

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY JUNE 13, 2016 AT 9:00 AM
SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS (NON-ACTION ITEM)
5. PRESENTATION OF AWARDS
 - Casey Larsen, California Water Environment Association,
2015 Electrical/Instrumentation Person of the Year
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR THE MAY 9, 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. * REQUEST FOR CONSENT TO JOINT LEGAL REPRESENTATION
12. * PROFESSIONAL SERVICES CONTRACT FOR ENCINITAS RANCH RECYCLED WATER EXPANSION PROJECT
13. * 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

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

1. Adopt Resolution No. 2016-08, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2016-17;
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; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

15. CALPERS UNFUNDED ACTUARIAL LIABILITY

1. Authorize the General Manager to apply positive FY 2015-16 Budget variances to the CalPERS Unfunded Actuarial Liability; and
2. Discuss and take action as appropriate.

Staff Reference: Director of Finance/Administration

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

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

Staff Reference: General Manager

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

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;
3. Authorize the General Manager to enter into an agreement with EWA for the procurement of Ocean Monitoring-Water Quality Services; and
4. Discuss and take action as appropriate.

Staff Reference: General Manager

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

It is recommended that the Board of Directors:

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
3. Discuss and take action as appropriate.

Staff Reference: General Manager

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"

1. Adopt Resolution No. 2016-10, Resolution Adopting the San Elijo Joint Powers Salary and Benefits for Fiscal Years 2016-17, 2017-18, and 2018-19; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

20. GENERAL MANAGER'S REPORT

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

21. GENERAL COUNSEL'S REPORT

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

22. 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.

23. 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".

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.

24. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, July 11, 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. 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: June 8, 2016



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

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON MAY 9, 2016
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Catherine Blakespear, Chair

Ginger Marshall, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, May 9, 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

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

2. ROLL CALL

Directors Present:

Catherine S. Blakespear
Ginger Marshall
Mark Muir
David Zito

Directors Absent:

None

Others Present:

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

Michael Thornton
Christopher Trees
Paul Kinkel
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser
Tracie E. Stender

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 Pruiam
Bill Wilson

Dudek

Andrew Talbert

Encinitas Ranch Community

Richard P. Stern

3. PLEDGE OF ALLEGIANCE

Chair Blakespear led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

Richard P. Stern of Encinitas Ranch Community, addressed the Board of Directors regarding the Encinitas Ranch Recycled Water Expansion Project.

5. PRESENTATION OF AWARDS

None

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 April 11, 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 San Elijo Joint Powers Authority Fiscal Year 2016-17 Recommended Budget Update

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. ADOPT THE PROPOSED MITIGATED NEGATIVE DECLARATION FOR RECYCLED WATER SYSTEM IMPROVEMENTS

General Manager Thornton informed the Board of Directors that the SEJPA retained Dudek to prepare the California Environmental Quality Act (CEQA) reporting requirements for the proposed Recycled Water Pipeline and Facility Upgrades, which are focused on recycled water improvements. Dudek recommended that a Mitigated Negative Declaration (MND) is the appropriate environmental document for project compliance with CEQA. Mr. Thornton stated that the MND was distributed for a 30-day public review period. Two MND comment letters were received: one from the California

Department of Transportation and one from the State Water Resources Control Board. Responses to the comment letters were included in the final MND, and no substantive comments were received that changed the determination of the impacts or mitigation measures. Adoption of the proposed MND will complete the review process required by CEQA.

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

1. Adopt the Proposed Mitigated Negative Declaration for Recycled Water System Improvements; and
2. Discuss and take action as appropriate.

Motion carried with unanimous vote of approval.

14. ENCINITAS RANCH RECYCLED WATER EXPANSION PROJECT

General Manager Thornton stated that due to the drought in California, the State Water Board has mandated reductions in potable water use. In response, the SEJPA has been collaborating with cities and water districts to develop recycled water and reuse projects in North County San Diego. Since 2015, the SEJPA and the San Dieguito Water District have been in discussions with the Encinitas Ranch Community Association (ERCA) and neighboring sites to convert existing landscape and agricultural irrigation to recycled water. These meetings resulted in the proposed Encinitas Ranch Recycled Water Expansion project. The project is designed to serve two private agricultural users, the City of Encinitas park trail system, and the ERCA. Mr. Thornton stated that the anticipated water offset for this project is approximately 45 acre feet per year. The anticipated cost of the project is \$1.16 million, which will be fulfilled by IRWM grant funding (\$525,000), cost-sharing (\$150,000), and anticipated low-interest State Revolving Fund (SRF) loan proceeds. Based on revenue and expense projections, the project creates revenues that are in excess of expenditures.

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

1. Approve project concept;
2. Direct Staff to obtain engineering proposals to complete the project design and obtain permits; and
3. Discuss and take action as appropriate.

Motion carried with unanimous vote of approval.

17. GENERAL MANAGER'S REPORT

General Manager Thornton stated that his performance review is scheduled for next month, and that he will send information to the Board members before the June Board meeting.

18. GENERAL COUNSEL'S REPORT

Greg Moser informed the Board of Directors that a hearing regarding the SEJPA's appeal of CalPERS' determination that uniforms should be reported as special compensation, will likely take place in September.

19. BOARD MEMBER COMMENTS

None

20. CLOSED SESSION

The Board of Directors adjourned to closed session at 9:30 a.m.

Pursuant to Government Code Section 54957.6: Conference with Labor Negotiator; Agency Negotiator: Michael T. Thornton, General Manager; Unrepresented Employees: All Non-Contract Employees.

Pursuant to Government Code Section 54956.8: Real Property Negotiations; Agency Negotiator: Michael T. Thornton, General Manager; Location: Rancho Santa Fe Community Services District.

Pursuant to Government Code Section 54956.8: Real Property Negotiations; Agency Negotiator: Michael T. Thornton, General Manager; Location: Encinitas Ranch Community, Encinitas Ranch Golf Authority, City of Encinitas.

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

The Board of Directors came out of closed session at 10:28 a.m. with no reportable action.

21. ADJOURNMENT

The meeting adjourned at 10:31 a.m. The next Board of Directors meeting will be held on June 13, 2016.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****16-06****For the Month of May 2016**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
32178	Jose Garcia	General Checking	VOID	(35.00)
32289	NSI Solutions, Inc.	General Checking	VOID	(267.00)
32911	Advanced Air & Vacuum	Services - Maintenance	Service for rotary air compressors	1,191.35
32912	All American First Aid & Safety	Supplies - Safety	Safety mats, jackets, first aid supplies	2,040.60
32913	AT&T	Utilities - Telephone	DSL - 03/20/16 - 04/19/16	100.62
32914	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	3,695.50
32915	Barracuda Networks, Inc.	Utilities - Internet	Network back-up	50.00
32916	Boot World, Inc.	Uniforms - Boots	Safety boots	600.00
32917	California Water Technologies	Supplies - Chemicals	Ferric chloride	2,108.29
32918	Calpers	Retirement Plan - PERS	Calpers	11,906.00
32919	Chevron & Texaco Business Card	Fuel	Fuel	385.89
32920	Complete Office	Supplies - Office	Office supplies	160.94
32921	San Diego Recorder/County Clerk	Fees - Permits	Recycled Water Final MND	2,260.25
32922	John Young	Services - Professional	SWAP project labor compliance	800.00
32923	D&H Water Systems	Supplies - Chemicals	Acetate buffer	256.80
32924	Department of Consumer Affairs	Dues & Memberships	Renewal	115.00
32925	DMV	Services - Other	Safety records	3.00
32926	Dudek & Associates	Services - Professional	SWAP project, SRF loan support, Headworks	47,467.27
32927	EDCO Waste & Recycling Service	Utilities - Trash	April	235.97
32928	City of Encinitas	Service - IT Support	Administration network - March, April, and Ma	7,500.00
32929	Evantec Lab Supply	Supplies - Lab	Laboratory supplies	259.21
32930	Global Capacity	Utilities - Internet	T-1 service - May	296.03
32931	Grainger, Inc.	Repair Parts Expense	Fuse block	25.92
32932	Hawthorne	Services - Maintenance	Pump stations service	8,477.05
32933	Home Depot Credit Services	Supplies - Shop & Field	Parts, tools, shop and field supplies	587.62
32934	Jennifer Basco	Subsistence - Travel	Mileage	64.61
32935	Paul Kinkel	Subsistence - Meals	Coordination meeting with Encina	94.54
32936	The Lawton Group	Services - Intern Program	Weeks worked - 04/04/16 - 04/22/16	2,515.26
32937	McMaster-Carr Supply Co.	Repair Parts Expense	Parts for gas compressors, valves, plumbing	578.71
32938	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium hypochlorite	2,921.79
32939	Olivenhain Municipal Water District	Services - Construction	Village Park Recycled Water Project	73,557.99
32940	OneSource Distributors, Inc.	Repair Parts Expense	Electrical parts	4,395.51
32941	Pacific Green Landscape	Services - Landscape	April	2,975.00
32942	Pacific Pipeline Supply	Supplies - Shop & Field	Protective coating compound	167.31
32943	Preferred Benefit Insurance	Dental/Vision	Vision - May	300.40
32944	ProBuild Company, LLC	Supplies - Shop & Field	Parts, shop and field supplies	620.09
32945	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	369.67
32946	Rising Tide Partners	Services - Professional	Solar energy evaluation	599.00
32947	San Dieguito Water	Utilities - Water	Recycled water	8,597.67
32948	Santa Fe Irrigation District	Services - Professional	Potable reuse study	309.33
32949	Test America	Services - Laboratory	Water sample testing	1,635.00
32950	Trussell Technologies, Inc.	Services - Engineering	Process engineering and evaluation	336.00
32951	Unifirst Corporation	Services - Uniforms	Uniform service	475.84
32952	United Blower, Inc.	Capital Outlay	Intake silencer	2,502.00
32953	UPS	Postage/Shipping	Shipping	15.78
32954	Underground Service Alert/SC	Services - Alarm	Dig alert - April	69.00
32955	Verizon Wireless	Utilities - Telephone	03/11/16 - 04/10/16	211.11
32956	Verizon Wireless	Utilities - Telephone	02/08/16 - 04/07/16	270.59
32957	VWR International, Inc.	Supplies - Lab	Laboratory supplies	1,378.80
32958	WEX Bank	Fuel	Fuel	157.98
32959	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling - April	12,972.40
32960	BankCard Center	Various	Parts, supplies, and meetings	1,329.10
32961	Boot World, Inc.	Uniforms - Boots	Safety boots	150.00
32962	City National Bank	AWT Principal/AWT Interest	Loan Agreement	74,076.57
32963	Coast Waste Management, Inc.	Services - Grit & Screenings	04/07/16 - 04/30/16	137.34
32964	Carrie Cook	Subsistence - Travel	Mileage for training	23.81
32965	D&H Water Systems	Repair Parts Expense	Metering pumps and tubes	2,755.28

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****16-06****For the Month of May 2016**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
32966	Dudek & Associates	Services - Professional	SRF loan support	16,969.96
32967	Golden State Overnight	Postage/Shipping	Mailing samples	56.10
32968	Harrington Industrial Plastics	Repair Parts Expense	Transmitter	550.73
32969	Kennedy/Jenks Consultants	Services - Engineering	Land outfall - design	72,992.80
32970	Paul Kinkel	CSRMA Wellness Program	Health and wellness	60.00
32971	Konica Minolta	Services - Maintenance	Copier maintenance service	177.35
32972	The Lawton Group	Services - Intern Program	Week worked - 04/24/16 - 05/01/16	819.09
32973	LiftOff, LLC	Licenses	Office 365 annual renewal subscription	1,130.76
32974	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium hypochlorite	3,097.97
32975	Olivenhain Municipal Water District	Rent	Pipeline rental payment	4,599.00
32976	Pacific Pipeline Supply	Repair Parts Expense	Flange, gasket, and bolt set	427.63
32977	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 04/22/16 - 05/06/16	11,608.33
32978	Quality Microscope Service	Services - Maintenance	Service on microscope	125.00
32979	Santa Fe Irrigation District	Utilities - Water	Recycled water	509.02
32980	Smart & Final	Supplies - Office	Supplies	120.40
32981	Spiess Construction Co., Inc.	Services - Contractors	Turbo blower project	9,595.00
32982	Test America	Services - Laboratory	Water sample testing	146.50
32983	Michael Thornton	Subsistence - Travel/Rm & Bd	WaterReuse California conference	1,116.29
32984	USA Bluebook	Repair Parts Expense	Pressure gauge and gas compressor parts	718.02
32985	Vallecitos Water District	Prepaid - Other	EAP - 2016-17	677.88
32986	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,401.42
32987	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	2,849.58
23988-32990	Void	Void	Void	Void
32991	Aflac	EE Deduction Benefits	Aflac - May	627.96
32992	All American First Aid & Safety	Supplies - Shop & Field	Gloves	321.84
32993	Applied Industrial Tech.	Repair Parts Expense	Medium ball bearings	162.97
32994	AT&T	Utilities - Telephone	DSL - 04/10/16 - 05/09/16	105.11
32995	AT&T	Utilities - Telephone	Phone service - 04/13/16 - 05/12/16	366.58
32996	AT&T	Utilities - Telephone	Alarm service	392.75
32997	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	832.32
32998	Black & Veatch	Services - Engineering	Design review	4,662.50
32999	Brenntag Pacific, Inc.	Supplies - Chemicals	Sodium hydroxide	2,268.48
33000	California Water Technologies	Supplies - Chemicals	Ferric chloride	4,174.08
33001	Carrie Cook	CSRMA Wellness Program	Health and wellness	60.00
33002	Corodata	Rent	Record storage - April	74.69
33003	County of San Diego	Fees - Permits	Permit	1,971.00
33004	John Young	Services - Professional	SWAP project labor compliance	800.00
33005	DMV	Services - Other	Safety record - 04/01/16 - 04/30/16	1.00
33006	Alliant Insurance Services	Prepaid Insurance	ACIP crime insurance renewal	600.00
33007	Encina Wastewater Authority	Service - EWA Support	Resource sharing	900.54
33008	Forte of San Diego	Services - Janitorial	June	1,000.00
33009	Jose Garcia	Seminars/Education	CWEA prep class	35.00
33010	Grainger, Inc.	Repair Parts Expense	Ceramic insulation and latching pins	214.67
33011	Hoch Consulting, APC	Services - Engineering	Blower and solar project; grant support	2,360.00
33012	Paul Kinkel	Supplies - Office	Shredder	107.99
33013	The Lawton Group	Services - Intern Program	Weeks worked - 05/02/16 - 05/13/16	1,007.33
33014	McMaster-Carr Supply Co.	Repair Parts Expense	Light bulbs, rail, and pipe fittings	213.17
33015	MetLife - Group Benefits	Dental/Vision	Dental - June	1,544.61
33016	NSI Solutions, Inc.	Supplies - Lab	Laboratory supplies	267.00
33017	OneSource Distributors, Inc.	Repair Parts Expense	Power supply, electromechanical relay output	563.59
33018	Pacific Green Landscape	Services - Landscape	May	2,975.00
33019	Pacific Pipeline Supply	Supplies - Office	Protective coating compound	301.13
33020	P.E.R.S.	Medical Insurance - PERS	Health - June	19,866.06
33021	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 05/07/16 - 05/20/16	11,811.25
33022	Procopio Cory Hargreaves	Services - Legal	General; Labor and Employment - April	6,298.50
33023	Rockwell Solutions	Repair Parts Expense	Chopper pumps - Digester	2,655.80
33024	Rohan & Sons, Inc.	Services - Maintenance	Compressor installation; A/C maintenance	1,894.18

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS

16-06

For the Month of May 2016

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
33025	RSF Security Systems	Services - Alarm	Security - 06/01/16 - 08/31/16	1,353.00
33026	Santa Fe Irrigation District	Utilities - Water; Prof. Services	Recycled water; potable reuse study	710.07
33027	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment - April	1,221.07
33028	Sloan Electric Company	Repair Parts Expense	Parts for pump	2,430.77
33029	Test America	Services - Laboratory	Water sample testing	726.00
33030	Tierra Data Inc.	Services - Laboratory	Water monitoring - April	725.00
33031	Unifirst Corporation	Services - Uniforms	Uniform service	506.10
33032	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,481.74
33033	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	2,910.15
33034	Verizon Wireless	Utilities - Telephone	Cell phone service - 04/08/16 - 05/07/16	717.96
33035	WageWorks	Payroll Processing Fees	Administration and compliance fee - April	134.00
	San Elijo Payroll Account	Payroll	Payroll - 05/13/16	62,501.30
	San Elijo Payroll Account	Payroll	Payroll - 05/27/16	65,031.81
				<u>\$ 638,419.69</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Month of May 2016
As of May 31, 2016**

PAYMENT OF WARRANTS \$ 638,419.69
Reference Number 16-06

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.



