological Reserve.

2. Within 60 days of Project completion, Lessee shall provide to Lessor a set of as-built drawings, a post-construction written narrative report, and revised Exhibits A and B describing the as-built location of the new land portion of the outfall pipeline and the decommissioned pipeline. If the as-built location falls outside the Lease Premises as described in the lease, revised Exhibits, if any, shall be incorporated into the Lease and shall supersede corresponding Exhibits upon review and written approval by Commission staff.
3. Lessee shall conduct external inspections of the outfall pipeline using diver/ROV video or high resolution side-scan sonar survey at least once every 2 years, and an integrity assessment of the outfall pipeline at least once every 5 years and when warranted by extraordinary circumstances such as an accident or a significant seismic event. If applicable, the side-scan sonar survey must be conducted by an operator permitted by the Commission to conduct such surveys using specific types of geophysical equipment subject to permit terms and conditions developed to minimize impacts to marine wildlife and the coastal environment (see [www.slc.ca.gov/Programs/OGPP.html](http://www.slc.ca.gov/Programs/OGPP.html) for information on the Commission's Low-Energy Offshore Geophysical Permit Program, how to apply for a permit, and a list of current permittees).
4. Lessee shall, at no cost to the State, remove all or any portion of any decommissioned improvements if such improvements are determined by the Commission to be adverse to the public interest or the environment, or become a hazard to navigation.

**STAFF ANALYSIS AND RECOMMENDATION:**

**Authority:**

Public Resources Code sections 6005, 6216, and 6301; California Code of Regulations, Title 2, section 2000, subdivision (b).

**Public Trust and State's Best Interests Analysis:**

The San Elijo Water Reclamation Facility, jointly owned by the San Elijo Joint Powers Authority (JPA) and the city of Escondido, provides wastewater treatment for approximately 32,000 people within a 19-square-mile

CALENDAR ITEM NO. **C63** (CONT'D)

area around the San Elijo Lagoon. The facility is capable of producing up to 3.02 million gallons per day of tertiary treated wastewater for distribution to recycled water users, and up to 5.25 million gallons per day of secondary treated wastewater conveyed through the outfall pipeline to a point approximately 8,000 feet offshore in the Pacific Ocean.

The existing outfall pipeline consists of a segment within the lagoon and a segment offshore in the Pacific Ocean. Previously, the lagoon segment of the pipeline was not under lease. The land within the lagoon where the 2,500-foot-long, 30-inch-diameter existing pipeline is located is sovereign land under the Commission's jurisdiction. The existing pipeline in the lagoon is reaching the end of its service life and must be replaced. The new pipeline will be placed on sovereign land within the lagoon via Horizontal Directional Drilling, which is a method of pipe placement that results in very little ground disturbance (the Project). This new pipeline in the lagoon will run roughly parallel to the existing pipeline. Once the new pipeline is installed, the old pipeline will be dewatered, capped, and decommissioned-in-place. The JPA considered removal of the existing pipeline, but determined that it was not feasible, principally due to environmental constraints. Removal would require open trenches to be dug across the lagoon, which would result in substantial impacts to wetlands, other sensitive habitat, and potentially to sensitive species. If the Commission determines that any portion of the decommissioned pipeline has become a hazard to the public or the environment, the Lessee will be required to remove that portion of the decommissioned pipeline.

The San Elijo Lagoon Ecological Reserve (Reserve) provides critical migrating waterfowl habitat and nesting sites for sensitive bird species, contributes to coastal fisheries replenishment by providing nursery habitat for young fish, and generally protects a tremendous diversity of plant and animal species. Wildlife viewing is available in the lagoon from eight hiking trails. The lease will require the JPA to coordinate with the CDFW, as Lessee under Lease No. PRC 5328.9 for management of the State's San Elijo Lagoon parcel, to ensure Project activities do not interfere, conflict with, or otherwise impact CDFW's lease management responsibilities for the Reserve.

The proposed lease activities and uses do not substantially interfere with public trust uses because the lease requires that the JPA not interfere with or otherwise restrict the public's access, use, and enjoyment of any State-owned lands or public easements in or near the Project area except as

CALENDAR ITEM NO. **C63** (CONT'D)

necessary to ensure public safety during Project construction. The lease further requires periodic testing of the offshore segment to ensure pipeline integrity. The pipelines in the lagoon will be located below ground, the new pipeline will be installed using a technique that minimizes ground disturbance, and the outfall is buried in the nearshore area and not accessible by the public. Commission staff believes this use of public land, by a public agency, for a public benefit will not substantially interfere with public trust uses in this location and for the term of the lease. .

Furthermore, the lease is for a limited term and it requires the Lessee to indemnify the State for any liability incurred as a result of the Lessee's activities thereon. For all the reasons above, Commission staff believes the issuance of this lease is in the best interests of the State.

**OTHER PERTINENT INFORMATION:**

1. Applicant owns the upland adjoining the lease premises.
2. On January 28, 1965, the Commission authorized the issuance of a Life-of-Structure Permit, for a term not to exceed 49 years, to the Cardiff Sanitation District and the Solana Beach Sanitation District as Tenants in Common, for the construction, operation, and maintenance of a sewer outfall line offshore of San Elijo Lagoon, to serve the San Elijo Water Reclamation Facility. On June 17, 1987, the two Districts created the San Elijo Joint Powers Authority (JPA), a government agency, to operate the facility. On March 8, 1994, the Commission authorized the assignment of the Permit to the San Elijo Joint Powers Authority.
3. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation and responsible economic use of the lands and resources under the Commission's jurisdiction.
4. **Existing Outfall, and Pipeline to be Decommissioned-in-Place:** The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).



CALENDAR ITEM NO. **C63** (CONT'D)

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

5. **New Pipeline:** A Mitigated Negative Declaration, State Clearinghouse No. 2016011018, and a Mitigation Monitoring Program were prepared by the San Elijo Joint Powers Authority and adopted on March 7, 2016, for this Project. Commission staff has reviewed these documents.
6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

**APPROVALS OBTAINED:**

None

**FURTHER APPROVALS REQUIRED:**

U.S. Army Corps of Engineers  
U.S. Fish and Wildlife Service  
California Coastal Commission  
California Regional Water Quality Control Board, San Diego Region  
City of Encinitas  
North County Transit District

**EXHIBITS:**

- A. Land Description
- B. Site and Location Map
- C. Mitigation Monitoring Program

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

**Existing Outfall, and Pipeline to be Decommissioned-in-Place:** Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

CALENDAR ITEM NO. **C63** (CONT'D)

**New Pipeline:** Find that a Mitigated Negative Declaration, State Clearinghouse No. 2016011018, and a Mitigation Monitoring Program were prepared by San Elijo Joint Powers Authority and adopted on March 7, 2016, for this Project and that the Commission has reviewed and considered the information contained therein.

Adopt the Mitigation Monitoring Program, as contained in Exhibit C, attached hereto.

**PUBLIC TRUST AND STATE'S BEST INTERESTS FINDING:**

Find that the proposed lease for the existing pipeline and outfall, the new pipeline, and the decommissioning of an existing pipeline will not substantially interfere with public trust needs and values at this location at this time, and is in the best interests of the State.

**SIGNIFICANT LANDS INVENTORY FINDING:**

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

**AUTHORIZATION:**

1. Authorize issuance of a General Lease – Public Agency Use to the San Elijo Joint Powers Authority and the City of Escondido beginning June 28, 2016, for a term of 20 years, for the use and maintenance of an existing treated-water conveyance pipeline and outfall; construction, use and maintenance of a new treated-water conveyance pipeline; and the decommissioning-in-place of the existing treated-water conveyance pipeline, as described in Exhibit A and as shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; consideration is the public use and benefit, with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interests.
2. Authorize the Executive Officer or her designee to replace Exhibit A and B in the Lease, upon review of as-built plans, if the as-built location of the new treated-water conveyance pipeline falls outside the Lease Premises as described in the Lease on State-owned sovereign land.

**EXHIBIT "A-1" PRC 3228  
LEGAL DESCRIPTION**

VESTING: STATE OF CALIFORNIA

APN: 261-191-07

THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, DESCRIBED AS PARCEL 1-A IN GRANT DEED TO THE STATE OF CALIFORNIA RECORDED JUNE 1, 1977 AS FILE/PAGE NO. 77-211013 OF OFFICIAL RECORDS OF SAID COUNTY, BEING A 50.00 FOOT WIDE STRIP, 25.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE WEST QUARTER CORNER OF SECTION 26, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN AS SHOWN ON RECORD OF SURVEY NO. 5928 RECORDED AUGUST 7, 1961 AS FILE NO. 135364 IN THE OFFICE OF THE COUNTY RECORDED OF SAID COUNTY;

THENCE ALONG THE WEST LINE OF SAID SECTION 26 SOUTH 00°03'05" WEST (NORTH 00°27'39" WEST PER ROS 5928) 430.13 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF MANCHESTER AVENUE AS SHOWN ON SAID RECORD OF SURVEY, AND A POINT ON A NON-TANGENT 710.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY, A RADIAL FROM SAID POINT BEARS SOUTH 03°59'12" EAST;

THENCE ALONG SAID RIGHT-OF-WAY, WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°29'23" AN ARC LENGTH OF 6.07 FEET;

THENCE SOUTH 85°31'25" WEST 50.40 FEET TO THE BEGINNING OF A 790.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 7°34'20" AN ARC LENGTH OF 104.41 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID RIGHT-OF-WAY SOUTH 16°47'55" WEST 132.40 FEET TO THE BEGINNING OF A 1500.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 62°47'07" AN ARC LENGTH OF 1643.71 FEET;

THENCE SOUTH 79°35'02" WEST 446.28 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF XI-SD-2-A, BEING 50.00 FEET EAST OF THE CENTERLINE AS SHOWN ON CALIFORNIA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP LO 9615, AND THE TERMINUS OF SAID CENTERLINE OF A 50.00 FOOT WIDE STRIP.

THE SIDELINES OF SAID 50.00 FOOT WIDE STRIP TO BE LENGTHENED OR SHORTENED TO TERMINATE AT SAID SOUTHERLY RIGHT-OF-WAY OF MANCHESTER AVENUE ON THE NORTH END AND SAID EASTERLY RIGHT-OF-WAY OF XI-SD-2-A ON THE SOUTHWESTERLY END.