Paul F. Kinkel
Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION
As of May 31, 2016

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND <i>(APRIL 2016 YIELD 0.525%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 6,632,191.66
CALIFORNIA BANK AND TRUST <i>(APRIL 2016 YIELD 0.01%)</i>	
REGULAR CHECKING	\$ 73,284.62
PAYROLL CHECKING	\$ 5,000.00
 TOTAL RESOURCES	 \$ 7,340,476.28

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 13, 2016

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

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

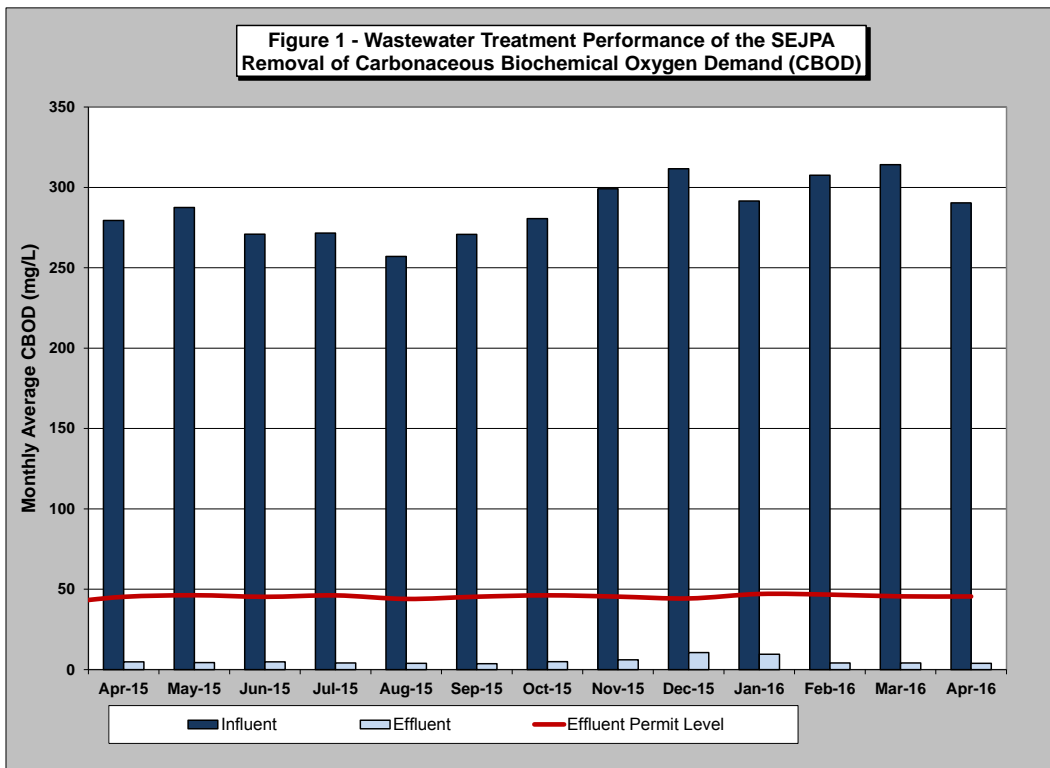
RECOMMENDATION

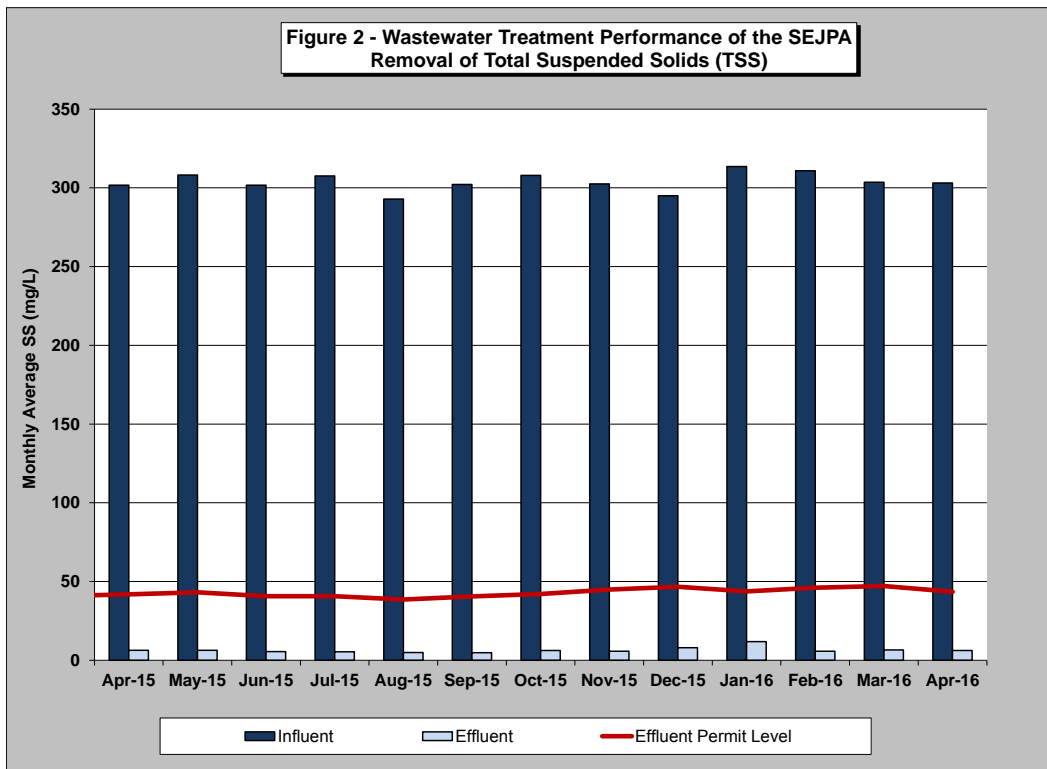
No action required. This memorandum is submitted for information only.

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 April 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 April, treatment levels for CBOD and TSS were 98.7 and 97.9 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 April. Average daily influent flows were recorded for each Member Agency. Total effluent flow was calculated for the San Elijo Water Reclamation Facility.

	April	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.240	0.675
City of Solana Beach	0.990	0.539
Rancho Santa Fe SID	0.102	0.055
Total San Elijo WRF Flow	2.332	1.269

* 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.

TABLE 1 - SAN ELIJO WATER RECLAMATION FACILITY MONTHLY REPORT - FLOWS AND EDUS

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)				AVERAGE DAILY EFFLUENT FLOW RATE (MGD)				CONNECTED EDUs				AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)			
	CSD	RSF	SB	TOTAL PLANT	CSD	RSF	SB	TOTAL PLANT	CSD EDUS	RSF EDUS	SB EDUS	TOTAL EDUS	CSD	RSF	SB	TOTAL PLANT
Feb-11	1.413	0.156	1.339	2.908	1.176	0.130	1.114	2.420	8,228	480	7,728	16,436	172	325	173	177
Mar-11	1.387	0.208	1.343	2.938	1.186	0.178	1.148	2.512	8,229	480	7,728	16,437	169	434	174	179
Apr-11	1.320	0.181	1.323	2.824	0.867	0.118	0.869	1.854	8,248	482	7,728	16,458	160	376	171	172
May-11	1.327	0.162	1.320	2.809	0.564	0.069	0.561	1.194	8,248	483	7,728	16,459	161	336	171	171
Jun-11	1.343	0.156	1.390	2.889	0.545	0.063	0.564	1.172	8,249	483	7,728	16,460	163	323	180	176
Jul-11	1.293	0.151	1.430	2.874	0.425	0.050	0.470	0.945	8,250	484	7,728	16,462	157	312	185	175
Aug-11	1.292	0.150	1.405	2.847	0.479	0.056	0.521	1.056	8,252	485	7,728	16,465	157	310	182	173
Sep-11	1.262	0.146	1.333	2.741	0.564	0.066	0.596	1.226	8,254	486	7,728	16,468	153	301	172	166
Oct-11	1.260	0.142	1.303	2.705	0.730	0.082	0.755	1.567	8,260	486	7,728	16,474	153	292	169	164
Nov-11	1.338	0.167	1.307	2.812	1.099	0.137	1.074	2.310	8,261	486	7,728	16,475	162	344	169	171
Dec-11	1.299	0.164	1.305	2.768	1.103	0.139	1.108	2.350	8,264	487	7,728	16,479	157	337	169	168
Jan-12	1.291	0.145	1.303	2.739	1.032	0.116	1.042	2.190	8,266	488	7,728	16,482	160	232	169	166
Feb-12	1.259	0.137	1.283	2.679	1.006	0.109	1.025	2.140	8,268	488	7,728	16,484	152	281	166	163
Mar-12	1.313	0.153	1.255	2.721	0.968	0.113	0.925	2.006	8,269	488	7,728	16,485	159	314	162	165
Apr-12	1.348	0.145	1.209	2.702	0.906	0.097	0.813	1.816	8,278	488	7,728	16,494	163	297	156	164
May-12	1.333	0.150	1.211	2.694	0.577	0.065	0.525	1.167	8,280	488	7,728	16,496	161	308	157	163
Jun-12	1.365	0.143	1.237	2.745	0.547	0.057	0.496	1.100	8,284	489	7,728	16,501	165	293	160	166
Jul-12	1.372	0.126	1.296	2.794	0.457	0.042	0.431	0.930	8,289	489	7,728	16,506	166	258	168	169
Aug-12	1.383	0.128	1.291	2.802	0.473	0.044	0.441	0.958	8,290	490	7,728	16,508	167	261	167	170
Sep-12	1.349	0.142	1.220	2.711	0.544	0.058	0.492	1.094	8,291	490	7,728	16,509	163	290	158	164
Oct-12	1.327	0.123	1.203	2.653	0.678	0.063	0.615	1.356	8,294	490	7,728	16,512	160	251	156	161
Nov-12	1.343	0.128	1.181	2.652	0.862	0.082	0.758	1.702	8,299	490	7,728	16,517	162	261	153	161
Dec-12	1.383	0.141	1.197	2.721	1.261	0.129	1.091	2.481	8,300	490	7,728	16,518	167	288	155	165
Jan-13	1.357	0.145	1.215	2.717	1.155	0.124	1.034	2.313	8,300	490	7,728	16,518	163	296	157	164
Feb-13	1.349	0.138	1.201	2.688	1.048	0.108	0.933	2.089	8,301	490	7,728	16,519	163	282	155	163
Mar-13	1.402	0.154	1.235	2.791	0.905	0.100	0.797	1.802	8,302	493	7,728	16,521	169	314	160	169
Apr-13	1.297	0.124	1.237	2.658	0.531	0.051	0.506	1.088	8,304	493	7,728	16,523	156	253	160	161
May-13	1.339	0.126	1.185	2.650	0.376	0.036	0.333	0.745	8,304	493	7,728	16,525	161	256	153	160
Jun-13	1.341	0.126	1.190	2.657	0.269	0.025	0.239	0.533	8,307	493	7,728	16,528	161	256	154	161
Jul-13	1.366	0.144	1.269	2.779	0.482	0.050	0.448	0.980	8,309	493	7,728	16,530	164	292	164	168
Aug-13	1.342	0.168	1.258	2.768	0.380	0.048	0.356	0.784	8,311	494	7,728	16,533	161	340	163	167
Sep-13	1.343	0.117	1.193	2.653	0.403	0.036	0.358	0.797	8,311	494	7,728	16,533	162	237	154	160
Oct-13	1.319	0.132	1.184	2.635	0.629	0.063	0.565	1.257	8,314	494	7,728	16,536	159	267	153	159
Nov-13	1.348	0.133	1.194	2.675	0.932	0.092	0.826	1.850	8,315	494	7,728	16,537	162	270	155	162
Dec-13	1.341	0.134	1.191	2.666	1.030	0.103	0.915	2.048	8,316	494	7,728	16,538	161	272	154	161
Jan-14	1.322	0.135	1.194	2.651	0.851	0.087	0.768	1.706	8,318	495	7,728	16,541	159	273	155	160
Feb-14	1.314	0.127	1.172	2.613	0.954	0.093	0.851	1.898	8,323	495	7,728	16,546	158	257	152	158
Mar-14	1.339	0.134	1.185	2.658	0.858	0.086	0.760	1.704	8,324	496	7,728	16,548	161	270	153	161
Apr-14	1.326	0.128	1.128	2.582	0.449	0.043	0.382	0.874	8,328	498	7,728	16,554	159	257	146	156
May-14	1.353	0.124	1.127	2.604	0.159	0.015	0.132	0.306	8,333	498	7,728	16,559	162	249	146	157
Jun-14	1.341	0.126	1.188	2.655	0.207	0.020	0.183	0.410	8,333	498	7,728	16,559	161	253	154	160
Jul-14	1.271	0.130	1.307	2.708	0.232	0.024	0.239	0.495	8,338	499	7,728	16,565	152	261	169	163
Aug-14	1.228	0.130	1.298	2.656	0.227	0.024	0.239	0.490	8,345	500	7,728	16,573	147	260	168	160
Sep-14	1.215	0.113	1.232	2.560	0.211	0.019	0.214	0.444	8,351	500	7,728	16,579	145	226	159	154
Oct-14	1.204	0.114	1.198	2.516	0.394	0.038	0.392	0.824	8,353	500	7,728	16,581	144	228	155	152
Nov-14	1.237	0.118	1.198	2.553	0.667	0.063	0.646	1.376	8,354	502	7,728	16,584	148	235	155	154
Dec-14	1.323	0.147	1.229	2.699	1.163	0.129	1.081	2.373	8,355	502	7,728	16,585	158	293	159	163
Jan-15	1.253	0.130	1.232	2.615	0.984	0.102	0.967	2.053	8,359	503	7,977	16,838	150	259	154	155
Feb-15	1.229	0.132	1.228	2.589	0.757	0.081	0.757	1.595	8,361	504	7,977	16,841	147	262	154	154
Mar-15	1.269	0.135	1.231	2.635	0.583	0.062	0.566	1.211	8,365	504	7,977	16,846	152	268	154	156
Apr-15	1.183	0.124	1.196	2.503	0.350	0.036	0.354	0.740	8,366	504	7,977	16,847	141	246	150	149
May-15	1.209	0.117	1.149	2.475	0.545	0.053	0.518	1.116	8,367	505	7,977	16,848	144	232	144	147
Jun-15	1.287	0.113	1.052	2.452	0.362	0.032	0.296	0.690	8,369	506	7,977	16,852	154	224	132	146
Jul-15	1.282	0.110	1.176	2.568	0.392	0.034	0.359	0.785	8,370	510	8,003	16,883	153	216	147	152
Aug-15	1.264	0.095	1.087	2.446	0.315	0.023	0.271	0.609	8,371	510	8,003	16,884	151	186	136	145
Sep-15	1.256	0.105	1.001	2.362	0.457	0.038	0.364	0.859	8,372	511	8,003	16,885	150	206	125	140
Oct-15	1.243	0.106	1.002	2.351	0.681	0.058	0.549	1.288	8,373	511	8,003	16,886	148	208	125	139
Nov-15	1.250	0.100	0.994	2.344	0.792	0.063	0.630	1.485	8,376	511	8,003	16,889	149	196	124	139
Dec-15	1.266	0.107	1.016	2.389	0.971	0.082	0.780	1.833	8,377	511	8,003	16,891	151	210	127	141
Jan-16	1.342	0.131	1.037	2.510	1.189	0.116	0.918	2.223	8,380	511	8,003	16,894	160	257	130	149
Feb-16	1.245	0.112	1.008	2.365	0.780	0.070	0.631	1.481	8,383	512	8,003	16,897	149	219	126	140
Mar-16	1.267	0.116	1.023	2.406	0.763	0.070	0.616	1.449	8,388	512	8,003	16,903	151	227	128	142
Apr-16	1.240	0.102	0.990	2.332	0.675	0.055	0.539	1.269	8,389	512	8,003	16,904	148	199	124	138

CSD: Cardiff Sanitary Division

RSF CSD: Ranch Santa Fe Community Service District

SB: Solana Beach

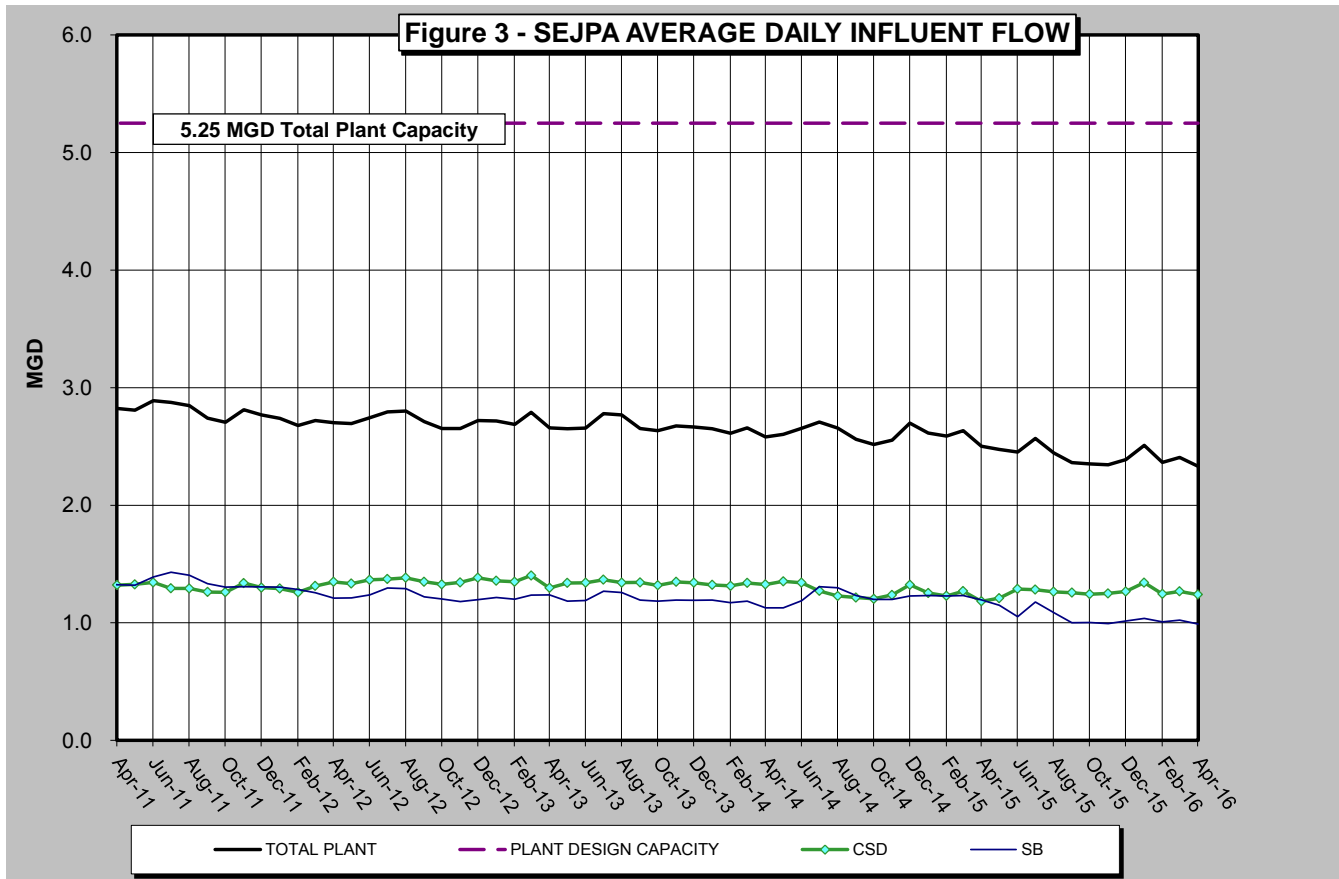
EDU: Equivalent Dwelling Unit

ASSUMPTIONS: SB average flow includes San Elijo Hills flow of 0.131 mgd

SB Connected EDUs includes 300 EDUs for the City of San Diego

EDU Numbers Revised by Dudek for March and April 2013

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 April 2016.

	Flow (mgd)
Escondido (Average flow rate)	9.57
Escondido (Peak flow rate)	18.0

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:

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

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 13, 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 April 2016, recycled water demand was 133.58 acre-feet (AF), which was met using 133.51 AF of recycled water and 0.07 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 April. System operational recommendations from the Coliform Study have been implemented and staff continues to gather data to troubleshoot the issue. Corrective actions have included 1) review of automation procedures, 2) review of polymer dosing procedures, and 3) evaluation of 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

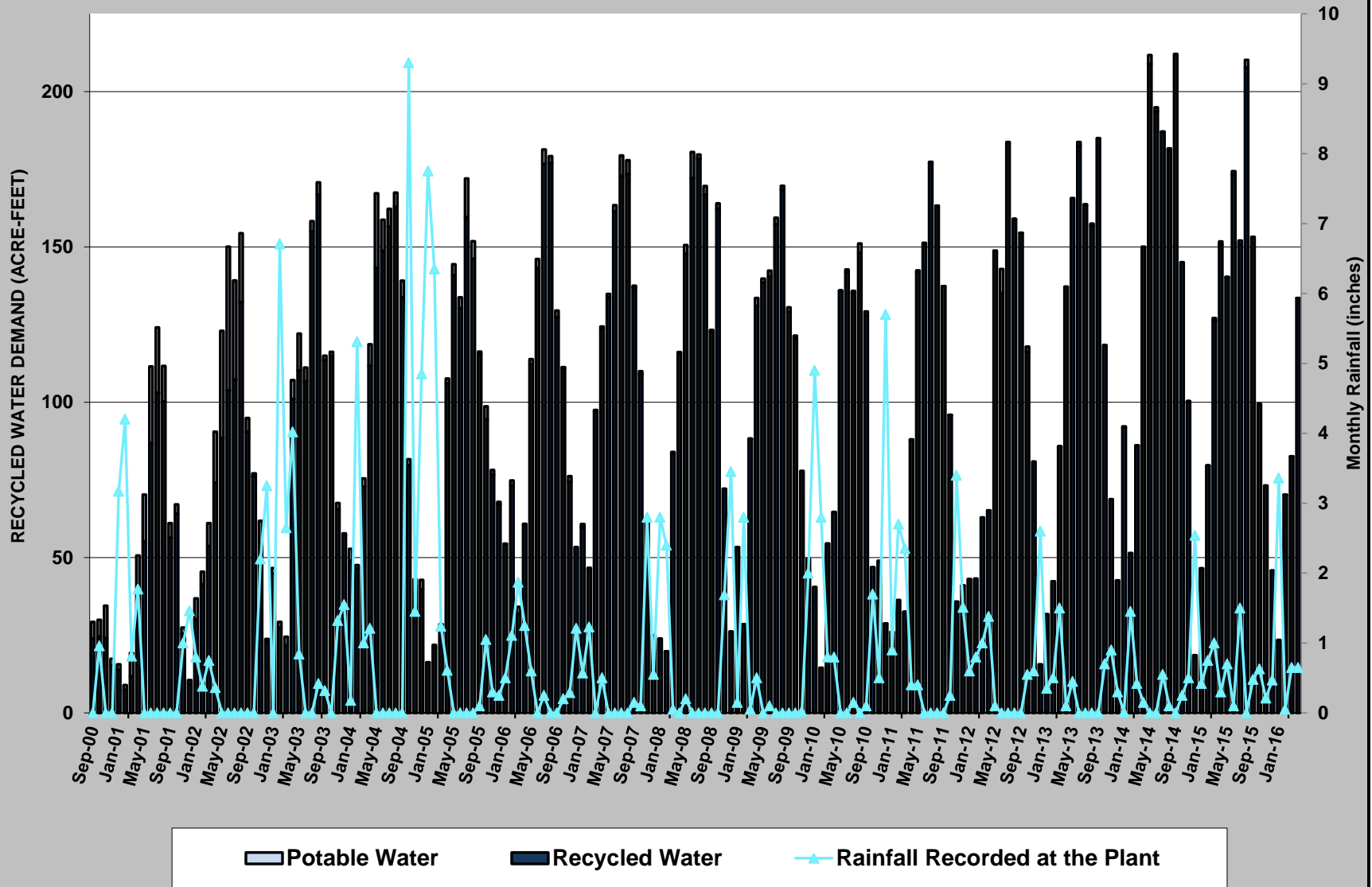


Figure 2 - RECYCLED WATER DEMAND by FISCAL YEAR

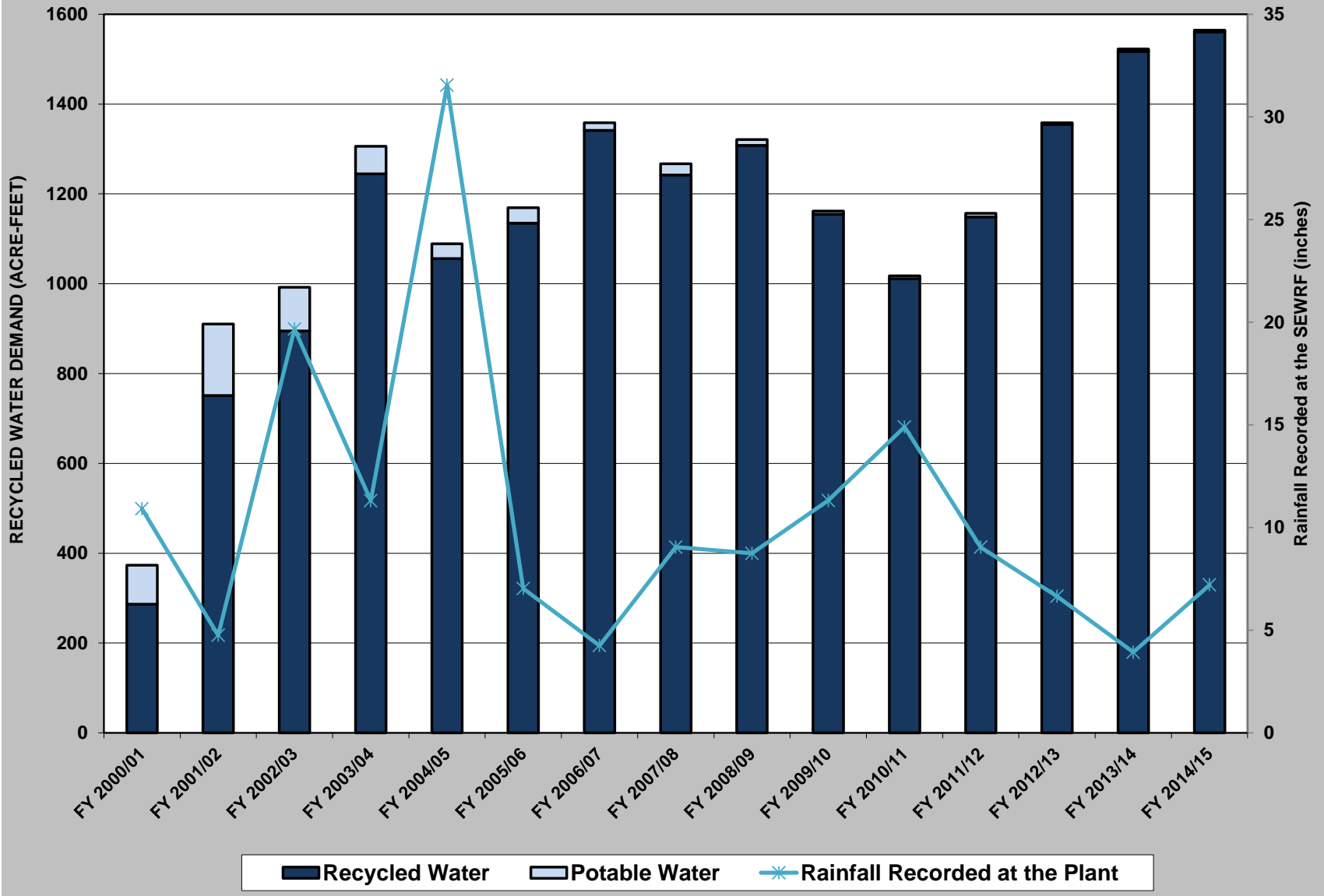
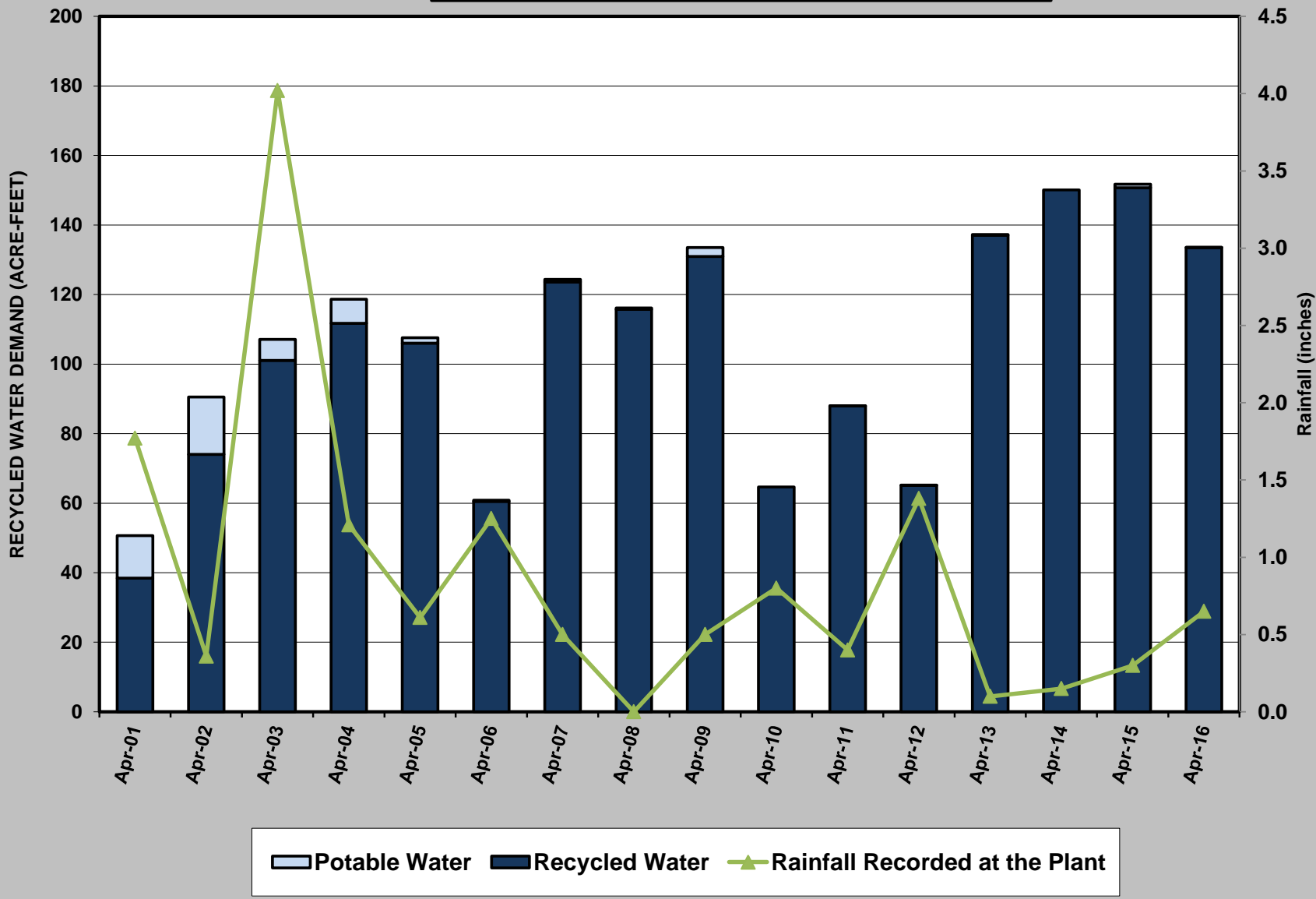


Figure 3 - APRIL RECYCLED WATER DEMAND



SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 13, 2016

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: REQUEST FOR CONSENT TO JOINT LEGAL REPRESENTATION

RECOMMENDATION

It is recommended that the Board of Directors:

1. Grant Consent to San Elijo Joint Powers Authority (SEJPA) General Counsel for Continued SEJPA Representation in matters related to Resource Sharing and Collaboration with the Encina Wastewater Authority (EWA); and
2. Discuss and take action as appropriate.

BACKGROUND

The Restatement of Agreement Between Cardiff Sanitation District and Solana Beach Sanitation District Establishing the San Elijo Joint Powers Authority was entered into on June 25, 2008. This agreement superseded the prior agreements and updated the framework for the administration of the SEJPA. Section 3.5 of the agreement (Attachment 1) gives the authority to the SEJPA Board to appoint General Counsel of SEJPA on such terms and conditions as it may see fit in addition to advising SEJPA's officials in all legal matters pertaining to SEJPA business. On May 16, 2016, SEJPA and EWA received a letter from its General Counsel Moser requesting consent to joint representation in matters related to resource sharing and future collaboration between SEJPA and EWA (Attachment 2).

The General Manager by recommendation of General Counsel has determined that full disclosure is in the best interests of both SEJPA and EWA.

DISCUSSION

General Counsel Moser, of Procopio Cory Hargreaves & Savitch LLP, serves as SEJPA's legal counsel and also serves as General Counsel for EWA; as such, is currently advising both agencies regarding organizational blending activities, contracts for sharing employees, and jointly acquiring supplies and services. The proposed recommendation would authorize

the General Manager to work collaboratively with General Counsel on all matters concerning SEJPA and EWA until the General Manager determines an adverse condition exists. If an adverse condition exists, the General Manager will bring the matter to the SEJPA Board for consideration.

While SEJPA does not anticipate any adverse issues arising as the agencies explore opportunities that will increase operational efficiencies and provide cost savings, staff will continue to work closely with General Counsel, EWA, and the SEJPA Board of Directors for potential conflicts.

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

1. Grant Consent to San Elijo Joint Powers Authority (SEJPA) General Counsel for Continued SEJPA Representation in matters related to Resource Sharing and Collaboration with the Encina Wastewater Authority (EWA); and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton
General Manager

Attachment 1: Section 3.5 of the Restatement of Agreement Between Cardiff Sanitation District and Solana Beach Sanitation District Establishing the San Elijo Joint Powers Authority

Attachment 2: Procopio, Cory, Hargreaves & Savitch, LLP Letter dated May 16, 2016
Re: Consent to Joint Representation

ATTACHMENT 1

Section 3.5 of the Restatement of Agreement Between Cardiff Sanitation District and Solana Beach Sanitation District Establishing the San Elijo Joint Powers Authority

Section 3.5. General Counsel

(a) The SEJPA Board shall appoint General Counsel of SEJPA on such terms and conditions as it may see fit. General Counsel shall be a person or firm with experience with public law and the operations of utilities.