CONTAINING 1.161 ACRES MORE OR LESS

ATTACHED HERETO AND MADE A PART HEREOF THIS LEGAL DESCRIPTION IS A PLAT  
Labeled EXHIBIT "B-1" CONSISTING OF 5 SHEETS

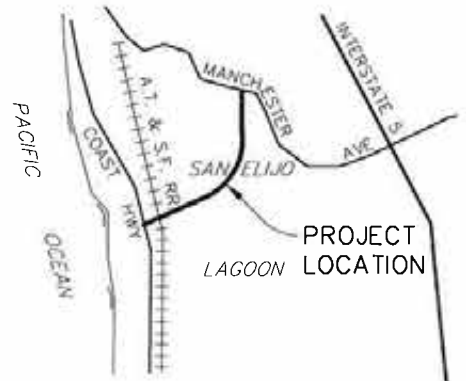
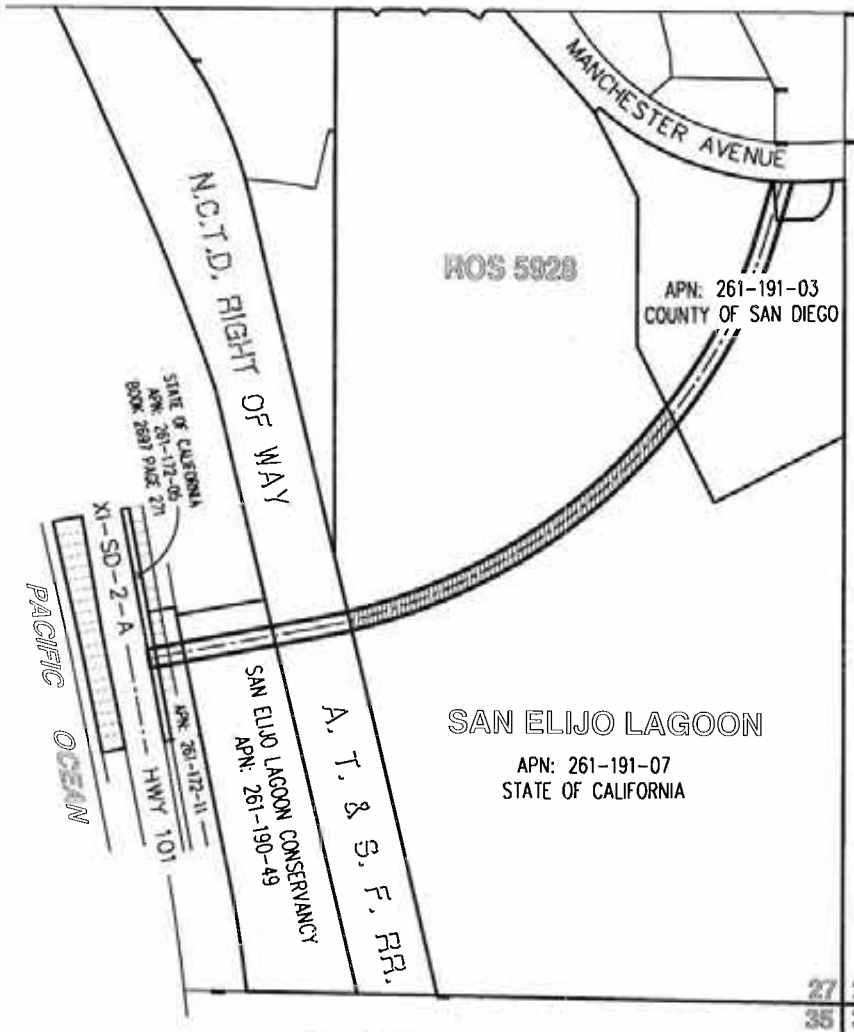
THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY  
DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

  
MICHAEL SCHLUMPBERGER, PLS 7790

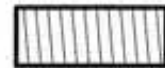
June 16, 2016  
DATE



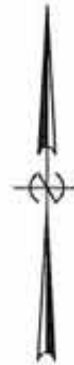
# EXHIBIT "B-1"



VICINITY MAP  
NO SCALE



DENOTES AREA OF LEASE  
ACQUISITION.  
1.161 ACRES MORE OR LESS.



GRAPHIC SCALE  
1 INCH = 500FT.



THIS MAP WAS PREPARED BY ME OR UNDER  
MY DIRECTION IN CONFORMANCE WITH THE  
PROFESSIONAL LAND SURVEYOR'S ACT.

*Michael L. Schlumpberger*  
MICHAEL L. SCHLUMBERGER DATE *June 14, 2016*

**Right-Of-Way Engineering Services, Inc.**  
Land Surveying  
615 South Tremont Street • Oceanside, CA 92054  
(760) 637-2700 row@roweng.net  
Job no.: 1503-0007-11

NOTE: DATA SHOWN HEREON IS  
BASED ON RECORD INFORMATION.

**SAN ELIJO JOINT POWERS AUTHORITY**

VESTING: STATE OF CALIFORNIA

DATE: MAY 24, 2016

SHEET 1 OF 5

# EXHIBIT "B-1"

P.O.C.  
WEST 1/4 COR.  
SEC. 26

## CURVE DATA

C1  $\Delta=0^{\circ}29'23''$  R=710.00' L=6.07'  
C2  $\Delta=7^{\circ}34'20''$  R=790.00' L=104.41'

## LINE DATA

L1 S  $85^{\circ}31'25''$  W 50.40'

S  $00^{\circ}03'05''$  W 430.13'

APN: 261-010-13  
SAN ELIJO JOINT POWERS  
AUTHORITY

MANCHESTER

AVENUE

T.P.O.B.

C1

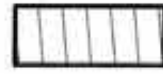
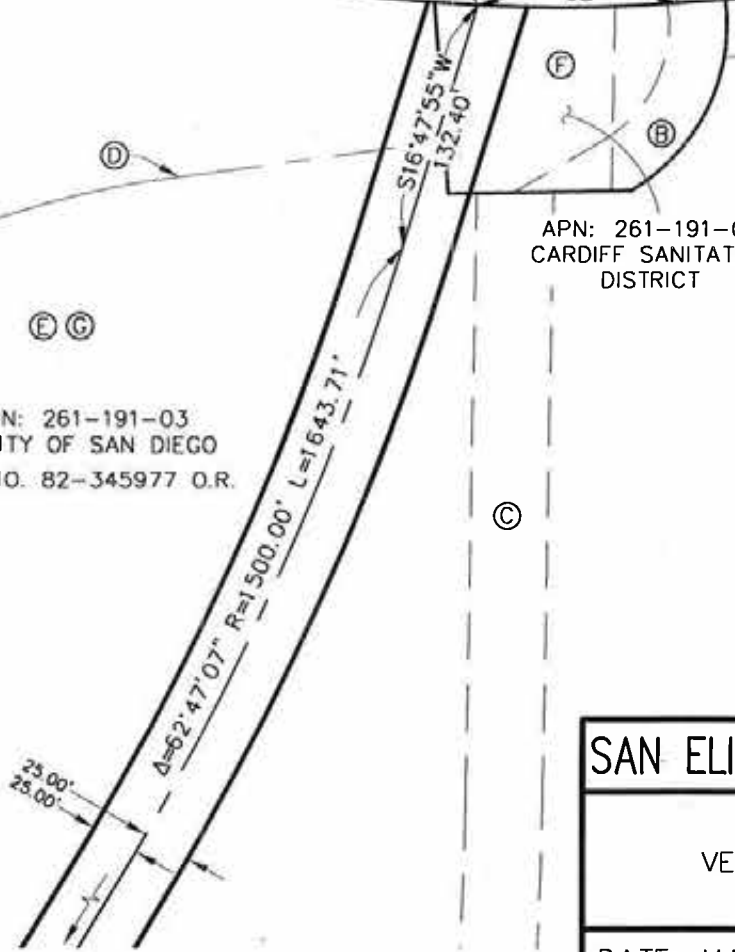
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C2

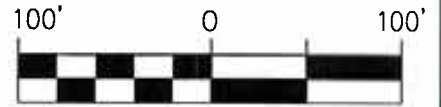
S  $03^{\circ}59'12''$  E (R)

APN: 261-191-04  
CARDIFF SANITATION  
DISTRICT

APN: 261-191-03  
COUNTY OF SAN DIEGO  
F/P NO. 82-345977 O.R.



DENOTES AREA OF LEASE  
ACQUISITION.  
1.161 ACRES MORE OR LESS.



GRAPHIC SCALE  
1 INCH = 100 FT.

○ SEE SHEET 5 FOR  
EASEMENT INFORMATION

NOTE: DATA SHOWN HEREON IS  
BASED ON RECORD INFORMATION.

**SAN ELIJO JOINT POWERS AUTHORITY**

VESTING: STATE OF CALIFORNIA

DATE: MAY 24, 2016

SHEET 2 OF 5

SEE SHEET 3



SCALE 1"=100'

# EXHIBIT "B-1"

ROS 5928

## SAN ELIJO LAGOON

SEE SHEET 2

APN: 261-191-03  
COUNTY OF SAN DIEGO  
F/P NO. 82-345977 O.R.

APN: 261-191-07  
STATE OF CALIFORNIA  
F/P NO. 77-211013 O.R.

NOTE: DATA SHOWN HEREON IS  
BASED ON RECORD INFORMATION.

**SAN ELIJO JOINT POWERS AUTHORITY**

VESTING: STATE OF CALIFORNIA

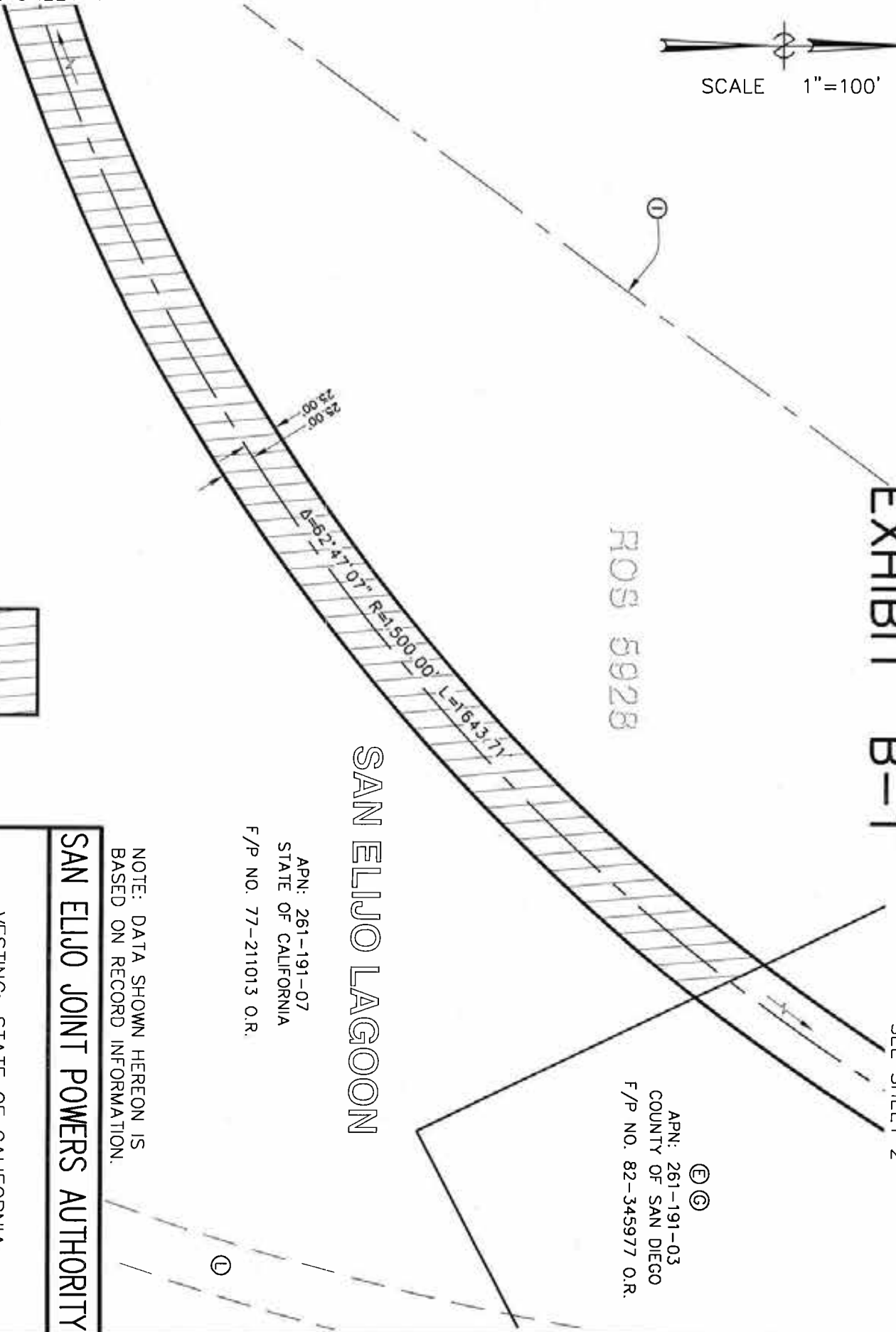
DATE: MAY 24, 2016

SHEET 3 OF 5

SEE SHEET 4

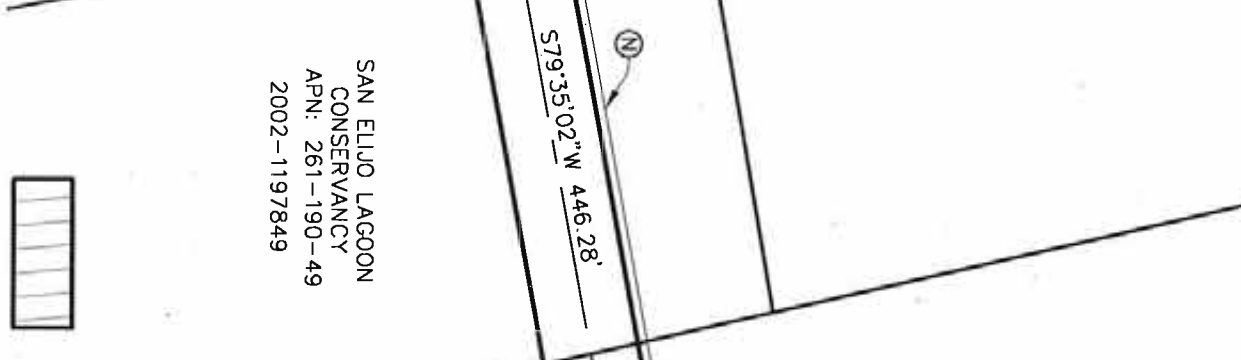
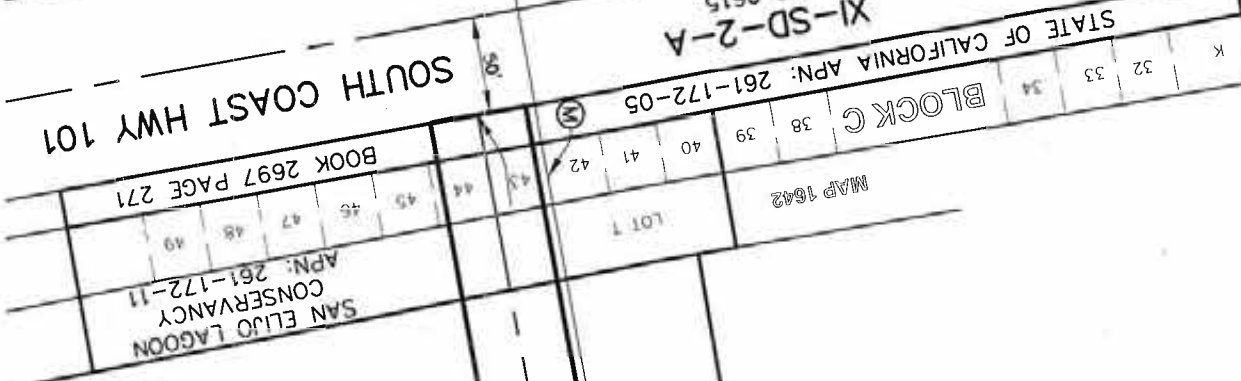
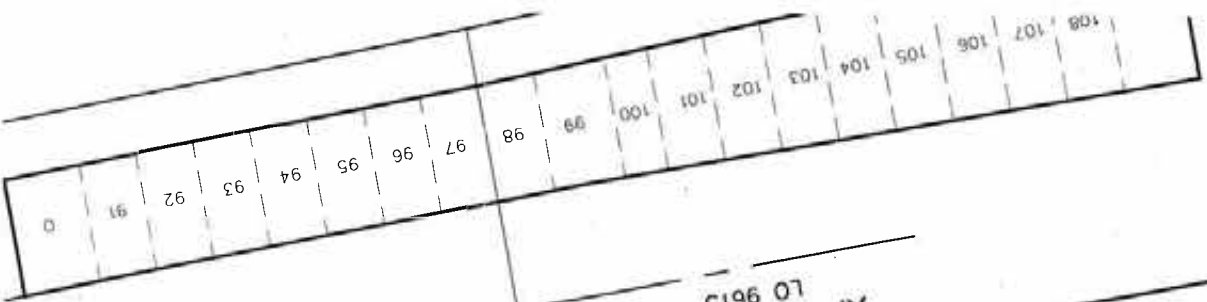
○ SEE SHEET 5 FOR  
EASEMENT INFORMATION

▨ DENOTES AREA OF LEASE  
ACQUISITION,  
1.161 ACRES MORE OR LESS.



NOTE: DATA SHOWN HEREON IS  
BASED ON RECORD INFORMATION.

# EXHIBIT "B-1"



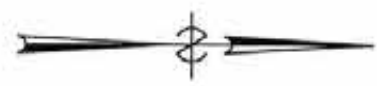
SAN ELIJO LAGOON  
CONSERVANCY  
APN: 261-190-49  
2002-1197849

N.C.T.D. RIGHT OF WAY  
A.T. & S.F. R/R

PORION OF  
APN: 261-190-38

$\Delta = 62.47'07''$   
 $L = 1643.71'$   
 $R = 1500.00'$

SEE SHEET 3



SEE SHEET 5 FOR  
EASEMENT INFORMATION

DENOTES AREA OF LEASE  
ACQUISITION.  
1.161 ACRES MORE OR LESS.



SAN ELIJO JOINT POWERS AUTHORITY

VESTING: STATE OF CALIFORNIA

DATE: MAY 24, 2016

SHEET 4 OF 5



# EXHIBIT "B-1"

## EXISTING EASEMENTS

- (A) RIGHT OF ENTRY TO THE CITY OF ESCONDIDO REC. 3/13/1972 AS F/P 72-91540 AND PIPELINE EASEMENT TO THE CITY OF ESCONDIDO REC. 4/23/1974 AS F/P 74-103048 O.R.
- (B) PUBLIC ACCESS EASEMENT REC. 11/26/1986 AS F/P 86-549238 O.R.
- (C) UNDERGROUND PIPELINE EASEMENT TO THE CITY OF SOLANA BEACH REC. 6/22/2007 AS DOC# 2007-0422720
- (D)  $\oslash$  OF 20' WIDE CARDIFF SANITATION DISTRICT EASEMENT RESERVED IN DEED REC. 3/9/1965 AS F/P 41140
- (E) 25 YEAR LEASE TO THE STATE OF CALIFORNIA FOR SAN ELIJO LAGOON PUBLIC ACCESS REC. 8/28/1986 AS F/P 86-0375290
- (F) EASEMENT TO SDGE 3' EACH SIDE OF ALL FACILITIES INSTALLED BY MAY 14, 2009 AND 8' IN FRONT OF TRANSFORMER DOORS REC. 8/5/2008 AS DOC#2008-0417656
- (G) 40' ROAD EASEMENT TO THE COUNTY OF SAN DIEGO REC. 6/6/1901 IN BOOK 311, PAGE 113 OF DEEDS. UNABLE TO PLOT
- (H)  $\oslash$  24' WIDE UTILITY, INGRESS AND EGRESS EASEMENT TO SDG&E REC. 1/17/1917 IN BOOK 730 PAGE 9
- (I)  $\oslash$  OF 20' WIDE EASEMENT TO SOLANA BEACH SANITATION DISTRICT AND CARDIFF SANITATION DISTRICT REC. 3/9/1965 AS F/P 65-41131 O.R.
- (J)  $\oslash$  OF 15' WIDE EASEMENT TO SOLANA BEACH SANITATION DISTRICT REC. 3/9/1965 AS F/P 65-41132 O.R.
- (K) PUBLIC UTILITY EASEMENT TO SDGE REC. 5/27/1992 AS DOC#1992-0321241
- (L) WASTEWATER PIPELINE EASEMENT TO THE CITY OF SOLANA BEACH REC. 5/14/2010 AS DOC#2010-0244244
- (M)  $\oslash$  OF 15' WIDE EASEMENT TO SOLANA BEACH SANITATION DISTRICT AND CARDIFF SANITATION DISTRICT REC. 3/9/1965 AS F/P 65-41131 O.R.
- (N)  $\oslash$  OF 15' WIDE EASEMENT TO SOLANA BEACH SANITATION DISTRICT AND CARDIFF SANITATION DISTRICT REC. 2/17/1970 AS F/P 70-29482 O.R.

SAN ELIJO JOINT POWERS AUTHORITY

VESTING: STATE OF CALIFORNIA

DATE: MAY 24, 2016

SHEET 5 OF 5

EXHIBIT "A-2" PRC 3228  
LEGAL DESCRIPTION

VESTING: STATE OF CALIFORNIA

APN: 261-191-07

ALL THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA BEING A STRIP 50.00 FOOT WIDE, LYING 25 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT STATION 305+43.33 ON THE CENTERLINE OF XI-SD-2-A, AS SHOWN ON THE COUNTY OF SAN DIEGO DEPARTMENT OF SPECIAL DISTRICT SERVICES AS-BUILT PLANS FOR THE CARDIFF SANITATION DISTRICT, SOLANA BEACH SANITATION DISTRICT LAND PORTION OF OCEAN OUTFALL, WORK ORDER NUMBER 2945, FILE NUMBER 7-1 SE ON FILE WITH THE SAN ELIJO JOINT POWERS AUTHORITY, LYING NORTH 10°57'00" WEST 545.20 FEET ALONG THE CENTERLINE OF XI-SD-2-A FROM P.O.T. STATION 299+98.13 AS SHOWN ON CALIFORNIA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP LO 9614;

THENCE LEAVING SAID CENTERLINE ALONG THE OUTFALL ALIGNMENT SHOWN ON SAID AS-BUILT PLANS NORTH 78°59'20" WEST, 534.01 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 150.00 FEET;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17°16'24" AN ARC LENGTH OF 45.22' TO THE EASTERLY LINE OF THE N.C.T.D. RIGHT OF WAY AS SHOWN ON RECORD OF SURVEY 20279 RECORDED AUGUST 29, 2008 AS FILE NO. 2008-0464955 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID N.C.T.D. RIGHT OF WAY CONTINUING ALONG SAID OUTFALL ALIGNMENT AND SAID CURVE THROUGH A CENTRAL ANGLE OF 25°49'11" AND ARC LENGTH OF 67.60 FEET;

THENCE NORTH 35°53'45" EAST 968.54 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 500.00 FEET;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19°55'53" AN ARC LENGTH OF 173.93 FEET TO A COURSE HAVING A BEARING OF NORTH 0°13'58" WEST AND A LENGTH OF 390.38 FEET BEING ON THE NORTHERLY BOUNDARY OF THE SAN ELIJO LAGOON AS SHOWN ON SHEET 2 OF RECORD OF SURVEY 5928 RECORDED AUGUST 7, 1961 AS FILE NO. 135364 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND THE TERMINUS OF SAID 50.00 FOOT WIDE STRIP.