(b) General Counsel shall advise SEJPA officials in all legal matters pertaining to SEJPA business. General Counsel shall frame all ordinances and resolutions required by the Board. General Counsel shall perform other legal services as required from time to time by the Board. Notwithstanding the foregoing, the SEJPA Board may also retain Special Counsel, as needed.

May 16, 2016

Members of the Board of Directors
Encina Wastewater Authority
6200 Avenida Encinas
Carlsbad, CA 92011-1009Members of the Board of Directors
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff by the Sea, CA 92007-7077

Re: Consent to Joint Representation

Dear Members of the Boards of Directors:

The purpose of this letter is to address the work we have been doing, and continue to perform, on behalf of the Encina Wastewater Authority and San Elijo Joint Powers Authority, each a client of the firm, as the two agencies find ways of working closely together to reduce costs and improve their operations through joint contracting. Specifically, we have provided to each agency advice regarding contracts for sharing employees and jointly acquiring supplies and services. We expect to be asked to advise the agencies on additional joint activities as the two organizations consider new ways of collaborating.

Although there is potential for the interests of the two joint powers authorities to come into conflict, thus far, our view has been that each agency's interests are the same as respects their rights and obligations towards each other, your member agencies, and the third parties involved in the joint contracts, whether they be agency employees or private vendors.

So it is in the interests of transparency that we wanted to both disclose in writing our role in preparing and reviewing contracts for joint procurements, and request your consent to our performing these services. In addition, our ability to continue to accept such assignments would cease if an actual dispute between you were to arise. In that case, we might be required, not only to cease work on the particular assignment, but to withdraw from representation of both agencies in these joint undertakings. To limit the potential for such an outcome, we request that you agree that we can continue to provide these services, and in the process share the confidential information provided to us by both organizations *regarding these assignments only*, and to communicate that information to the other agency.

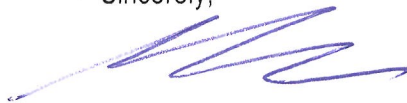
For example, our billings are generally confidential client communications which your management may want us to share with the other agency to help determine appropriate cost allocations. Please understand that in a joint representation such as this, we are obligated to disclose to each client material information imparted to us by the other client concerning the subject matter of the joint representation; accordingly, it is imperative that you not communicate with us regarding anything you may not want to be disclosed to the other party.

Members of the Boards of Directors
Encina Wastewater Authority
San Elijo Joint Powers Authority
May 16, 2016
Page 2

We recognize that there may be issues which are of such concern to both agencies that either or both may conclude that joint representation by our firm is not desirable or appropriate as to a particular assignment and that you may desire to retain separate counsel. In such instances, we ask that you agree to permit us to remain counsel for the other agency on unrelated matters. In addition, we ask that you be willing to entertain in the future a request that we be able to advise the other agency on the matter on which you desire separate counsel.

If these terms are agreeable, we request that your Board approve them. Your consideration is appreciated.

Sincerely,



Gregory V. Moser

GVM

cc: Mike Steinlicht, General Manager, EWA
Mike Thornton, General Manager, SEJPA

*

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 13, 2016

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: PROFESSIONAL SERVICES CONTRACT FOR ENCINITAS RANCH
RECYCLED WATER EXPANSION PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the Agreement with Dudek for Project Design and Permitting for an amount not to exceed \$99,187; and
2. Discuss and take action as appropriate.

BACKGROUND

Since 2015, the SEJPA and the San Dieguito Water District have been in discussions with the Encinitas Ranch Community Association (ERCA) and neighboring sites to convert existing landscape and agricultural irrigation to recycled water. These meetings resulted in the proposed Encinitas Ranch Recycled Water Expansion project, which is designed to serve two private agricultural users, the City of Encinitas park trail system, and the Encinitas Ranch Community Association (ERCA). The anticipated potable water offset for this project is approximately 45 Acre Feet per Year (AFY).

The proposed project includes installing approximately 1.5 miles of small diameter (4-inch to 6-inch) recycled water pipe and a small booster pump station (Figure 1). The SEJPA is in discussions with the project customers for developing a cost sharing agreement for the booster pump station. The preliminary location for the pump station has been selected at the Encinitas Ranch Golf Course that minimizes cost, is discrete from view, and provides suitable access for maintenance. The Encinitas Ranch Golf Authority (ERGA) has expressed a willingness to negotiate an easement for the pump station. Staff presented the draft terms of the negotiations for both the cost sharing agreement and pump station easement to the Board of Directors in closed session at the May 2016 Board meeting. In addition, the Board authorized Staff to obtain proposals for preparing the project design and obtaining necessary permits.



Figure 1 - Proposed pipeline alignment

DISCUSSION

The SEJPA requested proposals from three engineering firms for the project. Each firm submitted a detailed proposal that highlighted their experience with similar projects and outlines their approach for designing the project and obtaining necessary project permits.

Based on a review of this information, the firm Dudek was selected based on their qualifications, experience, project understanding, and value based approach. Dudek is currently supporting the SEJPA with its State Revolving Fund (SRF) loan and California Environmental Quality Act (CEQA), both of which include this project. Dudek leveraged this knowledge to prepare a cost effective approach to completing the design and permitting work, while proposing a well-qualified team that understands the project constraints.

Staff recommends award of the Encinitas Ranch Recycled Water project design and permitting to Dudek for an amount not to exceed \$99,187.

FINANCIAL IMPACT

The proposed cost of \$99,187 for the project design and permitting is consistent with the project budget (Table 1). Funding for the design and permitting is available in the Recycled Water Fund Balance.

The anticipated total cost of the Encinitas Ranch Recycled Water Expansion Project is \$1.16 million. The SEJPA has secured a grant commitment from Proposition 84, Integrated Regional Water Management grant program that will provide this project approximately \$525,000. In addition, it is anticipated that the local project participants will fund \$150,000 for the booster pump station. This results in a projected net cost to the SEJPA of \$489,000.

Table 1 - Encinitas Ranch Pipeline Expansion Project Budget

Project Element	Budget
Engineering, Permitting, Administration & Legal	\$120,000
Grant Administration	30,000
Construction Management	60,000
Construction	760,000
Contingency (20%)	194,000
TOTAL	1,164,000
Grant Funding	-525,000
Cost Sharing (Booster Pump Station)	-150,000
Net Expense	\$489,000

The SEJPA is pursuing a low-interest SRF loan for Recycled Water Infrastructure, a portion of which is planned to fund the remaining cost of the project.

It is therefore recommended that the Board of Directors:

1. Approve the Agreement with Dudek for Project Design and Permitting for an amount not to exceed \$99,187; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Dudek Proposal for the Encinitas Ranch Recycled Water Expansion, April 2016

April 20, 2016

Mike Thornton, PE, General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff by the Sea, California 92007

Subject: Proposal for Encinitas Ranch Recycled Water Expansion

Dear Mr. Thornton,

Dudek appreciates the opportunity to provide the following proposal to the San Elijo Joint Powers Authority (SEJPA) for the Encinitas Ranch Recycled Water Expansion. Having recently completed State Revolving Fund (SRF) loan applications and the Mitigated Negative Declaration for the project, Dudek is uniquely qualified to quickly and efficiently complete the pipeline design. The following sections of this proposal outline Dudek's understanding and approach, scope of services, relevant experience, proposed team, fee estimate, and schedule for this project.

Project Understanding and Approach

PIPELINE DESIGN

The project consists of expanding the existing recycled water system into the Encinitas Ranch community located in central Encinitas. This project will extend the existing SEJPA Pipeline No. 3, east from Quail Gardens Drive to the entrance of the Encinitas Ranch subdivision, along the decomposed granite walking trail on the north side of Paseo De Las Flores for approximately 1,717 feet. The pipeline would connect to a new small booster pump station, described below, within the existing golf course near a restroom, south of Paseo De Las Flores; this connection would require approximately 1,006 feet of pipeline (to the maintenance yard and back). From this location, the pipeline would continue east following the City designated recreational trail along the northern boundary of Encinitas Ranch for approximately 845 feet, before turning south and traveling along the same City designated recreational trail along eastern border of Encinitas Ranch, for approximately 3,864 feet. Approximately 557 feet of pipeline would extend west from the eastern boundary of Encinitas Ranch within Paseo De Las Flores near the intersection with Lynwood Drive. The total length of pipeline for this component is approximately 7,809 feet. The proposed alignment is shown in Figure 1 on the following page. Services/meters will be designed throughout the alignment including the following locations identified in the request for proposal:

- The Paso De Las Flores Entry (West Side of the Alignment)
- The Easterly Trail Access (Near City Pump Station)
- The East Trail Entry (Paseo De Las Flores/Jensen Court)
- The East Trail Entry (Lynwood Drive/Cypress Hills Trail Area)
- The South Trail Entry (Lynwood Drive Cul-De-Sac)
- Two agricultural meters at the Ecke/Foxpoint Driveway

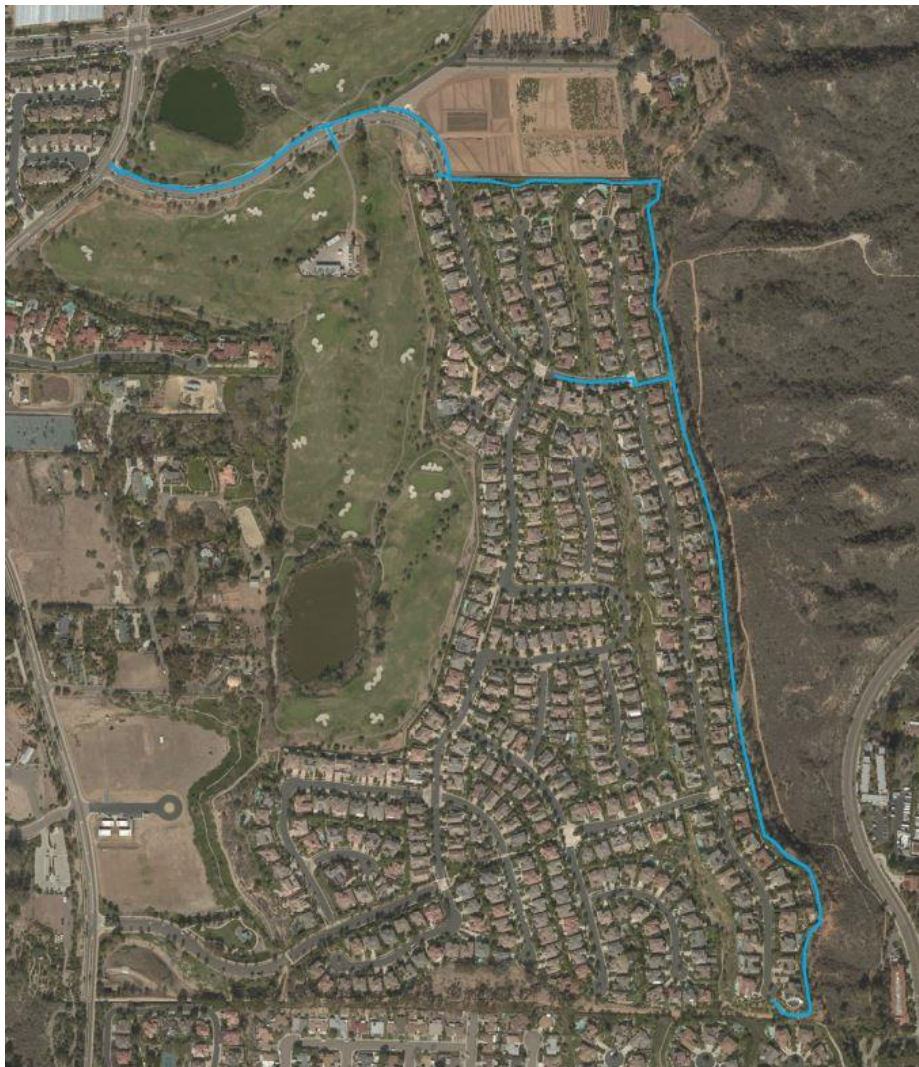
It is assumed that a 6-inch C900 PVC pipeline will be required for the length of this pipeline. Pipeline pressure class material and size will be verified during design with supporting calculations.

PUMP STATION DESIGN

A booster pump station is required to provide the new recycled water system with continuous pressure at varying flows. To accommodate the variability of demand, we recommend installing a packaged multi-staged VFD driven centrifugal skid-mounted pump station. One such example of this type of station is the Grundfos BoosterpaQ system (pictured right), which we have successfully used in similar applications. The small footprint, durability and integral VFD make this package ideal for the application. Dudek recommends installing a small, removable cover (fiberglass doghouse) facilitating access while reducing ambient noise and providing protection from the elements. Final sizing and number of duty and standby pumps will be determined during design. Shading around the station can match the existing fencing used in front of the golf course restrooms.



FIGURE 1. PIPELINE ALIGNMENT



Scope of Work

TASK I - PRELIMINARY DESIGN

Utility Research

Dudek will conduct a search for utilities along the proposed alignment. Typical coordination includes identification of utilities within the vicinity and contacting utilities, the City of Encinitas and the Encinitas Ranch HOA to request record drawings of existing facilities. As the majority of the pipeline is not within paved streets, we are anticipating very little utility conflicts.

Surveying

Dudek will utilize the services of Right of Way Engineering to prepare a topographic survey of the alignment. The survey will consist of a series of ground shots to verify the datum and LIDAR Aerial imaging to provide a contour representation. Existing water meters, sewer manholes, electrical pull boxes, power poles, storm drain inlets and other surface features representing underground utilities will also be located for representation in the base design drawings.

As an alternative to aerial surveying of the project (over a mile in length), Dudek has included within our fee estimate an option for only ground topo surveying at portions of the alignment within paved streets and the area designated for the new booster pump station. All other portions of the alignment would be depicted using City of Encinitas high-resolution aerial imagery and 5-ft contours to depict elevation changes. The existing dirt pathway is well defined, with the proposed pipeline centered within the pathway. Therefore the need for detailed surface information is not as critical as for work in public roadways. Without a surveyed alignment, the preparation of easement areas may need to be enlarged slightly to ensure the meandering pipeline is confined within its limits.

Easement Acquisition

Dudek will provide a plat and legal description for all effected parcels along the alignment. The District will use this information for negotiating and recording the easements with the County Recorder. Based on a review of the preliminary alignment it appears that a minimum of 5 plat and legal descriptions will be required with the following property owners: Encinitas Ranch Golf Association, Encinitas Ranch Community Association, and the City of Encinitas.

Geotechnical

Subsurface investigations are not anticipated to be necessary at this time. In the event that SEJPA requires subsurface testing and a geotechnical report, Dudek will solicit proposals from qualified consultants and negotiate a contract amendment with the District for the reimbursable cost of the additional services.

The area of pipeline installation behind the homes within Encinitas Ranch is along a bluff with visual evidence of sand stone or other subsurface conditions that may result in inconsistent and potentially difficult trench ripping. Based on conversations with the JPA, at this time we are proposing not to investigate subsurface conditions for the project and to address the potential changed conditions during the construction phase.

Environmental Compliance

Dudek is currently working with SEJPA to develop environmental compliance documentation for upcoming projects, including this recycled waterline expansion. We have intimate knowledge of the

CEQA Plus Mitigation Monitoring and Reporting (MMRP) requirements and have performed both desktop analyses and field reconnaissance of this alignment as part of our assessment of potential noise, traffic, cultural and biological impacts, identifying those segments requiring special attention during design and construction. Dudek will incorporate this information into the design to limit potential impact and maintain compliance with the MMRP as well as the SRF Financial Agreement.

TASK 2 – DESIGN PHASE SERVICES

Dudek will prepare and submit progress plans, specifications and construction cost estimates during the design stage to coordinate with the stakeholders regarding design specifics and gain feedback on specific design challenges and details. Copies of the design submittals will be provided to SEJPA, the City of Encinitas (City), and the San Dieguito Water District (SDWD) for review and permitting. Dudek has recently worked with the City and SDWD on the Coast Highway 101 Sewer Pump Station Project and the Valve Replacement Project respectively, and is very familiar with the expectations and requirements of these two agencies.

Dudek will submit progress PS&E packages at the 50% and 90% stages of design. Plan and profile drawings will be drawn at a scale of 1"=30'. Benchmark description and basis of bearing for construction staking will be shown on the drawings. The design will conform to SDWD (WAS) design standards and the standard specifications for Public Works Construction (Greenbook). The plan set will include:

- A title sheet/vicinity map/sheet index
- Notes sheet
- (9) Plan and profile sheets
- Meter and connection detail sheet

As discussed in the Surveying section, the use of aerial imagery and city-wide 5-ft contour data may be applied to areas of the alignment outside paved roadways. For this approach, plan and profile sheets will be used to depict the typical horizontal alignment with the existing pathway. An alignment walk will be conducted to identify the presence of potential surface or subsurface conflicts, such as storm drain pipes, water laterals, concrete, or other features. A typical detail will be used for centering the pipeline with the unpaved pathways.