THE SIDELINES OF SAID 50.00 FOOT WIDE STRIP ARE TO BE LENGTHENED OR SHORTENED TO MEET AT ALL ANGLE POINTS, SAID EASTERLY LINE OF THE N.C.T.D. RIGHT OF WAY AND SAID NORTHERLY LINE OF THE SAN ELIJO LAGOON.

CONTAINING 1.389 ACRES MORE OR LESS.

ATTACHED HERETO AND MADE A PART HEREOF IS A PLAT LABELED EXHIBIT 'B-2' CONSISTING OF 2 SHEETS.

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

SIGNATURE

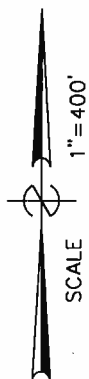
  
Michael L. Schlumpberger, PLS 7790

DATE

June 16, 2016



# EXHIBIT "B-2"



E 1/2 SE 1/4  
SECTION 27  
T13S R4W SB6M

(AS SHOWN ON  
ROS 5928)  
(N00°13'58"W  
390.38')

$\Delta=19^{\circ}55'53''$   
R=500.00'  
L=173.93'

ROS 20279

N35°53'45"E  
968.54'

25'  
25'

$\Delta=25^{\circ}49'11''$   
R=150.00'  
L=67.60'

COUNTY OF SAN DIEGO  
DEPARTMENT OF SPECIAL  
DISTRICT SERVICES AS-BUILT  
PLANS FOR THE CARDIFF  
SANITATION DISTRICT, SOLANA  
BEACH SANITATION DISTRICT  
LAND PORTION OF OCEAN  
OUTFALL, WORK ORDER NUMBER  
2945, FILE NUMBER 7-1 SE

TPOB

SAN ELIJO LAGOON

STATE OF CALIFORNIA  
APN: 261-191-07

ROS 5928

POC  
STATION 305+43.33  
AS-BUILT OUTFALL  
PLANS FILE NO. 7-1 SE

PACIFIC OCEAN

SOUTH COAST HWY 101  
XI-SD-2-A

N.C.T.D. RIGHT OF WAY  
A.T. & S.F. R/R

SEE DETAIL SHEET 2

27 26  
35 36



AREA OF LEASE ACQUISITION  
1.389 ACRES MORE OR LESS

Right-Of-Way Engineering Services, Inc.

615 South Tremont Street • Oceanside, CA 92054  
(760) 637-2700 FAX (760) 637-2701  
Job no: 1409-0033-11

SAN ELIJO  
JOINT POWERS AUTHORITY

OWNER: STATE OF CALIFORNIA

DATE: JUNE 13, 2016

SHEET 1 OF 2

# EXHIBIT "B-2"

N.C.T.D. RIGHT OF WAY  
A.T. & S.F. R/R

ROS 5928

APN: 261-191-07

TPOB

$\Delta = 17^{\circ}16'24''$   
 $R = 150.00'$   
 $L = 45.22'$

PORTION OF APN: 261-190-38

ROS 20279

N78°59'20"E 534.01'

PORTION OF APN: 261-190-49

MAP 1642

LOT T

PORTION OF APN: 261-172-11

BLOCK C

- 38
- 39
- 40
- 41
- 42
- 43
- 44
- 45
- 46
- 47
- 48
- 49

PORTION OF APN: 261-172-11

XI-SD-2-A

LO 9615

SOUTH COAST HWY 101

N10°57'00"W 545.20'

LO 9614


POC  
STATION  
305+43.33  
AS-BUILT  
OUTFALL PLANS  
FILE NO. 7-1 SE

- 104
- 103
- 102
- 101
- 100
- 96
- 95
- 94
- 93
- 92
- 91

Ⓢ XI-SD-2-A  
STATE HWY 101  
LO MAP 9614 AND  
LO 9615

WESTERLY R/W OF  
XI-SD-2-A STATE  
HWY 101  
LO MAP 9615

STATION  
299+98.13 POT  
LO MAP 9614

SCALE  1"=100'

SAN ELIJO  
JOINT POWERS AUTHORITY

OWNER: STATE OF CALIFORNIA

DATE: JUNE 13, 2016

SHEET 2 OF 2

EXHIBIT "A-3" PRC 3228  
LEGAL DESCRIPTION

VESTING: STATE OF CALIFORNIA

APN: TIDE AND SUBMERGED LANDS WITHIN THE PACIFIC OCEAN

ALL THAT PORTION OF TIDE AND SUBMERGED LANDLYING WITHIN THE PACIFIC OCEAN, GULF OF SANTA CATALINA OFF CARDIFF STATE BEACH NEAR THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA , BEING A STRIP 30' WIDE, LYING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT STATION 305+43.33 ON THE CENTERLINE OF XI-SD-2-A, AS SHOWN ON THE COUNTY OF SAN DIEGO DEPARTMENT OF SPECIAL DISTRICT SERVICES AS-BUILT PLANS FOR THE CARDIFF SANITATION DISTRICT, SOLANA BEACH SANITATION DISTRICT OCEAN OUTFALL, WORK ORDER NUMBER 2943, FILE NUMBER 7-3 SE ON FILE WITH THE SAN ELIJO JOINT POWERS AUTHORITY, LYING NORTH 10°57'00 WEST 545.20 FEET ALONG THE CENTERLINE OF XI-SD-2-A FROM P.O.T. STATION 299+98.13 AS SHOWN ON CALIFORNIA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP LO 9614;

THENCE LEAVING SAID CENTERLINE ALONG THE OUTFALL ALIGNMENT SHOWN ON SAID AS-BUILT PLANS SOUTH 78°59'20" WEST, 57.24 FEET TO THE WESTERLY RIGHT OF WAY OF XI-SD-2-A AS SHOWN ON CALIFORNIA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP LO 9615 AND THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING ALONG SAID OUTFALL ALIGNMENT SOUTH 78°59'20" WEST 4041.00 FEET TO AN ANGLE POINT THEREIN;

THENCE CONTINUING ALONG SAID OUTFALL ALIGNMENT SOUTH 11°00'40" EAST 210.00 FEET TO THE END OF SAID OUTFALL AND THE BEGINNING OF THE SAN ELIJO OCEAN OUTFALL EXTENSION AS SHOWN ON THE PLANS FOR CONSTRUCTION DATED APRIL 1974, FILE S 364 G ON FILE WITH THE SAN ELIJO JOINT POWERS AUTHORITY;

THENCE LEAVING SAID OUTFALL ALIGNMENT, ALONG SAID OUTFALL EXTENSION SOUTH 11°00'40" EAST 41.00 FEET TO AN ANGLE POINT THEREIN;

THENCE CONTINUING ALONG SAID OUTFALL EXTENSION SOUTH 78°59'20" WEST 4015.00 FEET TO THE TERMINUS OF SAID 30.00 FOOT WIDE STRIP.

THE SIDELINES OF SAID 30.00 FOOT WIDE STRIP ARE TO BE LENGTHENED OR SHORTENED TO MEET AT ALL ANGLE POINTS AND SAID WESTERLY RIGHT OF WAY OF XI-SD-2-A.

EXCEPTING THEREFROM ANY PORTION LYING LANDWARD OF THE ORDINARY HIGH WATER MARK.

CONTAINING 5.72 ACRES MORE OR LESS.

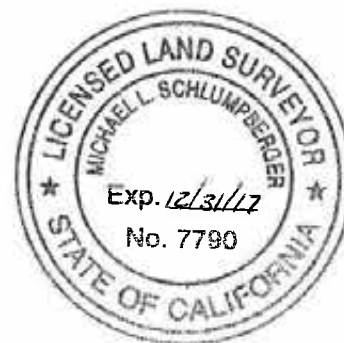
ATTACHED HERETO AND MADE A PART HEREOF IS A PLAT LABELED EXHIBIT 'B-3' CONSISTING OF 1 PAGE.