Pump Station Design

A new water booster pump station will be designed and installed near the existing golf course bathrooms. The station will be housed in a weatherproof enclosure and surrounded by fencing matching that used to shield the existing bathroom to blend in visually. The packaged station will provide boosted water pressure for downstream meter connections. Control for the booster pump size will be based on downstream pressure sensor. The booster station is anticipated to raise working pressure to a range of 65psi to 90psi, per recommendations from the 2015 Feasibility Study for Reclaimed Water Conversion prepared by SB&O, Inc. Booster station pumping capacity will be based on an evaluation of existing irrigation water demands for converted water meter locations.

Electrical Supply

Electrical power to supply the proposed booster pump station is assumed at this time to be available from an existing transformer located at the driveway near the pump station location, approximately 100 feet away. The supply voltage is currently unknown, but ideally will allow for 460v, providing a more efficient system. The proposed packaged booster pump station will include all internal

electrical components for operation. The station will require its own electrical meter and breaker panel, and coordination with SDG&E for installation of conductors and setting the meter.

Pipeline Design

The proposed 4 and 6-inch diameter pipeline will be designed with an anticipated cover of 30-inches, centered within the existing dirt pathways outside the roadway. Anticipated dry and/or wet utility conflicts will be shown. We anticipate that numerous shallow irrigation pipelines will be encountered during the trenching process. As all encountered irrigation pipe is expected to be less than 1.5" Schedule 40/80 solvent welded PVC, these pipes can be easily repaired as encountered during the construction process. Where the pipeline enters the roadway, additional topographic information will be captured and shown allowing for accurate placement during construction. Where feasible, the alignment will avoid surface concrete, particularly decorative stamped concrete.

Specifications

Concurrent with the development of the construction plans, Dudek will prepare the project construction bid form, and technical specifications. We understand that SEJPA will provide the standard front-end construction specifications sections including notice of inviting bids, contract and related forms, general provisions, and general conditions. Specifications can be formatted per Greenbook or Construction Specifications Institute (CSI) format. Dudek is also currently working with SEJPA on SRF opportunities and will incorporate the SRF bidding requirements (DBE, Davis-Bacon Prevailing Wage and American Iron and Steel requirements) into the final specifications. The following are the anticipated elements to be addressed in SEJPA's front-end document and technical specifications sections for this project:

- Detailed unit cost bid schedule suitable for SRF reimbursement schedule
- SRF program Disadvantaged Business Enterprise (DBE) good faith effort and most current Davis-Bacon prevailing wage rate requirements
- Environmental requirements from MMRP
- Resident notification
- Trenching, backfilling, and compacting
- Recycled water pipeline, including testing
- Traffic control
- Other sections as-needed for a complete biddable set of bid documents.

50% Design Package

Dudek will prepare the base design plans in AutoCAD. 50% design plans will include cover sheet, notes sheet, and plan and profile sheets (plan view only at 50%). A list of technical specifications sections will be included as well as a 50% design estimate of probable construction cost. Five (5) sets of full size plans, technical specs table of contents and construction cost estimate will be submitted for review. A review meeting will be held approximately two weeks following submittal to discuss SEJPA comments to the submittal.

90% Design Package

The 90% design package will include complete design plans, including title and note sheets, plan and profile sheets, and connection details. Dudek intends to utilize the WAS standards for both details and technical specifications as appropriate for the construction process. Additional technical specifications will be added as needed or required. Dudek anticipates that SEJPA will provide the "front end" specifications consisting of general requirements, contract and bidding requirements. A

90% design level estimate of probable construction cost will also be prepared. Five (5) sets of full size plans, contract specifications, anticipated construction schedule and construction cost estimate will be submitted for Review by the stakeholders. A review meeting will be held approximately two weeks following the submittal to discuss any comments.

Final Submittal

Following the 90% design review meeting, Dudek will finalize the construction documents incorporating any remaining comments. Final printing of plans will be on mylar and signed by the Engineer in Charge. One (1) set of full size plans on mylar, one hard copy of the front-end and technical specifications, construction cost estimate and anticipated construction schedule will be submitted to SEJPA for public bidding.

TASK 3 – COASTAL DEVELOPMENT PERMIT AND CITIZEN PARTICIPATION PLAN

Dudek will complete and submit a Planning Application with the City of Encinitas for a Coastal Development Permit (CDP) through the Local Coastal Program. Dudek will attend the Planning Commission Hearing where the CDP will be considered for approval. Dudek will prepare documents, complete mailings, attend meetings and manage the required Citizen Participation Plan (CPP). It is assumed that SEJPA will pay the CDP and CPP filing fees

TASK 4 - BID SUPPORT SERVICES

Dudek will support SEJPA during the bidding phase as follows. Attendance of pre-bid meeting to reiterate and clarify SRF bid requirements. The pre-bid meeting should be scheduled at least 32 days prior to bid the opening since 30 days of DBE outreach is required by SRF. Responding to contractor questions and preparation of addendums as needed. It is assumed that two (2) contractor submitted RFIs will be submitted and three (3) addendums will be required during the bid phase. Time required responding to additional RFIs or to draft additional addendums will be billed on a time and materials basis. One addendum containing the most recent Davis-Bacon prevailing wages is required by SRF within 10 days of the bid opening date.

TASK 5 - CONSTRUCTION PHASE SERVICES

Dudek will support the District during the construction phase as needed, responding to contractor requests for information (RFIs), provide clarifications, review and respond to submittals and prepare record drawings from contractor red line markups. It is assumed that ten (10) submittals and three (3) RFIs will be submitted during the construction phase. Effort required responding to additional submittals and RFIs will be billed on a time and materials basis. Dudek will utilize District provided consolidated redline plans post construction for preparation of record drawings.

TASK 6 - PROJECT MANAGEMENT

Successful project management of the design process is essential to ensure quality workmanship within the scheduled allotment of time and in strict accordance with the scope of work. Strong lines of communication between Dudek and SEJPA will be established early in the project and be maintained throughout completion. Progress meetings will be held both internally for quality control and externally with District staff, generally following submittal reviews, to discuss work accomplished, upcoming events, design clarifications, transmission of design-critical information and monitoring of work progress relative to the schedule. An overall project budget and work schedule will also be maintained throughout the project utilizing an earned value tracking system.

The kickoff meeting will be held immediately following receipt of the notice to proceed. The primary objective of this meeting is to establish project protocol, finalize the project schedule, and identify key technical issues.

Following each submittal a review meeting will be scheduled between Dudek and SEJPA to discuss the project. Meetings are anticipated following the Draft 50% Design Review, and 90% Design Review submittals. The goal of each meeting is unique:

The 50% design review is to evaluate the completeness of the PS&E package, review constructability and identify additional information necessary.

The 90% design review is considered 'near-final' quality and is anticipated to only include minor adjustments to the presentation of information with the goal of printing to mylar as the final submittal.

It is our experience that projects can sometimes require adjustment of design goals, contract work scope and fee during the design process. Dudek welcomes the opportunity to meet the project requirements as authorized by SEJPA, as our ultimate goal is to meet and exceed the needs of our valued clients.

Quality Control and Quality Assurance is vitally important on any project. Dudek will continue to implement our stringent QA/QC program throughout the design process and in final preparation of the PS&E package. The major component of our QA/QC program is review of the design prior to each submittal, by either a senior engineer or principal engineer not directly related with the project. The goal of this review is to identify any potential design or constructability challenges related to the project.

EXCLUSIONS

Scope for a geotechnical evaluation, and full-time construction management oversight is not included in this proposal. If requested, Dudek will provide these services for an additional fee. It is assumed that all construction phase submittals will be provided in digital form. If SEJPA prefers to receive paper copies of submittals they shall be provided at no additional cost and additional time may be added to the schedule as necessary. It is assumed that cross-connection testing will be a part of the Construction management and inspection scope of work.

The project includes the installation of new recycled water service pipelines to existing irrigation meter locations for the use of recycled water on private property. The conversion from potable water to recycled water for irrigation may require additional evaluation of sprinkler head placement, spray patterns, drainage, and signage. The post-meter conversion evaluation, design and improvements associated with the conversion to recycled water are not included at this time.

OPTIONAL SERVICES

Dudek can provide a public outreach program for the construction activities if requested. A typical public outreach program for this type of project would include:

- Informational letter mailed to City of Encinitas Management and local Elected Officials
- Press release for news publications and City of Encinitas and SEJPA websites
- Presentation of the Encinitas Ranch Community Association
- Informational flyer distribution of residents and businesses in the project area
- Project signage

Experience

Through our planning, design and construction management work we have become familiar with SEJPA, City and SDWD procedures and practices. Engineers at Dudek have completed numerous recycled water expansion projects and pump station designs for various clients. Below are a few examples of relative, recently completed projects.

Valve Replacement and Water Line Improvements

Client: San Dieguito Water District
Client Reference: Blair Knoll, Senior Engineer, 760.633.2793

Dudek has supported the San Dieguito Water District (District) for several years completing a series of water system rehabilitation projects identified in the District's 2001 Water System Master Plan. Projects have typically been a combination of pipeline replacement (8,000 linear feet of 8- to 12-inch PVC) and valve cluster replacements along City of Encinitas surface streets within the older coastal region of the District service area.



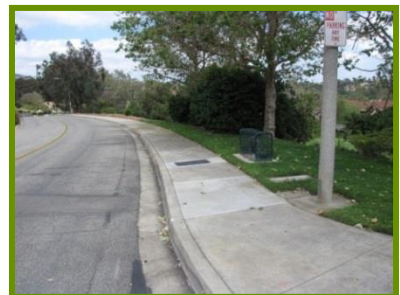
The physical replacement of the valve clusters were designed around a typical connection detail addressing the possible connection methods. The logistics of sequencing the shutdowns involved careful consideration of the system hydraulics, dead end lines, and determining an order of work that resulted in shutting water off to a minimal number of customers and for a minimum amount of time.

The innovative approach of simplifying the plan detail for the valve cluster replacements, utilizing a standard connection detail, and referencing the Water Agencies' Standards resulted in a cost-effective design and successful construction project.

Northwest Recycled Water Expansion Project

Client: Rincon del Diablo Municipal Water District
Client Reference: Randy Wittman, 760.745.5522

Dudek was contracted by the Rincon del Diablo Municipal Water District (District) in Escondido, California, to provide engineering services for the expansion and improvement of the District's existing recycled water (RW) distribution system. The work consisted of providing construction documents for two components: Installation of a self-service RW filling station at the Rockhoff Pump Station, and Extension of the RW pipeline to the parkway landscaping within the Country View Estates subdivision.



Dudek's engineers summarized the project design initially within a preliminary technical memorandum (TM), also used for the notice of exemption from CEQA processing. The RW for this project is used for landscape irrigation and for construction water for contractors. The pipeline was designed within public right-of-way, and the self-serve station required a small easement for public access to the Pump Station area.

Coast Highway 101 Sewer Pump Station Rehabilitation

Client: The City of Encinitas
Client Reference: Kip Heffner, Associate Engineer, 760.633.2775

The City of Encinitas owns and operates the Coast Highway 101 Sewer Pump Station (CPS) that collects wastewater flows from the surrounding "restaurant row" of Cardiff-by-the-Sea. The CPS is located west of Hwy 101, just south of the San Elijo Lagoon inlet/outlet adjacent to the Cardiff State Beach Parking Lot.



Dudek was contracted by the City to complete the engineering design, CEQA documentation, and permits for the rehabilitation of the pump station and replacement and paralleling of the forcemain. To facilitate regulatory and permitting approvals of the project, Dudek proposed rehabilitation of the pump station rather than replacement. Dudek also proposed use of Horizontal Directional Drilling (HDD) for installation of the forcemain on a more direct alignment under Coast Highway 101, the San Elijo Lagoon inlet/outlet, and the North County Transit District (NCTD) train tracks to Dublin Drive, a lightly traveled residential street. The recommended HDD alignment avoided the alternative Coast Highway Bridge crossing with accompanying risk of seismic, vandalism, or corrosion failure in the immediate vicinity of the San Elijo Lagoon and Cardiff State Beach. Construction of the forcemain is targeted for late 2016 depending on permit acquisition.

D-3 Booster Station Replacement

Client: Joshua Basin Water District
Client Reference: Curt Sauer, General Manager, 760.366.8438

Joshua Basin Water District serves water to a 97 square mile service area. The water distribution system is comprised of 10 pressure zones, each being supplied by either local wells or booster pump station from lower zones. Each pressure zone has one or more water storage tanks. The D3 pressure zone was served by an aging booster pump station which had reached its useful life. Dudek designed a new D3 pump station incorporating a Grunfos skid mounted pumping unit, along with associated electrical, SCADA, and appurtenances. The Grunfos pumping unit incorporates three 200 gpm vertically stacked centrifugal pumps, with an integrated pressure relief valve for surge control. The pumping units are variable speed to provide for control of surges during startup and shutdown. The station includes a manual transfer switch for connection of a portable generator during emergency conditions. The station integrates with the District's SCADA system, allowing remote monitoring and control of key station functions. Flow is metered using an ultrasonic flow meter, and all equipment is housed within a climate controlled building. The design replaced the older station in its entirety, while maintaining the existing station in operation. Testing was completed prior to bringing the new station online. Connection to existing pipelines was completed without interruption of water service, and the building was insulated to reduce noise for local residents.



Proposed Project Team

Based on our review of the scope of work, Dudek proposes to utilize the following personnel for this project. This team has the expertise and technical resources necessary to provide the required services. Resumes attached to this proposal provide further project experience and credentials. All staff are fully available and are committed to the extent of this project. No personnel will be substituted without prior authorization from SEJPA.

Russ Bergholz, PE, PMP

Project Manager

Russ Bergholz is a Principal with Dudek. Mr. Bergholz is responsible for the management and engineering of water-related system master plans and infrastructure design projects. He also oversees the firm's engineering planning services section. His experience includes the development of numerous water master plans, pipeline design projects (including trenchless technology), and infrastructure rehabilitation project for many southern California cities and special districts. Mr. Bergholz has 19 years' experience, including 4 years in Public Works, and a documented track record of keeping projects within scope and budget while maintaining quality control and addressing the critical success factors of his clients' projects.

YEARS EXPERIENCE

19

EDUCATION

University of California
BS, Civil Engineering

OFFICE LOCATION

Encinitas, California

As project manager, Russ will serve as the main point of contact with the SEJPA. He will ensure team communication and will setup internal and client project meetings to determine the projects status and discuss future design elements.

His experience includes:

- Project Manager for Rincon del Diablo MWD Northwest Recycled Water Expansion Project
- Project Manager for San Dieguito Water District Valve and Waterline Improvement Project

Steve Jepsen

Permitting and SRF Coordination

Steve Jepsen has over 34 years' experience in civil engineering in Southern California. He has extensive experience in managing projects from engineering proposal through construction and start up. He has been involved with many public works projects in publically sensitive areas and is familiar designing around sensitive resources. As a contract capital project manager, Mr. Jepsen regularly manages CEQA coverage and land acquisition. Clients trust him to represent their projects at public hearings, in board/council presentations and public outreach programs. Mr. Jepsen also has extensive experience with obtaining and managing government grants and low-interest loans for public works projects including State Revolving Fund (SRF) loans.

YEARS EXPERIENCE

34

EDUCATION

AA Surveying Mesa
College

OFFICE LOCATION

Encinitas, California

His experience includes:

- Sewer Improvement Program Manager for the City of Vista/ Buena Sanitation District
- Project Manager for SEJPA State Revolving Fund loan program

Justin Scheidel, PE

Senior Engineer

Justin Scheidel is a senior project engineer with over 11 years of experience specializing in water infrastructure and treatment design and construction management. He is responsible for detailed design and layout, civil/mechanical calculations and analysis, equipment selection, cost estimation, and development of plans and specifications. Mr. Scheidel is experienced in all phases of engineering including planning, design, and construction.

- Project Manager for Joshua Basin Water District D3 Pump Station Replacement
- Project Engineer for San Dieguito Water District Valve and Waterline Improvement Project
- Project Engineer for the Coast Highway 101 Sewer Pump Station Rehabilitation Project

YEARS EXPERIENCE

11

EDUCATION

San Diego State University
MS, Civil Engineering

San Diego State University
BS, Civil Engineering

CERTIFICATIONS

Paul Caligiuri

Senior Designer

Paul Caligiuri has over 25 years' designer-level experience as a civil drafter and CADD operator. With the use of AutoCAD and Land Development Desktop software, he has been responsible for the plan preparation of numerous water, sewer, reclaimed water, and stormwater projects. Included in these projects are pipeline plan and profile, pump station and associated detail, traffic control, and right-of-way acquisition drawings. In addition to Mr. Caligiuri's extensive design and drafting skills, he is also experienced in digital simulations and computer animation for architectural walkthroughs and engineering flybys. AutoCAD and 3D Studio Max software are used to create a true scale 3D model of the proposed project.

YEARS EXPERIENCE

25

EDUCATION

Palomar College

AA, General Studies

3-D Visual Simulations

OFFICE LOCATION

Encinitas, California

Michael Schlumpberger, PLS

Surveyor - (Right of Way Engineering)

Michael Schlumpberger has 16 years of experience in all aspects of municipal surveying projects including construction staking, horizontal and vertical control surveys, boundary surveys and GPS surveys. Michael serves as manager of right-of-way projects. He provides expertise in boundary locations, mapping, legal descriptions and exhibit plats.

YEARS EXPERIENCE

16

EDUCATION

AA, Surveying, Palomar
College

CERTIFICATION

Related projects include several GPS aerial photo control, boundary and right-of-way surveys and construction staking for reservoirs, large diameter engineered pipe and small diameter replacement lines. Mr. Schlumpberger has worked on the Coast Highway 101 pump station rehabilitation project, the Solana Beach Pump Station rehabilitation project and the SEJPA headworks project. All of these projects are currently being designed, at least in part, for SEJPA

Estimated Fee

An itemized schedule, showing tasks and man-hours with the applicable billing rate for each task is presented in the table below. All direct and indirect expenses, subconsultants, reimbursable, and other related project fees and costs are included.

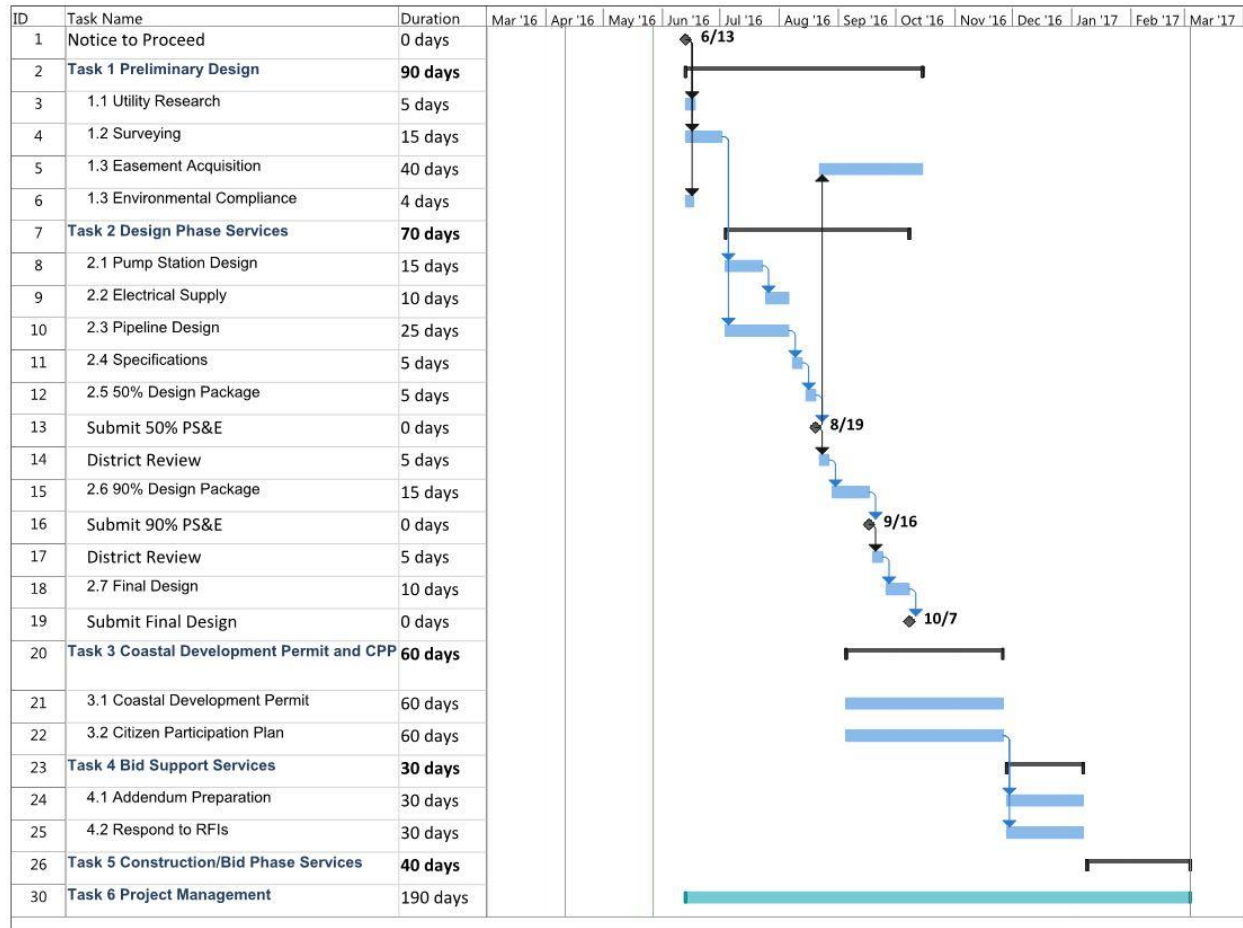
TABLE 1. DUDEK FEE ESTIMATE

	Project Team Role: Team Member:	Labor Hours and Rates					TOTAL DUDEK HOURS	DUDEK LABOR COSTS	Subconsultant		TOTAL FEE
		Project Manager	Permitting	Senior Engineer	Project Engineer	CAD Designer			Surveying/ Electrical	ROW Engineering/ Mores-Pham	
		R. Bergholz	S. Jepsen	J. Scheidel	B. Tran	P. Caligiuri			Fee		
	Billable Rate :	\$215	\$215	\$175	\$145	\$145					
Task 1	Preliminary Design										
1.1	Utility Research	1		8		8	17	\$ 2,775		\$ 100	\$ 2,875
1.2	Surveying	2		4		4	10	\$ 1,710	\$24,277	\$ 100	\$ 26,087
1.3	Easement Acquisition	1		4		2	7	\$ 1,205	\$8,280		\$ 9,485
1.4	Geotechnical							\$ -			\$ -
1.3	Environmental Compliance		4				4	\$ 860			\$ 860
	Subtotal Task 1	4	4	16		14	38	\$ 6,550	\$ 32,557	\$ 200	\$ 39,307
Task 2	Design Phase Services										
2.1	Pump Station Design	2		20		24	46	\$ 7,410			\$ 7,410
2.2	Electrical Supply	2		12		8	22	\$ 3,690	\$5,100		\$ 8,790
2.3	Pipeline Design	8		40		64	112	\$ 18,000			\$ 18,000
2.4	Specifications	4	4	24			32	\$ 5,920			\$ 5,920
2.5	50% Design Package	2		8		8	18	\$ 2,990		\$ 100	\$ 3,090
2.6	90% Design Package	2		8		4	14	\$ 2,410		\$ 100	\$ 2,510
2.7	Final Design	2		8		4	14	\$ 2,410		\$ 100	\$ 2,510
	Subtotal Task 2	22	4	120		112	258	\$ 42,830	\$ 5,100	\$ 300	\$ 48,230
Task 3	Coastal Development Permit and CPP										
3.1	Coastal Development Permit		8		20		28	\$ 4,620			\$ 4,620
3.2	Coastal Participation Plan		8		24		32	\$ 5,200			\$ 5,200
	Subtotal Task 3		16		44		60	\$ 9,820	\$ -	\$ -	\$ 9,820
Task 4	Bid Support Services										
4.1	Addendum Preparation	2		2			4	\$ 780			\$ 780
4.2	Respond to RFIs	2	1	4			7	\$ 1,345			\$ 1,345
	Subtotal Task 4	4	1	6			11	\$ 2,125	\$ -	\$ -	\$ 2,125
Task 5	Construction Phase Services										
5.1	Respond to RFIs	4			4		8	\$ 1,440			\$ 1,440
5.2	Submittal Review				20		20	\$ 2,900			\$ 2,900
5.3	Complete As-Built Drawings	2			4	12	18	\$ 2,750			\$ 2,750
	Subtotal Task 5	6			28	12	46	\$ 7,090	\$ -	\$ -	\$ 7,090
Task 6	Project Management										
6.1	Meetings (up to 3)	4	1				5	\$ 1,075		\$ 100	\$ 1,175
6.2	Quality Assurance/Quality Control	4	4				8	\$ 1,720			\$ 1,720
6.3	Project Management, Administration, Scheduling	8					8	\$ 1,720			\$ 1,720
	Subtotal Task 6	16	5				21	\$ 4,515	\$ -	\$ 100	\$ 4,615
	Total Non-Optional Hours and Fee	52	30	142	72	138	434	\$ 72,930	\$ 37,657	\$ 600	\$ 111,187
	<i>Percent of Hours:</i>	<i>12%</i>	<i>7%</i>	<i>33%</i>	<i>17%</i>	<i>32%</i>	<i>100%</i>				
Optional Services											
Task 7											
7.1	Eliminate Aerial Topo. Ground survey in paved areas only.							\$ -	\$ (12,000)		\$ (12,000)
	Subtotal Task 7							\$ -	\$ (12,000)	\$ -	\$ (12,000)
	Total Optional and Non-Optional Hours and Fee	52	30	142	72	138	434	\$ 72,930	\$ 25,657	\$ 600	\$ 99,187

Project Schedule

Dudek proposes the schedule presented below to complete the project in a timely manner. Our schedule estimates the timing of project milestones and the time needed to complete the overall project. We are available to discuss this schedule should any questions arise.

FIGURE 1. PROJECT SCHEDULE



We appreciate the SEJPA's consideration to provide consulting services for the Encinitas Ranch Recycled Water Expansion Project. We hope that our proposed project approach, highly qualified team and relevant project experience are favorable in the selection of a design consultant for your project. If you have any questions or wish to discuss our qualifications, please contact Russ Bergholz at 760.479.4107 or rbergholz@dudek.com.

Sincerely,

Russ Bergholz, PE, PMP
 Project Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 13, 2016

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

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

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2016-08, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2016-17;
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; and
3. Discuss and take action as appropriate.

DISCUSSION

The Fiscal Year (FY) 2016-17 Recommended Budget was presented publicly to the Board of Directors at the April and May 2016 Board meetings for discussion, comments, and direction. SEJPA staff has reached out to both Member Agencies and the other participating government agencies that the SEJPA serves for comments on the Proposed FY 2016-17 Budget. In addition, the SEJPA has posted the budget on its website for public access. The Member Agencies support the budget, and it is consistent with their sewer rate structures. The SEJPA has received no comments or requested changes. Based on this, the recommended Fiscal Year 2016-17 Budget is being presented to the Board of Directors for adoption under Resolution No. 2016-08.

The total recommended Fiscal Year (FY) 2016-17 budget for the Wastewater Treatment Fund (which includes operations and maintenance for wastewater, laboratory, outfall, and pump stations, as well as bond debt for the 2011 SEJPA Revenue Bonds) is \$6,005,734. The total recommended FY 2016-17 operating budget for the Recycled Water Fund (which includes operations and maintenance, as well as debt service expenses) is \$2,496,275. The FY 2016-17 appropriation for the Capital Project Fund is \$1,659,000.

SEJPA management has reviewed in detail all aspects of operations, including debt refinancing to control costs without impacting the agency's ability to perform its vital functions. The proposed budget for all program operating costs will increase by approximately \$343,162. The

Wastewater Treatment and Recycled Water Program Expenses are planned to increase by \$135,699 and \$134,499, respectively. Wastewater Treatment is budgeted to increase as a result of initiating wastewater services to the City of Del Mar. The Recycled Water Program increase is due to engineering expenses related to water reuse, legal costs, and anticipated electric utility increases. All other programs are budgeted to increase \$72,965, or 4.2 percent.

The recommended FY 2016-17 Budget is now ready for consideration for adoption as presented in the attached Resolution No. 2016-08.

INVESTMENT POLICY

State law requires that the Investment Policy be reviewed and adopted annually. The SEJPA has evaluated alternative investment options including the California Asset Management Program ("CAMP"), however no changes are recommended to the SEJPA investment policy at this time. The SEJPA investment policy allows for investment in the State Local Agency Investment Fund (LAIF) and in the San Diego County Investment Pool. These two tools have been the basis of all investment activity since the SEJPA became independent from the County of San Diego.

In addition, State law requires that a SEJPA Treasurer be appointed annually. The current SEJPA Treasurer is Paul F. Kinkel, Director of Finance/Administration. The General Manager recommends reappointing Mr. Kinkel as the SEJPA Treasurer.

It is therefore recommended that the Board of Directors:

1. Adopt Resolution No. 2016-08, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2016-17;
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; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Resolution No. 2016-08, "Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2016-17"

Attachment 2: Resolution No. 2016-09, "Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of SEJPA Treasurer"

Note: The SEJPA Recommended Budget FY 2016-17 is posted on the SEJPA website at the following link: http://www.sejpa.org/index.php?parent_id=51&page_id=53.

ATTACHMENT 1

RESOLUTION NO. 2016-08

**RESOLUTION APPROVING THE SAN ELIJO JOINT POWERS AUTHORITY
OPERATING AND CAPITAL IMPROVEMENT BUDGETS
FOR FISCAL YEAR 2016-17**

WHEREAS, the San Elijo Joint Powers Authority (SEJPA) General Manager has submitted for the consideration of the SEJPA Board of Directors proposed SEJPA Operating and Capital Projects Budgets for Fiscal Year 2016-17;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT POWERS AUTHORITY HEREBY RESOLVES AS FOLLOWS:

1. The Board of Directors has reviewed the proposed Operating Budgets and Capital Projects Budget and the funds included herein for the period of July 1, 2016 through June 30, 2017 and hereby finds that such budgets, as reviewed, are sound plans for the financing of required SEJPA operations and capital improvements during Fiscal Year 2016-17. Such budgets are hereby adopted.

San Elijo JPA Operations and Maintenance Fund	\$ 6,005,734
San Elijo JPA Water Reclamation Operating Fund	2,496,275
San Elijo JPA Capital Projects Fund	<u>1,659,000</u>
Total	\$ <u>10,161,009</u>

2. The Board of Directors authorizes carrying forward unexpended capital project appropriations and encumbered operating funds for the Fiscal Year 2015-16.

PASSED AND ADOPTED this 13th day of June, 2016, by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

ABSTAIN: Boardmembers:

Catherine S. Blakespear, Chairperson
SEJPA Board of Directors

ATTEST:

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

ATTACHMENT 2

RESOLUTION NO. 2016-09

**RESOLUTION APPROVING THE SAN ELIJO JOINT POWERS AUTHORITY
INVESTMENT POLICY AND GUIDELINES AND
APPOINTMENT OF SEJPA TREASURER**

WHEREAS, the San Elijo Joint Powers Authority (SEJPA) General Manager has submitted for the consideration of the SEJPA Board of Directors, the proposed SEJPA Investment Policy and Guidelines;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT POWERS AUTHORITY HEREBY RESOLVES AS FOLLOWS:

1. The SEJPA Treasurer prepared an Investment Policy and Guidelines in 1996, attached hereto as Exhibit A, and incorporated herein by reference as if set forth in full. In order to comply with prudent financial management practices, these guidelines are reviewed and approved on an annual basis in conjunction with the annual budget adoption.
2. The policy is intended to provide guidelines for the prudent investment of the SEJPA's temporary idle cash and outline the policies for maximizing the efficiency of the SEJPA's cash management system.
3. The investment goal is to enhance the economic condition of the SEJPA while insuring the safety of funds invested.
4. The assignment of Paul F. Kinkel as SEJPA Treasurer for the 2016-17 fiscal year.
5. The Board of Directors of the San Elijo Joint Powers Authority does hereby approve the Investment Policy and Guidelines attached hereto as Exhibit A.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the San Elijo Joint Powers Authority, California, held on this 13th day of June, 2016 by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

ABSTAIN: Boardmembers:

Catherine S. Blakespear, Chairperson
SEJPA Board of Directors

ATTEST:

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

**EXHIBIT A
TO
RESOLUTION NO. 2016-09**

**SAN ELIJO JOINT POWERS AUTHORITY
INVESTMENT POLICY AND GUIDELINES AND
APPOINTMENT OF SEJPA TREASURER**

1. PURPOSE

This Statement is intended to provide guidelines for the prudent investment of the San Elijo Joint Powers Authority's (SEJPA) temporary idle cash, and outline the policies for maximizing the efficiency of the SEJPA's cash management system. The investment goal is to enhance the economic condition of the SEJPA while insuring the safety of funds invested.

2. OBJECTIVE

The SEJPA's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the SEJPA to invest funds to the fullest extent possible. The SEJPA attempts to obtain the highest yield on its investments consistent with the criteria established for safety and liquidity.

3. POLICY

The SEJPA Treasurer is responsible for investing the surplus funds in the SEJPA Treasury in accordance with the California Government Code, Sections 53600 et seq. and 53635 et seq. The SEJPA makes investments in accordance with California Government Code 53600.3, which states "all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The three principal factors of safety, liquidity and yield are to be taken into consideration when making investment decisions.

- A) Safety. Safety and the minimizing of risk associated with investing refer to attempts to reduce the potential for loss of principal, interest or a combination of the two. The SEJPA invests only in those instruments that are considered very safe.