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

SIGNATURE

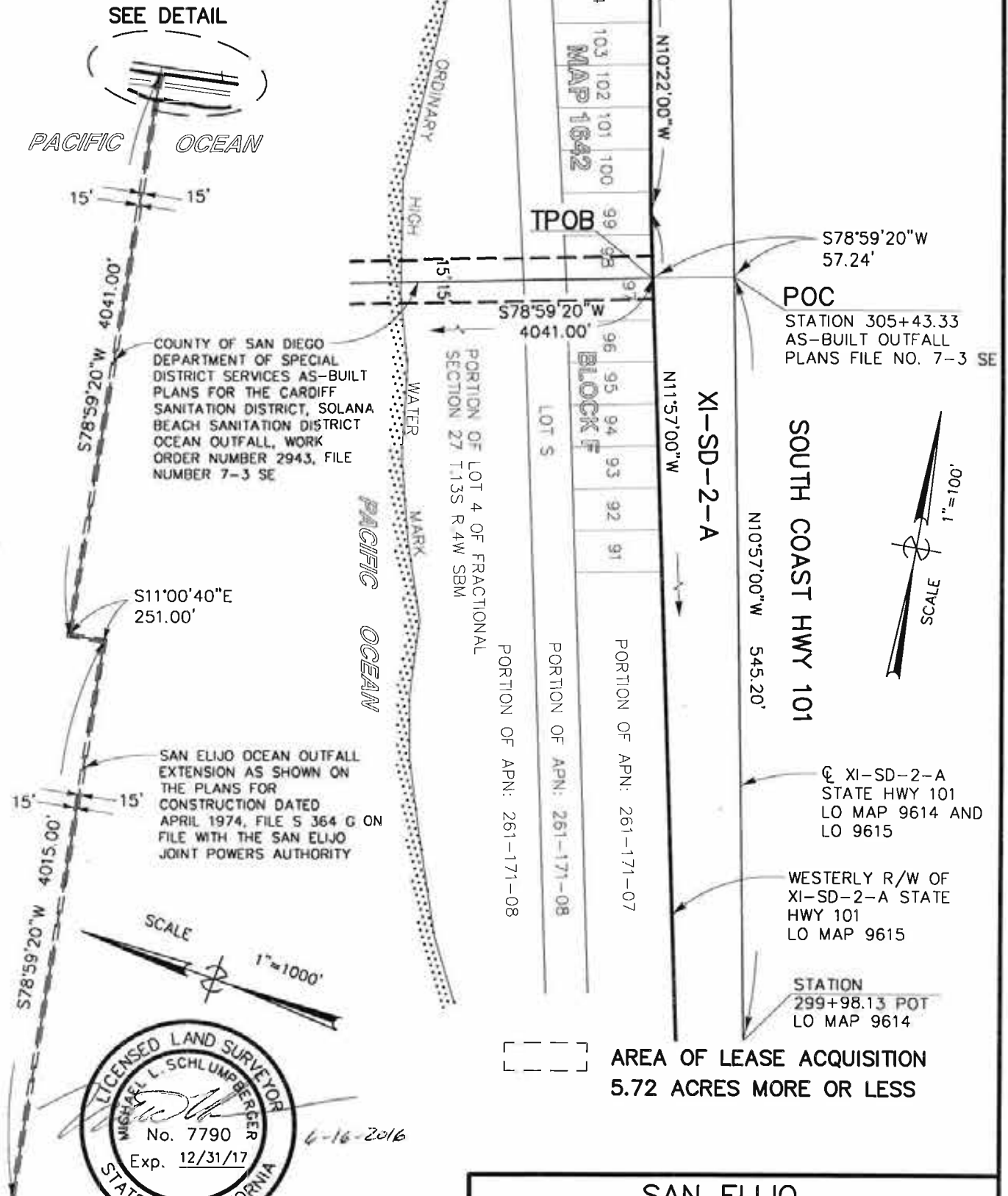
  
Michael L. Schlumberger, PLS 7790

DATE June 16, 2016



# EXHIBIT "B-3"

DETAIL



COUNTY OF SAN DIEGO  
DEPARTMENT OF SPECIAL  
DISTRICT SERVICES AS-BUILT  
PLANS FOR THE CARDIFF  
SANITATION DISTRICT, SOLANA  
BEACH SANITATION DISTRICT  
OCEAN OUTFALL, WORK  
ORDER NUMBER 2943, FILE  
NUMBER 7-3 SE

SAN ELIJO OCEAN OUTFALL  
EXTENSION AS SHOWN ON  
THE PLANS FOR  
CONSTRUCTION DATED  
APRIL 1974, FILE S 364 G ON  
FILE WITH THE SAN ELIJO  
JOINT POWERS AUTHORITY

POC  
STATION 305+43.33  
AS-BUILT OUTFALL  
PLANS FILE NO. 7-3 SE

SOUTH COAST HWY 101  
XI-SD-2-A  
STATE HWY 101  
LO MAP 9614 AND  
LO 9615

WESTERLY R/W OF  
XI-SD-2-A STATE  
HWY 101  
LO MAP 9615  
STATION  
299+98.13 POT  
LO MAP 9614

AREA OF LEASE ACQUISITION  
5.72 ACRES MORE OR LESS



4-16-2016

Right-Of-Way Engineering Services, Inc.

615 South Tremont Street • Oceanside, CA 92054  
(760) 637-2700 FAX (760) 637-2701  
Job no.: 1409-0033-11

SAN ELIJO  
JOINT POWERS AUTHORITY

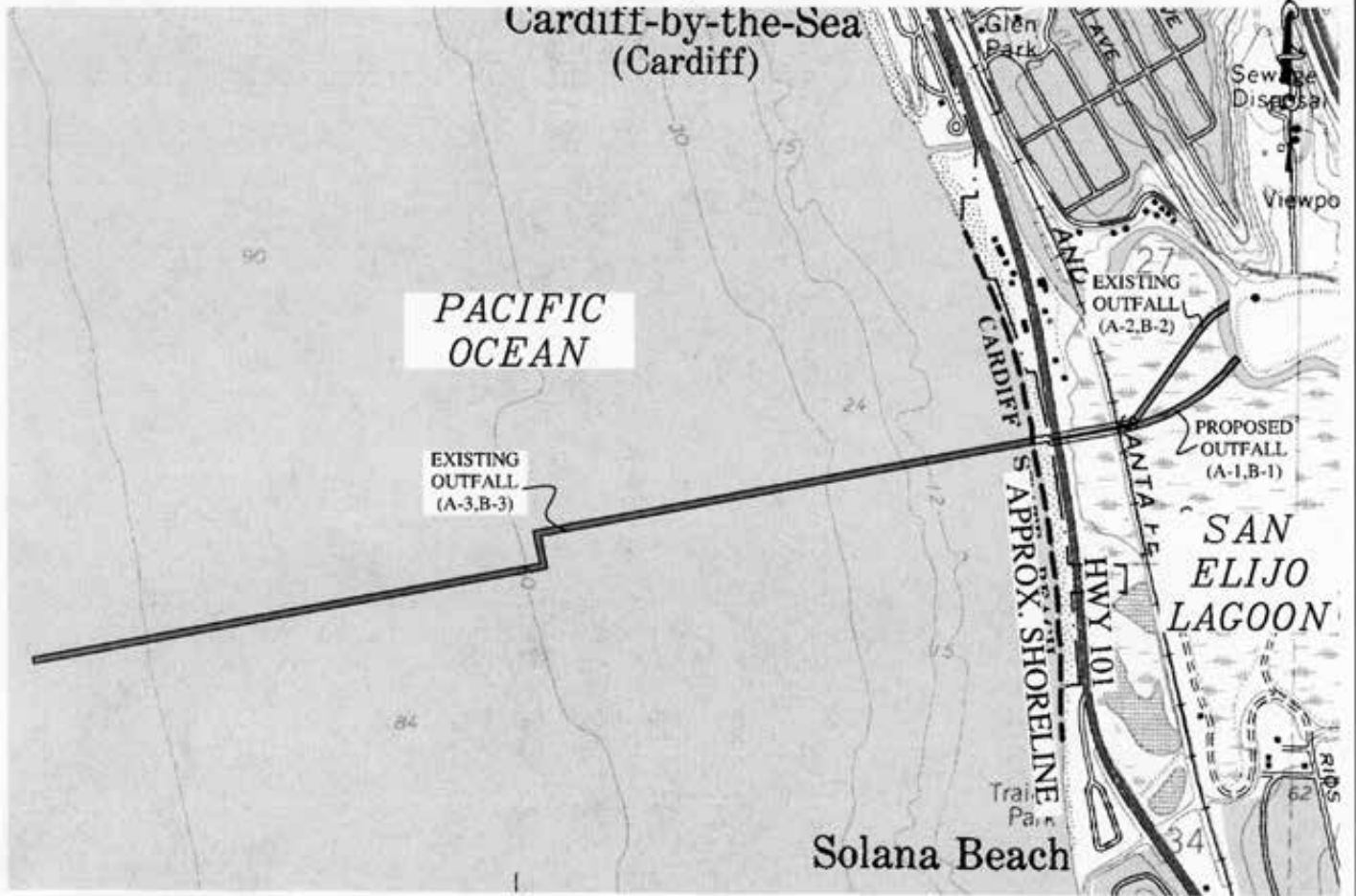
OWNER: STATE OF CALIFORNIA

DATE: JUNE 13, 2016

SHEET 1 OF 1

NO SCALE

### SITE



## SAN ELIJO LAGOON & PACIFIC OCEAN AT CARDIFF STATE BEACH

NO SCALE

### LOCATION



MAP SOURCE: USGS QUAD

### **Exhibit B**

PRC 3228.9  
 SAN ELIJO JOINT POWERS  
 AUTHORITY  
 GENERAL LEASE -  
 PUBLIC AGENCY USE  
 SAN DIEGO COUNTY



MIJ 6/17/16

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

**EXHIBIT C**  
**CALIFORNIA STATE LANDS COMMISSION**  
**MITIGATION MONITORING PROGRAM**  
**SAN ELIJO LAND OUTFALL REPLACEMENT PROJECT**  
(PRC # 3228.9, State Clearinghouse No. 2016011018)

---

The California State Lands Commission (Commission) is a responsible agency under the California Environmental Quality Act (CEQA) for the San Elijo Land Outfall Replacement Project (Project). The CEQA lead agency for the Project is San Elijo Joint Powers Authority.

In conjunction with approval of this Project, the Commission adopts this Mitigation Monitoring Program (MMP) for the implementation of mitigation measures for the portion(s) of the Project located on Commission lands. The purpose of a MMP is to discuss feasible measures to avoid or substantially reduce the significant environmental impacts from a project identified in an Environmental Impact Report (EIR) or a Mitigated Negative Declaration (MND). State CEQA Guidelines section 15097, subdivision (a), states in part:<sup>1</sup>

*In order to ensure that the mitigation measures and project revisions identified in the EIR or negative declaration are implemented, the public agency shall adopt a program for monitoring or reporting on the revisions which it has required in the project and the measures it has imposed to mitigate or avoid significant environmental effects. A public agency may delegate reporting or monitoring responsibilities to another public agency or to a private entity which accepts the delegation; however, until mitigation measures have been completed the lead agency remains responsible for ensuring that implementation of the mitigation measures occurs in accordance with the program.*

The lead agency has adopted an MND; State Clearinghouse No. 2016011018, and adopted a MMP for the whole of the Project (see Exhibit C, Attachment C-1) and remains responsible for ensuring that implementation of the mitigation measures occurs in accordance with its program. The Commission's action and authority as a responsible agency apply only to the mitigation measures listed in Table C-1 below.

---

<sup>1</sup> The State CEQA Guidelines are found at California Code of Regulations, Title 14, section 15000 et seq.



**Table C-1. Project Impacts and Applicable Mitigation Measures.**

Potential Impact	Mitigation Measure (MM) <sup>2</sup>	Difference Between CSLC MMP and Lead Agency MMP
Impacts to wildlife from construction equipment	MM BIO-1	None
Impacts to wildlife from grading and vegetation removal activities	MM BIO-2	None
Impacts to wildlife from clearing and/or grubbing activities	MM BIO-3	None
Impacts to the beach area	MM BIO-4	None
Impacts to environmental resources without Best Management Practices	MM BIO-5	None
Impacts to archaeological resources	MM CUL-1	See below
Impacts to paleontological resources	MM CUL-2	See below

MM-CUL-1: During project construction, a qualified archaeologist and a Native American monitor shall be retained to conduct an archaeological monitoring program. The archaeologist and the Native American monitor shall attend a pre-construction meeting with the contractor to explain the requirements of the monitoring program. The archaeologist and the Native American monitor shall be present to monitor ground-disturbing activities, including brushing/grubbing, grading, and trenching. If cultural material is encountered, the archaeologist and the Native American monitor both shall have the authority to temporarily halt or redirect grading and other ground-disturbing activity while the cultural material is documented and assessed. If cultural material is encountered, the significance of the resources shall be determined by the archaeological Principal Investigator, in consultation with the Native American monitor and SEJPA staff. For significant resources, a recovery program shall be prepared and implemented to mitigate impacts before ground disturbing activities in the area of discovery are resumed. Collected artifacts shall be deposited at an institution with permanent curatorial facilities with accompanying catalog to current repository standards.

The final disposition of archaeological and historical resources recovered on State lands under the jurisdiction of the State Lands Commission must be approved by the Commission.