- B) Liquidity. Liquidity refers to the ability to convert an investment to cash promptly with a minimum risk of losing some portion of principal or interest. A portion of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet disbursement requirements.

- C) Yield. Yield is the average annual return on an investment based on the interest rate, price, and length of time to maturity. The SEJPA attempts to obtain the highest yield possible, provided that the basic criteria of safety and liquidity have been met.

4. INVESTMENT INSTRUMENTS

The SEJPA may invest in the following instruments under the guidelines as provided herein:

- A) Local Agency Investment Fund (LAIF). Investment of funds in the California LAIF which allows the State Treasurer to invest through the Pooled Money Investment Account. Maximum investment is subject to state regulation.
- B) County of San Diego County Treasury. Investment of funds in the Treasury of the County of San Diego that allows the County Treasurer to invest through the Pooled Money Investment Account.

5. SAFEKEEPING

All investments of the SEJPA shall have the San Elijo Joint Powers Authority as registered owner or shall be kept in the custody of the SEJPA or by a qualified safekeeping institution.

6. INVESTMENT REPORTS

- A) The SEJPA Treasurer shall submit a monthly investment report to the SEJPA General Manager and SEJPA Board of Directors containing the following information:
- Financial institution
 - Type of investment
 - Amount of deposit
 - Rate of interest
- B) The SEJPA Treasurer shall annually render a Statement of Investment Policy to the SEJPA Board of Directors.

7. INVESTMENT OF BOND FUNDS

In accordance with Government Code Section 53601, moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds . . . may be invested in accordance with the statutory provisions governing the issuance of those bonds, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance as identified in an "Indenture of Trust".

* * * End of Policy * * *

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 13, 2016

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance/Administration

SUBJECT: CALPERS UNFUNDED ACTUARIAL LIABILITY

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to apply positive FY 2015-16 Budget variances to the CalPERS Unfunded Actuarial Liability ("UAL"); and
2. Discuss and take action as appropriate.

BACKGROUND

California Public Employees' Retirement System ("CalPERS") is the nation's largest public pension fund and the sixth largest in the world with assets totaling \$294B. The San Elijo Joint Powers Authority (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. At the May 2015 Board Meeting, Staff updated the Board on the CalPERS Unfunded Actuarial Liability (UAL), and the General Manager was authorized to apply positive budget variances to the UAL for FY 2014-15. This authorization allowed the SEJPA to contribute \$125,000 to reduce the UAL. Based on the most recent CalPERS actuarial (June 2014), the SEJPA employee pension is now 79% funded, an improvement of 5%.

DISCUSSION

CalPERS actuarial calculations includes a variety of assumptions on interest rates, inflation, investment return rates, life expectancy, retirement age, and payroll cost changes. CalPERS investment return rate is estimated to be 2.4% for FY 2014-15 and 7.5% for future years. The most significant actuarial change is greater life expectancies. These changes increased the cost of the SEJPA's Tier 1 Retirement Plan; but had minimal impacts to the SEJPA's Tier 2 and Tier 3 Plans.

Currently, CalPERS calculates the SEJPA's pension contributions as a percentage of payroll plus a flat dollar amount for its portion of the unfunded liability. The flat dollar amount will

increase approximately \$18,000 for FY 2016-17, which has been included in the FY 2016-17 SEJPA Recommended Budget.

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 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.

FINANCIAL IMPACT

Using the unspent operational funding to reduce the UAL balance provides interest savings on the UAL balance. The current rate of interest is 7.5%, and the balance is amortized from 6 to 30 years. By prepaying an estimated \$100,000, the SEJPA will avoid approximately \$24,000 in future interest payments.

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

1. Authorize the General Manager to apply positive FY 2015-16 Budget variances to the CalPERS Unfunded Actuarial Liability; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Paul F. Kinkel
Director of Finance/Administration

Attachment 1: CalPERS November 2015 MISCELLANEOUS PLAN FOR THE SAN ELIJO JOINT POWERS AUTHORITY (CalPERS ID: 1650430914) Annual Valuation Report as of June 30, 2014 (2.5% @ 55)



November 2015

**MISCELLANEOUS PLAN OF THE SAN ELIJO JOINT POWERS AUTHORITY
 (CalPERS ID: 1650430914)
 Annual Valuation Report as of June 30, 2014**

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2014 actuarial valuation report of your pension plan.

Because this plan is in a risk pool, the following valuation report has been separated into two Sections:

- Section 1 contains specific information for your plan, including the development of your pooled employer contributions and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to your plan, as of June 30, 2014.

Section 2 can be found on the CalPERS website at (www.calpers.ca.gov). From the home page go to "*Forms & Publications*" and select "*View All*". In the search box enter "*Risk Pool Report*" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your 2014 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your CalPERS staff actuary, whose signature appears in the Actuarial Certification Section on page 1, is available to discuss your report with you after November 30, 2015.

Future Contribution Rates

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2016-17	10.069%		\$160,576
2017-18 (projected)	10.1%		\$185,879

The exhibit above displays the Minimum Employer Contributions, before any cost sharing, for 2016-17 along with estimates of the contributions for 2017-18. The estimated contributions for 2017-18 are based on a projection of the most recent information we have available, including an estimated 2.4 percent investment return for fiscal 2014-15.

A projection of employer contributions beyond 2017-18 can be found in the Risk Analysis Section of this report, "*Analysis of Future Investment Return Scenarios*", under a variety of investment return scenarios. Please disregard any projections provided to you in the past. Member contributions, other than cost sharing (whether paid by the employer or the employee), are in addition to the above amounts. The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.

The estimate for 2017-18 also assumes that there are no future contract amendments and no liability gains or losses (such as larger than expected pay increases, more retirements than expected, etc.) This is a very important assumption because these gains and losses do occur and can have a significant effect on your contributions. Even for the largest plans or pools, such gains and losses can impact the employer's contribution rate by one or two percent of payroll or even more in some less common circumstances. These gains and losses cannot be predicted in advance so the projected employer contributions are estimates. Your actual employer contributions for 2017-18 will be provided in next year's valuation report.

Changes since the Prior Year's Valuation

This actuarial valuation includes Board adopted changes to the demographic assumptions based on the most recent experience report. The most significant of these is the improvement in post-retirement mortality acknowledging the greater life expectancies we are seeing in our membership and expected continued improvements. The actuarial assumptions and methods used in CalPERS public agency valuations are approved by the Board of Administration upon the recommendation of the Chief Actuary. The individual plan actuary whose signature appears in the actuarial certification in the accompanying report does not set plan specific actuarial assumptions.

Besides the above noted changes, there may also be changes specific to your plan such as contract amendments and funding changes.

Effective with the 2014 actuarial valuation Governmental Accounting Standards Board Statement No. 27 financial reporting information is no longer provided in CalPERS annual actuarial valuation reports. GASB 27 has been replaced with GASB 68 for financial statement reporting purposes. CalPERS is providing separate accounting valuation reports on a fee for service basis for our public agency employers. More details on GASB 68 and instructions for ordering your GASB 68 report are available on our website.

Further descriptions of general changes are included in the *"Highlights and Executive Summary"* section and in Appendix A, *"Statement of Actuarial Data, Methods and Assumptions"* of your Section 2 report. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their result, we ask that, you wait until after November 30 to contact us with actuarial related questions.

Potential Changes to Future Year Valuations

One of CalPERS strategic goals is to improve the long-term pension benefit sustainability of the system through an integrated view of pension assets and liabilities. The Board of Administration has been engaging in discussions on the funding risks faced by the system and possible risk mitigation strategies to better protect our members. Recent Board actions on a new asset allocation, new actuarial assumptions and new smoothing and amortization policies have already lowered risk. However, future contribution rate volatility is expected as CalPERS pension plans continue to mature.

At its November 2015 Board of Administration meeting CalPERS adopted a Funding Risk Mitigation Policy that addresses these risks in a balanced manner. The policy will result in a gradual shifting of the asset allocation in a way that will lower investment risk. This shift means accepting lower future expected returns and a lower actuarial discount rate. In time, the policy is expected to lower the level of risk borne by employers and, ultimately, by members. Additional information on the CalPERS new Funding Risk Mitigation policy can be found on our website.

If you have other questions, please call our customer contact center at (888) CalPERS or (888-**225-7377**).

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Milligan". The signature is fluid and cursive, with a long horizontal stroke at the end.

ALAN MILLIGAN
Chief Actuary

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ACTUARIAL VALUATION

as of June 30, 2014

**for the
MISCELLANEOUS PLAN
of the
SAN ELIJO JOINT POWERS AUTHORITY
(CalPERS ID: 1650430914)**

**REQUIRED CONTRIBUTIONS
FOR FISCAL YEAR
July 1, 2016 - June 30, 2017**

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Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**Plan Specific Information
for the
MISCELLANEOUS PLAN
of the
SAN ELIJO JOINT POWERS
AUTHORITY**

**(CalPERS ID: 1650430914)
(Rate Plan: 1932)**

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ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2014 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2014 provided by employers participating in the Miscellaneous Risk Pool to which your plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the Pool Actuary has certified that, in their opinion, the valuation of the Risk Pool containing your MISCELLANEOUS PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the Risk Pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for your plan, it is my opinion as your Plan Actuary that the Side Fund and other Unfunded Accrued Liability bases as of June 30, 2014 and employer contribution as of July 1, 2016, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, who is a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



NANCY E. CAMPBELL, ASA, MAAA
Enrolled Actuary
Supervising Pension Actuary, CalPERS
Plan Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED CONTRIBUTIONS**

Introduction

This report presents the results of the June 30, 2014 actuarial valuation of the MISCELLANEOUS PLAN of the SAN ELIJO JOINT POWERS AUTHORITY of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the Fiscal Year 2016-17 required employer contributions.

This actuarial valuation includes Board adopted changes to the demographic assumptions based on the most recent experience study report. The most significant of these is the improvement in post-retirement mortality acknowledging the greater life expectancies we are seeing in our membership and expected continued improvements. The actuarial assumptions and methods used in CalPERS public agency valuations are approved by the Board of Administration upon the recommendation of the Chief Actuary. The individual plan actuary whose signature appears in the actuarial certification in this report does not set plan specific actuarial assumptions.

Effective with the 2014 actuarial valuation, Governmental Accounting Standards Board Statement No. 27 financial reporting information is no longer provided in CalPERS annual actuarial valuation reports. GASB 27 has been replaced with GASB 68 for financial statement reporting purposes. CalPERS is providing separate accounting valuation reports on a fee for service basis for our public agency employers. More details on GASB 68 and instructions for ordering your GASB 68 report are available on our website.

Purpose of Section 1

This section 1 report for the MISCELLANEOUS PLAN of the SAN ELIJO JOINT POWERS AUTHORITY of the California Public Employees' Retirement System (CalPERS) was prepared by the Plan Actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2014;
- Determine the required employer contribution for this plan for the Fiscal Year July 1, 2016 through June 30, 2017; and
- Provide actuarial information as of June 30, 2014 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 8.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1 percent plus or minus change in the discount rate.

Required Employer Contribution

Actuarially Determined Employer Contributions:	Fiscal Year 2015-16¹	Fiscal Year 2016-17
Employer Contributions (in Projected Dollars)		
Plan's Employer Normal Cost	\$ 160,934	\$ 149,501
Plan's Payment on Amortization Bases	142,876	160,576 ²
Total Employer Contribution	\$ 303,810	\$ 310,077
Projected Payroll for the Contribution fiscal year	\$ 1,664,090	\$ 1,484,714
Required Employer Contributions (Percentage of Payroll)		
Pool's Base Employer Normal Cost	9.067%	9.498%
Surcharge for Class 1 Benefits ³		
a) FAC 1	0.604%	0.571%
Phase out of Normal Cost Difference ⁴	0.000%	0.000%
Pools Expected Employee Contribution for Formula	7.942%	7.944%
Plan's Total Normal Cost	17.613%	18.014%
Plan's Employee Contribution Rate	7.942%	7.944%
Employer Normal Cost Rate	9.671%	10.069%

Required Employer Contribution for Fiscal Year 2016-17		
Employer Normal Cost Rate⁵		10.069%
Plus Monthly Employer Dollar UAL Payment⁶	\$	13,381.30
Annual Lump Sum Prepayment Option	\$	154,873
<p><i>For Fiscal Year 2016-17 the total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (in dollars). Whereas in prior years it was possible to prepay total employer contributions for the fiscal year, beginning with Fiscal Year 2015-16 and beyond, only the UAL portion of the employer contribution can be prepaid. Late payments will accrue interest at an annual rate of 10 percent.</i></p>		

Plan Normal Cost contributions will be made as part of the payroll reporting process. As a percentage of projected payroll your UAL contribution is 10.815 percent for a total Employer Contribution Rate of 20.884 percent.

¹ The results shown for Fiscal Year 2015-16 reflect the prior year valuation and do not reflect any lump sum payment, side fund payoff or rate adjustment made after annual valuation report is completed.

² The Plan's Payment on Amortization Bases reflects the sum of all UAL amortization bases including the Plan's Side Fund (where applicable).

³ Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

⁴ Risk pooling was implemented for most plans as of June 30, 2003. The normal cost difference was scheduled to be phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year.

⁵ The minimum employer contribution under PEPR is the greater of the required employer contribution or the total employer normal cost.

⁶ The Plan's Payment on Amortization Bases Contribution amount for Fiscal Year 2016-17 will be billed as a level dollar amount monthly over the course of the year. Lump sum payments may be made through my|CalPERS. If you would like to prepay the entire Annual Payment toward your Plan's Unfunded Accrued Liability, you can submit the Annual Lump Sum Prepayment amount against the July Unfunded Accrued Liability receivable. The Annual Lump Sum Prepayment must be received in full on or before July 31. If there is contractual cost sharing or other change, this amount will change. § 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.

Plan's Funded Status

	June 30, 2013	June 30, 2014
1. Present Value of Projected Benefits (PVB)	\$ 10,945,881	\$ 12,107,717
2. Entry Age Normal Accrued Liability	8,982,617	10,222,533
3. Plan's Market Value of Assets (MVA)	6,623,478	8,053,917
4. Unfunded Liability [(2) - (3)]	2,359,139	2,168,616
5. Funded Ratio [(3) / (2)]	73.7%	78.8%

Projected Employer Contributions

The estimated rate for 2017-18 is based on a projection of the most recent information we have available, including an estimated 2.4 percent investment return for Fiscal Year 2014-15.

The table below shows projected employer contribution rates (before cost sharing) for the next five fiscal years, **assuming CalPERS earns 2.4% for Fiscal Year 2014-15 and 7.50 percent every fiscal year thereafter**, and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the projection period.

	Required Contribution	Projected Future Employer Contribution Rates				
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Normal Cost %	10.069%	10.1%	10.1%	10.1%	10.1%	10.1%
UAL \$	\$160,576	\$185,879	\$212,557	\$240,668	\$253,985	\$269,113

ASSETS AND LIABILITIES

- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S EXPERIENCE/ASSUMPTION CHANGE**
- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA**
- **SCHEDULE OF PLAN'S SIDE FUND & OTHER AMORTIZATION BASES**
- **ALTERNATIVE AMORTIZATION SCHEDULES**
- **FUNDING HISTORY**

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of the CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer fairly and that maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. For purposes of allocating the pool's experience gains/losses and impact of assumption changes to all the individual plans within the pool, an individual plan's share is allocated as follows:

1.	Plan's Accrued Liability	\$	10,222,533
2.	Projected UAL balance at 6/30/14		2,409,993
3.	Pool's Accrued Liability	\$	13,137,020,035
4.	Sum of Pool's Individual Plan UAL Balances at 6/30/14		2,787,798,208
5.	Pool's 2013/14 Investment & Asset (Gain)/Loss		(915,890,797)
6.	Pool's 2013/14 Other (Gain)/Loss		1,024,915
7.	Plan's Share of Pool's Asset (Gain)/Loss $[(1)-(2)]/[(3)-(4)] * (5)$		(691,398)
8.	Plan's Share of Pool's Other (Gain)/Loss $[(1)]/[(3)] * (6)$		798
9.	Plan's New (Gain)/Loss as of 6/30/2014 $[(7)+(8)]$	\$	(690,601)
10.	Increase in Pool's Accrued Liability due to Change in Assumptions		577,299,719
11.	Plan's Share of Pool's Change in Assumptions $[(1)]/[(3)] * (10)$	\$	449,224

Development of the Plan's Share of Pool's Market Value of Assets

1.	Plan's Accrued Liability	\$	10,222,533
2.	Plan's UAL	\$	2,168,616
3.	Plan's Share of Pool's MVA (1)-(2)	\$	8,053,917

Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the Valuation Date and the Contribution Fiscal Year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date; June 30, 2014.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date; Fiscal Year 2016-17.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and due to the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the Payment on the UAL for the fiscal year and adjusting for interest.