MM-CUL-2: During project construction, the project applicant or construction contractor shall be required to retain the services of a paleontologist to implement a paleontological monitoring and recovery program. The paleontologist shall attend the project pre-construction meeting to discuss the excavation plan with the excavation contractor(s). The paleontologist or a paleontological monitor shall be on site during original cutting of previously undisturbed portions of the Del Mar Formation and/or terrace deposits. In the event that fossils are discovered, the project paleontologist shall

<sup>2</sup> See Attachment C-1 for the full text of each MM taken from the MMP prepared by the CEQA lead agency.

have the authority to temporarily halt or redirect construction activities in the area of discovery to allow recovery in a timely manner. Collected fossil remains shall be cleaned, sorted, catalogued, and deposited in an appropriate scientific institution such as the San Diego Museum of Natural History.

The final disposition of paleontological resources recovered on State lands under the jurisdiction of the State Lands Commission must be approved by the Commission.

## **ATTACHMENT C-1**

**Mitigation Monitoring Program Adopted by the  
San Elijo Joint Powers Authority**

## Attachment C-1

Mitigation Measure	Timing	Responsible Party	Completed	Initials	Notes (Optional)
<b>Biological Resources</b>					
<p><b>BIO-1</b> If operation of construction equipment starts during the breeding seasons for the coastal California gnatcatcher (March 1 to August 15), least Bell's vireo (March 15 to September 15), Ridgway's rail (February 15 to August 15), western snowy plover (March 1 to September 30), and/or California least tern (March 1 to September 30), pre-construction survey(s) shall be conducted by a USFWS-permitted biologist (as applicable) to determine whether these species occur within the suitable habitat that is located within 500 feet of the construction activities. If it is determined at the completion of pre-construction surveys that active nests belonging to these sensitive species are absent from the potential impact area, construction shall be allowed to proceed. If pre-construction surveys determine the presence of active nests belonging to these sensitive species, then construction shall: (1) be postponed until a permitted biologist determines the nest(s) is no longer active or until after the respective breeding season; or (2) not occur until a temporary noise barrier or berm is constructed at the edge of the development footprint and/or around the piece of equipment to ensure that noise levels are reduced to below 60 A weighted decibels (dBA) or ambient. Decibel output will be confirmed by a qualified noise specialist and intermittent monitoring by a qualified biologist will be required to ensure that conditions have not changed.</p>	Prior to construction/ During construction	SEJPA	<input type="checkbox"/>	_____	
<p><b>BIO-2</b> If initial grading and vegetation removal activities (i.e., earthwork, clearing, and grubbing) must occur during the general bird breeding season for migratory birds and raptors (January 15 through September 15), or during the breeding season for the western snowy plover and California least tern (March 1 to September 30), the project applicant shall retain a qualified biologist to perform a pre-construction survey of potential nesting habitat to confirm the absence of active nests belonging to migratory birds and raptors afforded protection under the MBTA and California FGC. The pre-construction survey shall be performed no more than three days prior to the commencement of the activities. If the qualified biologist determines that no active migratory bird or raptor nests occur, the activities shall be allowed to proceed without any further requirements. If the qualified biologist determines that an active migratory bird or raptor nest is present, no impacts shall occur until the young have fledged the nest and the nest is confirmed to no longer be active, as determined by the qualified biologist.</p>	Prior to construction/ During construction	SEJPA	<input type="checkbox"/>	_____	

Mitigation Measure	Timing	Responsible Party	Completed	Initials	Notes (Optional)
<p><b>BIO-3</b> Prior to construction, the project applicant or construction contractor shall retain a qualified biologist to monitor clearing and/or grubbing activities. The biological monitor shall attend pre-construction meetings and be present during the removal of vegetation to ensure that the approved limits of disturbance are not exceeded and provide periodic monitoring of the impact area including, but not limited to, trenches, stockpiles, storage areas, and protective fencing. Before construction activities occur in areas containing sensitive biological resources, construction workers shall be educated by the biologist to recognize and avoid areas containing sensitive biological resources.</p>	<p>Prior to construction/ During construction</p>	<p>SEJPA</p>	<p><input type="checkbox"/></p>	<p>_____</p>	
<p><b>BIO-4</b> Prior to construction, temporary construction fencing shall be installed around the perimeter of the work area located on the beach. Fencing shall remain in place during all construction activities.</p>	<p>Prior to construction/ During construction</p>	<p>SEJPA</p>	<p><input type="checkbox"/></p>	<p>_____</p>	
<p><b>BIO -5</b> The construction contractor shall implement BMPs, including but not limited to: maintaining the construction zone free of trash and debris; employing appropriate standard spill prevention practices and clean-up materials; installing and maintaining sediment and erosion control measures; maintaining effective control of fugitive dust; and properly storing, handling, and disposing of all toxins and pollutants including waste materials.</p> <p>Prior to construction, the following notes shall be included on the applicable construction plans to the satisfaction of the SEJPA (or their designee):</p> <ul style="list-style-type: none"> <li>• A qualified biologist shall be on site to monitor vegetation clearing and periodically thereafter to ensure implementation of appropriate resource protection measures.</li> <li>• Dewatering shall be conducted in accordance with standard regulations of the Regional Water Quality Control Board. A permit to discharge water from dewatering activities will be required.</li> <li>• During construction, material stockpiles shall be placed such that they (1) cause minimal interference with on-site drainage patterns, and (2) are outside the high tide line.</li> <li>• Material stockpiles shall be covered when not in use.</li> </ul>	<p>Prior to construction/ During construction</p>	<p>SEJPA</p>	<p><input type="checkbox"/></p>	<p>_____</p>	

Mitigation Measure	Timing	Responsible Party	Completed	Initials	Notes (Optional)
<b>Cultural Resources</b>					
<p><b>CUL-1</b> During project construction, a qualified archaeologist and a Native American monitor shall be retained to conduct an archaeological monitoring program. The archaeologist and the Native American monitor shall attend a pre-construction meeting with the contractor to explain the requirements of the monitoring program. The archaeologist and the Native American monitor shall be present to monitor ground-disturbing activities, including brushing/grubbing, grading, and trenching. If cultural material is encountered, the archaeologist and the Native American monitor both shall have the authority to temporarily halt or redirect grading and other ground-disturbing activity while the cultural material is documented and assessed. If cultural material is encountered, the significance of the resources shall be determined by the archaeological Principal Investigator, in consultation with the Native American monitor and SEJPA staff. For significant resources, a recovery program shall be prepared and implemented to mitigate impacts before ground disturbing activities in the area of discovery are resumed. Collected artifacts shall be deposited at an institution with permanent curatorial facilities with accompanying catalog to current repository standards.</p>	During construction	SEJPA	□	—	
<p><b>CUL-2</b> During project construction, the project applicant or construction contractor shall be required to retain the services of a paleontologist to implement a paleontological monitoring and recovery program. The paleontologist shall attend the project pre-construction meeting to discuss the excavation plan with the excavation contractor(s). The paleontologist or a paleontological monitor shall be on site during original cutting of previously undisturbed portions of the Del Mar Formation and/or terrace deposits. In the event that fossils are discovered, the project paleontologist shall have the authority to temporarily halt or redirect construction activities in the area of discovery to allow recovery in a timely manner. Collected fossil remains shall be cleaned, sorted, catalogued, and deposited in an appropriate scientific institution such as the San Diego Museum of Natural History.</p>	During construction	SEJPA	□	—	

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 11, 2016

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER COST OF SERVICE AND PROPOSED WHOLESALE  
RATE INCREASE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Review the Raftelis Financial Consultants Recycled Water Rate Review and Update; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) operates a recycled water utility that produces and wholesales recycled water to four water purveyors; Santa Fe Irrigation District (SFID), San Dieguito Water District (SDWD), Olivenhain Municipal Water District (OMWD), and the City of Del Mar; and also has an interruptible service agreement directly with the Encinitas Ranch Golf Authority (ERGA). Each water purveyor has its own wholesale agreement with the SEJPA that provides the terms for recycled water price, water quality, water quantity, and contract length.

The original SEJPA wholesale agreements were developed in the 1990's and were based on 85% of the water purveyors' potable water rate. This pricing is known as, "Index Pricing", and is common practice in Southern California. Index pricing provided an industry accepted methodology for pricing the recycled water that ensured pricing is set below that of potable water.

However, for the SEJPA, index pricing created pricing complexities between its multiple water purveyors. Each water purveyor had different potable water rates, which resulted in the SEJPA selling its recycled water at multiple price points, creating concerns at the end user level for pricing inequality.

To resolve these issues, the SEJPA Board moved to price-setting based on cost of service principles. This established the true cost of the utility and provided the basis for a defensible pricing structure.

To move from indexed pricing to cost of service, the SEJPA conducted a financial review of the Recycled Water Utility to confirm that revenues were adequate to support the utility and to confirm that the new recycled water price would not exceed that of potable water, which would be unacceptable to both the water purveyors and the end customers. The financial review, which was conducted in 2013, indicated that the program could transition to the new pricing model assuming (1) water sales continued to grow, (2) incentive funding from the San Diego County Water Authority (CWA) and Metropolitan Water District (MWD) continued, and (3) the creation of repair and replacement reserve funding was allowed to be developed slowly over the next two decades.

Based on this information, the SEJPA reached agreement with its water purveyors for moving toward cost of service methodologies for setting future water rates. This action decoupled future recycled water price increases from that of potable water. However, since the Recycled Water Utility is not financially stable without receiving incentive funding from CWA and MWD, most of the agreements also include terms that set future price increases at least 2% but no more than 5%, with the recommended increase being based on cost of service methodologies. Range bounding future rate increases between 2% and 5% was consistent with the 2013 financial model projections, and provides necessary and predictable pricing growth.

## DISCUSSION

The agreement between the SEJPA and the four water purveyors provides the allowance for annual price increases as prescribed through a cost of service model. The SEJPA retained Raftelis Financial Consultants (RFC) to prepare a recycled water cost of service update and to develop recommendations for future rate increases. RFC completed its review and update that discusses approach, calculations, and conclusions (see Attachment 1).

The RFC report recommends 4% annual increases for both the uninterruptible and interruptible customers through FYE 2020. Staff agrees with the 4% annual increases; however, recommends 4% annual increases only through FYE 2018 at which time Staff will review the need for further rate increases. This recommendation will be presented to the Board at the September 2016 Board meeting to increase the price of recycled water to \$1,410 per acre-foot (AF) beginning October 1, 2016 and \$1,466 per AF on July 1, 2017.

The proposed rate increase will provide adequate revenues to fund 90 days operating cash, one year of debt service, and begin funding an asset repair and replacement reserve goal.

## FINANCIAL IMPACT

Based on budgeted and projected water sales to the SEJPA water purveyors, the proposed rates will result in adequate funding for the recycled water utility in FY 2016-17 and FY 2017-18. The basis for the 4% rate increase is supported by the cost of service evaluation conducted by RFC (see Attachment 1) to fund operating expenses, debt, and repair and replacement reserve goals in future years.



It is therefore recommended that the Board of Directors:

1. Review the Raftelis Financial Consultants Recycled Water Rate Review and Update; and
2. Discuss and take action as appropriate.

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

Attachment 1: Raftelis Financial Consultants Recycled Water Rate Review and Update

## ATTACHMENT 1



150 N Santa Anita,  
Ste 470.  
Arcadia, CA 91006

Phone 626 . 583 . 1894  
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June 24, 2016

San Elijo Joint Powers Authority  
2695 Manchester Avenue  
Cardiff by the Sea, CA 92007  
Attention: Mr. Paul Kinkel, Director of Finance & Administration

**Subject: Recycled Water Rate Review and Update**

Dear Mr. Kinkel:

The San Elijo Joint Powers Authority (SEJPA) engaged Raftelis Financial Consultants, Inc. (RFC) to conduct a cost of service analysis and calculate recycled water rates in a recycled water rate study (Study). This analysis serves as a review and update of RFC's calculation of rates in Fiscal Year Ending (FYE) 2014 using a Cash Basis approach to calculating the rates.

### 1. Introduction

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The SEJPA owns and operates a recycled water utility, which in September 2000 commenced service to Santa Fe Irrigation District (SFID), the San Dieguito Water District (SDWD), and the City of Del Mar (together the "participating water agencies"). In 2011, SEJPA began providing interruptible service to the Encinitas Ranch Golf Authority (ERGA), as part of a three way agreement between SEJPA, SDWD, and ERGA. In October 2012, SEJPA began providing recycled water service to Olivenhain Municipal Water District (OMWD).

The original recycled water system includes tertiary treatment, transmission, storage, and distribution facilities. In 2013, SEJPA completed construction of an advanced water purification (AWP) facility that reduces the Total Dissolved Solids (TDS) and expands recycled water production by 22 percent. Controlling TDS reduces the hardness of the recycled water, and was instrumental in expanding service to cooling towers and other salt-sensitive uses.

SEJPA's recycled water is used to offset potable water demands, which improves the region's water reliability. SEJPA's recycled water system has the capacity to deliver 3 million gallons per day (mgd) or approximately 1,800 to 2,000 acre-feet per year (AFY). Recycled water sales have been as high as 1,562 AFY; however, FYE 2016's sales have declined to approximately 1,368 AFY. SEJPA attributes this reduction to water conservation messaging in its service area, which has resulted in conservation of both potable and recycled water. Other recycled water suppliers have experienced similar reductions. While SEJPA supports water use efficiency, its recycled water system will be most cost-effective for all users when its average annual delivery rates are closer to the full system design capacity.

## 2016 Recycled Water Rate Study

San Elijo Joint Powers Authority

SEJPA's agreements with SFID, SDWD, OMWD, and the City of Del Mar include "minimum annual purchase volumes", and the interruptible service agreement with ERGA includes a minimum annual delivery volume. Table 1-1 below lists the minimum purchase commitments for each agency:

**Table 1-1 – Minimum Purchase Commitments for SEJPA Recycled Water**

Water Purveyors	Minimum Purchase Volume (AFY)					
	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
<b>Santa Fe Irrigation District</b>	450	450	450	450	450	450
<b>City of Del Mar</b>	120	120	120	120	120	120
<b>Olivenhain Water District</b>	25	25	85	100	125	130
<b>San Dieguito Water District</b>	400	400	400	400	400	400
<b>ERGA</b>	200	200	200	200	200	200
<b>Total</b>	<b>1,195</b>	<b>1,195</b>	<b>1,255</b>	<b>1,270</b>	<b>1,295</b>	<b>1,300</b>

Providing direct interruptible service to ERGA's Golf Course storage pond has resulted in operational efficiencies for the SEJPA. In addition, the interruptible service coupled with a large water storage pond at the golf course improves system hydraulics, and allows the SEJPA to serve additional customers. In its supply agreement with OMWD, SEJPA has provided for an "infrastructure credit" or "rent back," as OMWD has constructed the recycled water distribution infrastructure within its service area. Without this infrastructure (valued at approximately \$3 million), the SEJPA could not provide recycled water service to OMWD's customers. In a similar fashion, the SEJPA purchased a recycled water pipeline from SFID with loan payments of \$450 per AF sold through the pipeline, which includes interest that varies from 1.0% to 2.5%. Since its construction, approximately 140 AF has been delivered through the SFID pipeline.

The original recycled water sales agreements tied the price of recycled water to 85% of the potable water rate. During FYE 2014 and FYE 2015, the SEJPA decoupled the price of recycled water from the potable water rates, and developed a single unified rate for all uninterruptible service customers. This rate was based on cost of service. The ERGA interruptible contract extends to June 30, 2017 (with an optional 6-year extension), and includes annual rate increases of 5 percent. In addition to the revenue from customers, the SEJPA also receives incentives from the Southern California Metropolitan Water District (MWD) and the San Diego County Water Authority (CWA) to develop recycled water supplies. These incentives are \$250 and \$200 per AF from MWD and CWA, respectively.

## 2. Assumptions

The period for this study is for the fiscal years ending June 30, 2017 (FYE 2017) through June 30, 2020 (FYE 2020). Program expenses were based on actual and budgeted expense, and assumptions over the

**2016 Recycled Water Rate Study**  
San Elijo Joint Powers Authority

planning period. The actual expense and assumptions were based on audited financial statements, estimates, current year budget, and discussions with the SEJPA’s staff. Assumptions include inflation factors, annual consumption, and payment terms for proposed new debt.

1. Recycled Water Demand

The Study assumes that the recycled water program will experience a modest increase in new water sales over the next four years as a result of new customers within the existing service areas of SDWD, SFID, OMWD, and Del Mar.

Projected usage changes across the Study period were developed with input from the SEJPA and local water districts. As noted earlier, usage reduction in FYE 2016 is due to conservation efforts in response to drought messaging. It is anticipated that usage will return to more typical levels in FYE 2017, and there are new recycled water customers planned for connection during this study period. For example, the SEJPA expects SDWD to add 20 AFY and an additional 40 AFY in FYE’s 2017 and 2018 respectively due to the addition of the Encinitas Ranch Homeowners Association and other new sites. OMWD expects to have new recycled demands associated with the Village Park Project, and SFID expects new usage associated with the extension of service along Via de la Valle. **Table 2-1** lists the SEJPA’s projected usages for the customer base during the study period. The table also provides the total revenue-generating AF by using ERGA’s minimum contracted delivery volume of 200 AFY.

**Table 2-1 –Projected Usage**

Customer	Usage in Acre Feet					
	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Santa Fe Irrigation District	524	507	520	540	560	570
City of Del Mar	136	123	130	132	134	136
Olivenhain Water District	144	97	155	210	240	270
San Dieguito Water District	402	400	420	460	470	475
Revenue based on AF	1,206	1,127	1,225	1,342	1,404	1,451
Encinitas Ranch Golf Authority	356	241	300	300	300	300
<b>Total Usage</b>	<b>1,562</b>	<b>1,368</b>	<b>1,525</b>	<b>1,642</b>	<b>1,704</b>	<b>1,751</b>
Less: ERGA Interruptible Supply (over 200 AF)	-156	-41	-100	-100	-100	-100
<b>Total Revenue Generating Usage</b>	<b>1,406</b>	<b>1,327</b>	<b>1,425</b>	<b>1,542</b>	<b>1,604</b>	<b>1,651</b>

## 2. Inflation

Assumed inflationary factors for operations and maintenance (O&M) costs are shown in **Table 2-2**. In examining program costs, it was determined that the majority of costs do not fluctuate significantly with the change in recycled water produced and delivered by the utility. Such expenses are labeled as “Fixed Costs.” The two primary expenses that fluctuate with water production and delivery are power and supplies. Labor expense has a limited fluctuation with production and for the purpose of this study is assumed to be fixed. Increase in SEJPA labor as a result of proposed studies and capital projects is assumed to be included in capital costs. To develop future operating expenses, fixed costs are multiplied by an assumed inflationary factor. Costs that vary with water production are multiplied by both an inflationary factor and by the production percentage increase. **Table 2-2** shows the percentages assumed for each fiscal year.

**Table 2-2 –Inflation Factors**

Inflation Factors	FYE 2018	FYE 2019	FYE 2020
Fixed Costs	3.00%	3.00%	3.00%
Labor (fixed)	3.75%	3.75%	3.75%
Power & Supplies	4.50%	4.50%	4.50%

## 3. Operating Expenses

The rate study was based on a review of the utility’s O&M expenses. Section 4 discusses debt service and Section 5 outlines reserve requirements. **Table 3-1** below shows the O&M expenses inflated across the study period using the inflation factors described in **Table 2-2** beginning with FYE 2018. For Utilities (Power) and Supplies, these expenses are influenced by both water sales and inflation. Capital Outlay for FYE 2018 is planned at \$10,000 is assumed to increase at 3.0% annually.

**Table 3-1 – Operating and Maintenance Expenses**

Operating Expenses	Actual FYE 2015	Estimate FYE 2016	Estimate FYE 2017	Projected FYE 2018	Projected FYE 2019	Projected FYE 2020
Personnel Costs	\$487,628	\$541,045	\$520,828	\$540,359	\$560,623	\$581,646
Utilities	271,491	286,549	304,000	342,053	370,942	398,326
Contracted Services	179,691	228,076	235,500	242,565	249,842	257,337
Supplies	76,348	95,803	116,609	131,205	142,287	152,791
Repair Parts	26,157	43,861	42,840	44,125	45,449	46,812
Miscellaneous	80,468	68,828	92,808	95,592	98,460	101,414
Permit/Purveyor Fees	26,800	27,398	28,000	28,840	29,705	30,596
Insurance	16,883	17,973	19,511	20,097	20,699	21,320
Capital Outlay		35,337	4,950	10,000	10,300	10,609
<b>Total Operating Expenses</b>	<b>\$1,165,466</b>	<b>\$1,344,870</b>	<b>\$1,365,046</b>	<b>\$1,454,836</b>	<b>\$1,528,307</b>	<b>\$1,600,851</b>

## 4. Debt Service

### 4.1 Current Debt

SEJPA’s Recycled Water Program currently has three outstanding loans: The State Revolving Fund (SRF), which funded the recycled water infrastructure; the Municipal Finance Corporation Loan, which funded the advanced water purification facility (AWP), and the SFID Pipeline Loan (SFID), which funded the purchase of the recycled water pipeline in the Santa Fe Irrigation District. The SRF Loan final payment will be made in August, 2020 (FYE 2021). The AWP Loan extends through FYE 2032. The SFID loan payment is based on AF conveyed through the pipeline with any remaining loan balance due in FYE 2033.

### 4.2 Capital Expenses and Proposed Debt

The SEJPA has plans for capital projects during the study period that will be funded by bond issuance, SRF loan, or other means. The largest project is related to the construction of recycled water pipelines estimated at \$2.8 million. An additional \$2.0 million is planned for other system improvements including treatment, storage, and distribution facilities for a total amount of \$4.8 million.

The total debt is estimated to be \$5.0 million to cover issuance costs. The Study assumes that this capital expense is incurred by FYE 2018 and debt service payments begin in FYE 2019. The Study assumes a 30-year repayment term, 4 percent interest rate, and a 6.5 percent debt reserve requirement.

**Table 4-1 – Capital Debt (Existing and Proposed)**

<b>Debt</b>	<b>FYE 2016</b>	<b>FYE 2017</b>	<b>FYE 2018</b>	<b>FYE 2019</b>	<b>FYE 2020</b>
State Revolving Fund Loan	\$834,675	\$834,675	\$834,675	\$834,675	\$834,675
Municipal Finance Corporation Loan	148,153	148,153	148,153	148,153	148,153
SFID Reimbursement Agreement	15,000	15,000	15,000	15,000	15,000
Total Current Debt Service	997,828	997,828	997,828	997,828	997,828
Proposed Debt Service				287,680	287,680
Total Debt Service	\$997,828	\$997,828	\$997,828	\$1,285,508	\$1,285,508

## 5. Reserve Requirements and Goals

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There are multiple cash reserves that a utility may utilize. Examples are bond, operating and maintenance, and asset repair and replacement (R&R) reserves.

The SEJPA currently has a bond reserve to satisfy SRF loan requirements in the amount of \$630,000, and the proposed debt has an estimated reserve requirement of \$325,000 for a total bond reserve of \$955,000. These bond reserve funds are intended to be available for system repairs to ensure the delivery and sale of recycled water. These funds are held in the Recycled Water Debt Reserve Fund, and when the loan(s) are paid off, these funds are available for R&R reserve goals.

The Recycled Water Cost of Service Study prepared by GHD, Inc. dated April 2013 suggested a range from \$2.6 million to \$3.3 million for R&R reserve goal by FYE 2021 with a target goal of \$3.0 million. The 2013 Study also provided a R&R reserve target goal of \$4.8 million by FYE 2026. The 2016 Cost of Service Study includes the required bond reserve funding as well as providing consideration for the R&R reserve goals recommended in the 2013 Study. Rate calculations (Section 6) provide allowances for R&R funding goals at levels similar to those forecasted in the 2013 Study.

## 6. Rate Calculation

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To determine the recycled water rates, the rates must cover operating expenses, debt service payments, and fund reserves in order for the program to be sustainable. As noted in Section 1, the SEJPA provides both uninterruptible and interruptible recycled water service. To normalize the rate calculation, recycled water sales to ERGA are assumed to be 200 AFY, which is the minimum required delivery per agreement. Furthermore, the Study assumes the SEJPA will qualify for MWD and CWA incentives through FYE 2020.

In developing future rate calculations, funds available for R&R reserve goals were the difference between expenses and revenues received. Three rate scenarios were evaluated to determine the viability to meet expense demand and reserve goal funding needs. Tables 6-1, 6-2, and 6-3 consider future rate increases of 3%, 4%, and 5%, respectively.

**2016 Recycled Water Rate Study**  
San Elijo Joint Powers Authority

**Table 6-1 – 3.0% Rate Calculation for Recycled Water with MWD and CWA Incentives**

	Estimate FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Operating Expenses	\$1,344,870	\$1,365,046	\$1,454,836	\$1,528,307	\$1,600,851
Debt Service	997,828	997,828	997,828	1,285,508	1,285,508
Repair & Replacement Goal	53,870	268,082	459,561	284,621	375,980
Total costs to be recovered	\$2,396,568	\$2,630,956	\$2,912,225	\$3,098,436	\$3,262,339
Total AF for Calculation	1,327	1,425	1,542	1,604	1,651
Cost per AF	\$1,806	\$1,846	\$1,889	\$1,931	\$1,976
Less: MWD and CWA Incentives	-450	-450	-450	-450	-450
Price per AF to Customers	\$1,356	\$1,397	\$1,439	\$1,481	\$1,526
Increase Year over Year		3.0%	3.0%	3.0%	3.0%

**Table 6-2 – 4.0% Rate Calculation for Recycled Water with MWD and CWA Incentives**

	Estimate FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Operating Expenses	\$1,344,870	\$1,365,046	\$1,454,836	\$1,528,307	\$1,600,851
Debt Service	997,828	997,828	997,828	1,285,508	1,285,508
Repair & Replacement Goal	53,870	288,638	503,377	354,316	475,306
Total costs to be recovered	\$2,396,568	\$2,651,512	\$2,956,041	\$3,168,131	\$3,361,665
Total AF for Calculation	1,327	1,425	1,542	1,604	1,651
Cost per AF	\$1,806	\$1,860	\$1,917	\$1,975	\$2,036
Less: MWD and CWA Incentives	-450	-450	-450	-450	-450
Price per AF to Customers	\$1,356	\$1,410	\$1,467	\$1,525	\$1,586
Increase Year over Year		4.0%	4.0%	4.0%	4.0%



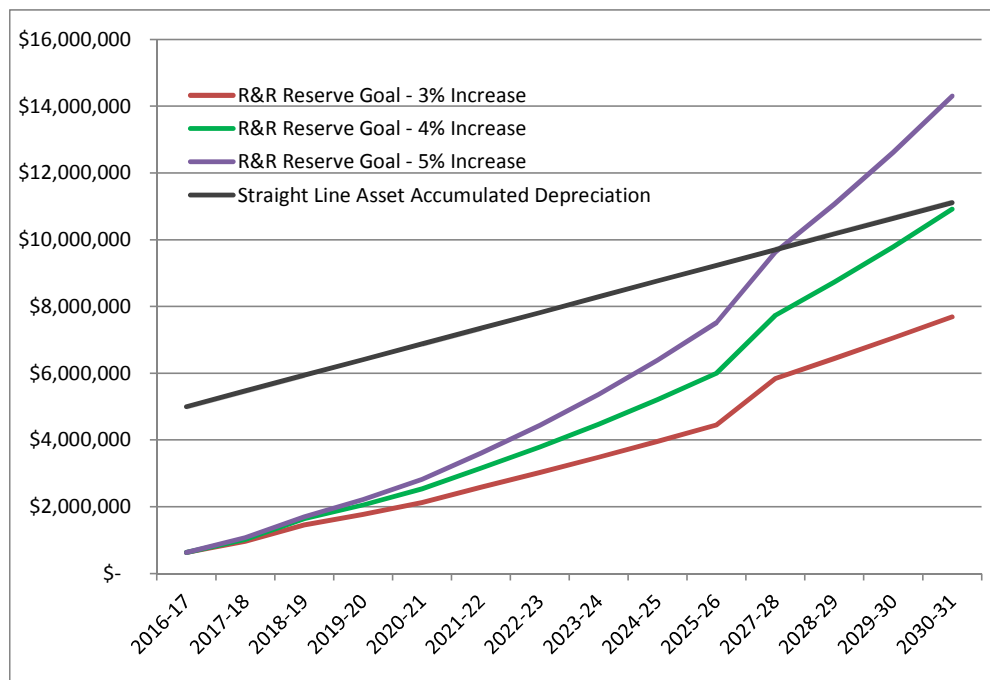
**2016 Recycled Water Rate Study**  
 San Elijo Joint Powers Authority

**Table 6-3 – 5.0% Rate Calculation for Recycled Water with MWD and CWA Incentives**

	Estimate FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Operating Expenses	\$1,344,870	\$1,365,046	\$1,454,836	\$1,528,307	\$1,600,851
Debt Service	997,828	997,828	997,828	1,285,508	1,285,508
Repair & Replacement Goal	53,870	307,653	545,747	425,820	578,611
Total costs to be recovered	\$2,396,568	\$2,670,527	\$2,998,411	\$3,239,635	\$3,464,970
Total AF for Calculation	1,327	1,425	1,542	1,604	1,651
<b>Cost per AF</b>	<b>\$1,806</b>	<b>\$1,874</b>	<b>\$1,945</b>	<b>\$2,020</b>	<b>\$2,098</b>
Less: MWD and CWA Incentives	-450	-450	-450	-450	-450
<b>Price per AF to Customers</b>	<b>\$1,356</b>	<b>\$1,424</b>	<b>\$1,495</b>	<b>\$1,570</b>	<b>\$1,648</b>
Increase Year over Year		5.0%	5.0%	5.0%	5.0%

The 4% rate scenario provides R&R goal reserve funding of \$3 million in FY 2023 and \$4.8 million by FYE 2025, which is approximately similar to the funding goals stated in the 2013 Study. Based on the three future rate scenarios, the 4% rate provides adequate reserve goal balances at the lowest rate increase.

**Graph 6-1 – Projected R&R Reserve Goals – 3%, 4% and 5% Rate Increases**



### 6.1 Uninterruptible Customer Rate (\$/AF)

The uninterruptible customer rate is intended to recover the costs associated with providing uninterruptible service. This requirement was determined to be 4.0 percent greater than the prior year’s rate. The rate was calculated by dividing the total expenses by the total uninterruptible recycled water AF usage, plus the contractual minimum water AF usage for interruptible service. For FYE 2017 this rate is \$1,410 per AF shown in Table 6-2 above.

### 6.2 Interruptible Customer Rate (\$/AF)

The interruptible rate was calculated in RFC’s September 2015 Cost of Service Report. The rate will increase by 5 percent for FYE 2017 at which time the agreement expires. The rate structure beginning FYE 2018 used a 4 percent increase. This rate is consistent with the uninterruptible rate and produces adequate results.

## 7. Cash Fund Balances

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To determine whether the proposed rates provide sustainability, Cash Fund Balances were analyzed to confirm adequate cash reserves. The operating cash reserve goal is based on 90 days of operating expense plus one year’s debt service. The R&R cash reserve goal includes the Debt Reserve Requirement as discussed in Section 5.

Table 7-1 below shows the estimated cash balances for the Recycled Water Fund:

**Table 7-1 – Cash Fund Balances**

	Estimate FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Operating Cash Reserve Goal	\$741,720	\$1,217,877	\$1,361,537	\$1,667,584	\$1,685,721
Debt and R&R Cash Reserve Goal	630,000	630,000	1,020,862	1,643,785	2,056,046
<b>Total Cash</b>	<b>\$1,371,720</b>	<b>\$1,847,877</b>	<b>\$2,382,399</b>	<b>\$3,311,369</b>	<b>\$3,741,767</b>

The Operating Cash Reserve Goal falls below 90 days of operating expense for FYE 2016 and 2017; however, the goal is met in FYE 2018 and subsequent years.

## 8. Conclusion

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Based on the analysis shown in the Study, RFC recommends a 4.0 percent annual increase in rates for both the uninterruptible customers and interruptible customer. Larger rate increases could be justified by the analysis, however customer usage could be impacted by pricing, and the potential reduction in usage could more than offset the revenue increase of the higher rate. This effort also revealed that increasing recycled water sales, without substantial capital investment, provides the greatest benefit to the financial foundation of the utility. Conversely, should future sales decrease, the rates may need to be increased to meet the revenue requirements. The recycled water utility does include safe guards such as minimum purchase contracts with the water districts and ERGA, which provides protection from significant declines in water sales. The utility also receives financial incentives from MWD and CWA that help meet the programs' financial needs. These incentives have an expiration date of FYE 2025, but can be retired early based on certain financial measurements. Based on information provided, it does not appear that these incentives will expire during the review period of this Study. However, this situation should be monitored annually as financial events such as receiving grant funding or significant deviations of the price of recycled water from potable water rates can reduce or eliminate incentives in any year. Loss of incentive funding will erode R&R funding goals and likely require a review of future recycled water rates.

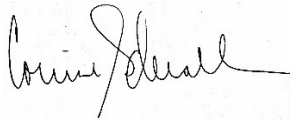
RFC's staff is grateful for the opportunity to work with and the support of SEJPA's staff.

Sincerely,

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