Reason for Base	Date Established	Amortization Period	Balance 6/30/14	Payment 2014-15	Balance 6/30/15	Payment 2015-16	Amounts for Fiscal 2016-17	
							Balance 6/30/16	Scheduled Payment for 2016-17
SIDE FUND	2013 or Prior	6	\$270,798	\$40,567	\$249,047	\$41,784	\$224,403	\$43,038
ASSET (GAIN)/LOSS	06/30/13	29	\$938,227	\$0	\$1,008,594	\$14,186	\$1,069,530	\$29,223
SHARE OF PRE-2013 POOL UAL	06/30/13	20	\$1,209,910	\$108,199	\$1,188,470	\$87,041	\$1,187,359	\$89,652
NON-ASSET (GAIN)/LOSS	06/30/13	29	\$(8,942)	\$0	\$(9,613)	\$(135)	\$(10,194)	\$(279)
ASSET (GAIN)/LOSS	06/30/14	30	\$(691,398)	\$0	\$(743,253)	\$0	\$(798,997)	\$(11,238)
NON-ASSET (GAIN)/LOSS	06/30/14	30	\$798	\$0	\$857	\$0	\$922	\$13
ASSUMPTION CHANGE	06/30/14	20	\$449,224	\$(6,682)	\$489,844	\$(6,883)	\$533,718	\$10,166
TOTAL			\$2,168,617	\$142,084	\$2,183,946	\$135,993	\$2,206,741	\$160,575

Your plan's allocated share of the risk pool's pre-2013 UAL is based on your plan's accrued liability and is amortized over the average amortization period of the combined existing amortization bases prior to June 30, 2013. The payment for Fiscal Year 2014-15 was allocated based on your plan's payroll.

The (gain)/loss bases are your plan's allocated share of the risk pool's gain/loss for the fiscal year as disclosed on the previous page. These (gain)/loss bases will be amortized according to Board policy over 30 years with a 5-year ramp-up.

Alternate Amortization Schedules

The amortization schedule shown on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze your current amortization schedule and illustrate the advantages of accelerating unfunded liability payments towards your plan's unfunded liability of \$2,206,741 as of June 30, 2016, which will require total payments of \$4,339,635.

Shown below are the level rate payments required to amortize your plan's unfunded liability assuming a fresh start over the various periods noted. Note that the payments under each scenario would increase by 3 percent for each year into the future.

Period	2016-17 Payment	Level Rate		
		Total Payments	Total Interest	Savings
15	\$202,291	\$3,762,392	\$1,555,651	\$577,243
10	\$275,268	\$3,155,637	\$948,896	\$1,183,998

Current CalPERS Board policy calls for lump sum contributions in excess of the required employer contribution shall first be used to eliminate the side fund, if applicable, and then the plan's share of the pool's unfunded accrued liability.

Please contact your plan actuary before making such a payment to ensure that the payment is applied correctly.

Funding History

The Funding History below shows the actuarial accrued liability, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2011	\$ 6,972,991	\$ 5,088,359	\$ 1,884,632	73.0%	\$ 1,594,676
06/30/2012	7,929,510	5,485,540	2,443,970	69.2%	1,693,953
06/30/2013	8,982,617	6,623,478	2,359,139	73.7%	1,522,878
06/30/2014	10,222,533	8,053,917	2,168,616	78.8%	1,358,723

RISK ANALYSIS

- **VOLATILITY RATIOS**
- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **HYPOTHETICAL TERMINATION LIABILITY**

Volatility Ratios

The actuarial calculations supplied in this communication are based on a number of assumptions about very long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise the employer's rates from one year to the next. Therefore, the rates will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Plans that have higher asset to payroll ratios produce more volatile employer rates due to investment return. For example, a plan with an asset to payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset to payroll ratio of 4. Below we have shown your asset volatility ratio, a measure of the plan's current rate volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Plans that have higher liability to payroll ratios produce more volatile employer rates due to investment return and changes in liability. For example, a plan with a liability to payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability to payroll ratio of 4. The liability volatility ratio is also included in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility and the asset volatility ratio, described above, will tend to move closer to this ratio as the plan matures.

Rate Volatility	As of June 30, 2014	
1. Market Value of Assets	\$	8,053,917
2. Payroll		1,358,723
3. Asset Volatility Ratio (AVR = 1. / 2.)		5.9
4. Accrued Liability	\$	10,222,533
5. Liability Volatility Ratio (LVR = 4. / 2.)		7.5

Analysis of Future Investment Return Scenarios

The investment return for Fiscal Year 2014-15 was announced July 14, 2015. The investment return in Fiscal Year 2014-15 is 2.4 percent before administrative expenses. For purposes of projecting future employer rates, we are assuming a 2.4 percent investment return for Fiscal Year 2014-15.

The investment return realized during a fiscal year first affects the contribution for the fiscal year two years later. Specifically, the investment return for 2014-15 will first be reflected in the June 30, 2015 actuarial valuation that will be used to set the 2017-18 employer contribution rates, the 2015-16 investment return will first be reflected in the June 30, 2016 actuarial valuation that will be used to set the 2018-19 employer contribution rates and so forth.

As part of this report, a sensitivity analysis was performed to determine the effects of various investment returns during fiscal years 2015-16, 2016-17 and 2017-18 on the 2018-19, 2019-20 and 2020-21 employer contributions. Once again, the projected contributions assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Five different investment return scenarios were selected.

- The first scenario is what one would expect if the markets were to give us a 5th percentile return from July 1, 2015 through June 30, 2018. The 5th percentile return corresponds to a -3.8 percent return for each of the 2015-16, 2016-17 and 2017-18 fiscal years.
- The second scenario is what one would expect if the markets were to give us a 25th percentile return from July 1, 2015 through June 30, 2018. The 25th percentile return corresponds to a 2.8 percent return for each of the 2015-16, 2016-17 and 2017-18 fiscal years.
- The third scenario assumed the return for 2015-16, 2016-17, 2017-18 would be our assumed 7.5 percent investment return which represents about a 49th percentile event.
- The fourth scenario is what one would expect if the markets were to give us a 75th percentile return from July 1, 2015 through June 30, 2018. The 75th percentile return corresponds to a 12.0 percent return for each of the 2015-16, 2016-17 and 2017-18 fiscal years.
- Finally, the last scenario is what one would expect if the markets were to give us a 95th percentile return from July 1, 2015 through June 30, 2018. The 95th percentile return corresponds to a 18.9 percent return for each of the 2015-16, 2016-17 and 2017-18 fiscal years.

The table below shows the estimated projected contributions and the estimated increases for your plan under the five different scenarios.

2015-18 Investment Return Scenario	Estimated Employer UAL Contribution			Estimated Total Change in Employer UAL Contribution between 2017-18 and 2020-21
	2018-19	2019-20	2020-21	
(3.8%) (5th percentile)	\$227,661	\$286,251	\$345,755	\$159,876
2.8% (25th percentile)	\$218,839	\$260,042	\$293,834	\$107,955
7.5%	\$212,557	\$240,668	\$253,985	\$68,106
12.0%(75th percentile)	\$206,541	\$221,563	\$213,505	\$27,626
18.9%(95th percentile)	\$197,317	\$191,217	\$0	\$(185,879)

In addition to the UAL Contribution amounts shown above the estimated employer normal cost of 10.1 percent of payroll will also be payable in each of the fiscal years shown above. The projected plan normal cost is expected to remain relatively stable over this time period.

Analysis of Discount Rate Sensitivity

The following analysis looks at the 2016-17 total normal cost rates and liabilities under two different discount rate scenarios. Shown below are the total normal cost rates assuming discount rates that are 1 percent lower and 1 percent higher than the current valuation discount rate. This analysis gives an indication of the potential plan impacts if the PERF were to realize investment returns of 6.50 percent or 8.50 percent over the long-term.

This type of analysis gives the reader a sense of the long-term risk to the contribution rates.

Sensitivity Analysis			
As of June 30, 2014	6.50% Discount Rate (-1%)	7.50% Discount Rate (assumed rate)	8.50% Discount Rate (+1%)
Plan's Total Normal Cost	22.3%	18.0%	14.7%
Accrued Liability	\$11,767,110	\$10,222,533	\$8,958,572
Unfunded Accrued Liability	\$3,713,193	\$2,168,616	\$904,655

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of your plan if you had terminated your contract with CalPERS as of June 30, 2014. Your plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For this hypothetical termination liability calculation both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are included.

For the Terminated Agency Pool the CalPERS Board adopted a more conservative investment policy and asset allocation strategy. Since the Terminated Agency Pool has limited funding sources due to the fact that no future employer contributions will be made, expected benefit payments are secured by risk-free assets. With this change, CalPERS increased benefit security for members while limiting its funding risk. However, this asset allocation has a lower expected rate of return than the PERF. Consequently, the lower discount rate for the Terminated Agency pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable the table below shows a range for the hypothetical termination liability based on the lowest and highest bond yields observed during the period from July 1, 2013 through June 30, 2015.

Valuation Date	Market Value of Assets (MVA)	Hypothetical Termination Liability^{1,2} @ 2.00%	Unfunded Termination Liability @ 2.00%	Hypothetical Termination Liability^{1,2} @ 3.75%	Unfunded Termination Liability @ 3.75%
06/30/14	\$ 8,053,917	\$ 21,275,172	\$ 13,221,255	\$ 15,822,219	\$ 7,768,303

¹ The hypothetical liabilities calculated above include a 7 percent mortality contingency load in accordance with Board policy. Other actuarial assumptions, such as wage and inflation assumptions, can be found in Appendix A.

² The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 3.00% on June 30, 2014 and 2.90% on June 30, 2015.

In order to terminate your plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow your plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of your plan liabilities. CalPERS strongly advises you to consult with your plan actuary before beginning this process.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	June 30, 2013	June 30, 2014
Projected Payroll for Contribution Purposes	\$ 1,664,090	\$ 1,484,714
Number of Members		
Active	17	15
Transferred	8	9
Separated	5	4
Retired	11	13

List of Class 1 Benefit Provisions

- One Year Final Compensation

PLAN'S MAJOR BENEFIT OPTIONS

SECTION 1 – PLAN SPECIFIC INFORMATION FOR THE MISCELLANEOUS PLAN OF THE SAN ELIJO JOINT POWERS AUTHORITY

Plan’s Major Benefit Options

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

Benefit Provision	Contract package		
	Active Misc	Inactive Misc	Receiving Misc
Benefit Formula	2.5% @ 55	2.0% @ 55	
Social Security Coverage	No	No	
Full/Modified	Full	Full	
Employee Contribution Rate	8.00%		
Final Average Compensation Period	One Year	One Year	
Sick Leave Credit	Yes	Yes	
Non-Industrial Disability	Standard	Standard	
Industrial Disability	No	No	
Pre-Retirement Death Benefits			
Optional Settlement 2W	Yes	Yes	
1959 Survivor Benefit Level	Indexed	Indexed	
Special	No	No	
Alternate (firefighters)	No	No	No
Post-Retirement Death Benefits			
Lump Sum	\$500	\$500	\$500
Survivor Allowance (PRSA)	No	No	No
COLA	2%	2%	2%

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**Section 2 may be found on the CalPERS website
(www.calpers.ca.gov) in the Forms and
Publications section**

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 13, 2016

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: GRAND JURY REPORT – NORTH SAN DIEGO WATER REUSE COALITION

RECOMMENDATION

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

DISCUSSION

The San Diego County Grand Jury is tasked with investigating the operations of governmental programs of the County, cities and special districts therein. The Grand Jury consists of 19 citizens who are charged and sworn to investigate County matters of civil concern and is governed by the California Penal Code.

According to the County, “[t]he grand jury reviews and evaluates procedures, methods and systems utilized by government to determine whether they can be made more efficient and effective. It may examine any aspect of county government and city government, including special legislative districts and joint powers agencies, to ensure that the best interests of San Diego County citizens are being served.”

The Grand Jury made public on May 31, 2016 a report reviewing the North San Diego Water Reuse Coalition (NSDWRC) and its efforts to expand water reuse in North County (Attachment A). 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.”

The report also included recommendations for the NSDWRC to consider. The SEJPA and its NSDWRC partners met on June 6, 2016 to review the Grand Jury Report and to discuss preparing a joint response to the proposed recommendations. The coalition agreed to a joint letter, which will be submitted by August 29, 2016, as it must be received no later than 90 days after the publishing of the report. Staff will provide to the Board a copy of the joint response once it is submitted to the Presiding Judge of the Superior Court.

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: GRAND JURY REPORT – NORTH SAN DIEGO WATER REUSE
COALITION



GRAND JURY

County of San Diego
Hall of Justice
330 W. Broadway, Suite 477
San Diego, CA 92101-3830
619-515-8707 FAX 619-515-8696
<http://www.sdcountry.ca.gov/grandjury>

MELINDA J. RICHARDS, Foreperson

May 19, 2016

CONFIDENTIAL

North San Diego Water Reuse Coalition Agency Members

Re: Grand Jury Report: "North San Diego Water Reuse Coalition".

Dear Ladies and Gentlemen:

The 2015/2016 San Diego County Grand Jury herewith provides the referenced report for your review and comment to the Presiding Judge of the Superior Court in compliance with the Penal Code of California §933(c). This report was prepared pursuant to §§925, 933.1 and 933.5 of the Penal Code.

In accordance with Penal Code §933.05(e), a copy of this report is being provided to affected agencies at least two working days prior to its public release and after being approved by the Presiding Judge of the Superior Court.

Please note that §933.05(e) specifies that **no officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to its public release.** This report will be filed with the Clerk of the Court and released to the public on Tuesday, May 31, 2016.

Sincerely,

MELINDA J. RICHARDS, Foreperson
2015/2016 SAN DIEGO COUNTY GRAND JURY

MJR:ln
enc.

NORTH SAN DIEGO WATER REUSE COALITION



**A Report by the
2015/2016 San Diego County Grand Jury
May 31, 2016**

NORTH SAN DIEGO WATER REUSE COALITION

SUMMARY

The North San Diego Water Reuse Coalition is just that – a group of North County water and wastewater agencies collaborating to optimize reuse of wastewater. They are replacing individual, separate recycled water systems (purple pipe) with interagency connections to increase the capacity and maximize the use of recycled water. To accomplish this, Coalition members will increase 2035 tertiary treatment capacity by 44.2 million gallons per day (MGD) and build 72 miles of new pipelines. The Coalition plans to adopt a “designer water” concept – treating wastewater to meet the quality needed by specific end users. They also are adding storage to smooth seasonal demand curves for recycled water. Finally, member agencies plan to produce 13 MGD of drinking water (potable reuse).

This is a green project that will reduce wastewater discharges to the Pacific Ocean and offset water imports, thus avoiding the energy costs and greenhouse gas emissions associated with imported water. The project also could add 7,000 jobs over its 20-year life. The 2015/2016 San Diego County Grand Jury commends the Coalition for its voluntary collaboration in helping solve San Diego County’s drinking water supply problems.

The Grand Jury recommends that the Coalition reach out to other North County water agencies and invite them to join, and that the Coalition give more consideration to large-scale rainwater capture. The Grand Jury also recommends the Coalition work with the California Department of Transportation (Caltrans) to reduce that agency’s use of tap water for irrigation along the State Route 78 corridor.

INTRODUCTION

The Grand Jury investigated water supply issues in the county and, in the process, learned of the North San Diego Water Reuse Coalition (NSDWRC) and its exemplary model of sharing to capture economies of scale while providing a reliable, drought-proof source of water for the region, and reducing wastewater discharges to the ocean.

PROCEDURE

The Grand Jury interviewed representatives of water and wastewater agency members of the Coalition. The Grand Jury also reviewed Coalition documents, including the project plans and environmental impact reports, as well as water planning documents of the individual members.

DISCUSSION

Approximately 84 percent of the San Diego region’s tap water is imported and subject to supply disruptions due to drought, natural disaster, and other causes. The region’s water supply challenges clearly cannot be solved by any one agency or single new source (e.g., desalination). This has led northern San Diego County water and wastewater agencies to

collaborate on a plan to interconnect their facilities to provide a reliable, drought-proof increase in local supplies. Their projects will link excess wastewater supplies with customers who could use recycled water for irrigation or industry, regardless of agency boundaries. The projects will also produce new drinking water supplies.¹

In 1998, four North County water and wastewater agencies – Olivenhain Municipal Water District (MWD), Carlsbad MWD, San Elijo Joint Powers Authority, and the Leucadia Wastewater District – received a U.S. Bureau of Reclamation grant to build recycled water facilities, including some interagency connections. Those projects demonstrated the benefits of a regional approach to recycled water systems. The result was 10,000 acre-feet – over three billion gallons – of recycled water (purple pipe) that is currently delivered to the region’s customers each year.

As a result of that success, a larger group of ten water and wastewater agencies formed NSDWRC (the Coalition). Their purpose is to expand the use of recycled water within north San Diego County, replacing tap water currently used for landscaping, agriculture, and industrial processes. Some treatment plants will take a “designer water” approach to treating wastewater to the precise quality required by individual end-users. And some facilities will use advanced treatment to produce drinking water.

NSDWRC planned its project in two phases: short-term (2025) and long-term (2035). Advanced treatment is part of the short-term project so that plants can begin operating as soon as the State of California agencies give approval. The short-term project is anticipated to increase water reuse in the region by 18,808 acre-feet per year (AFY), or more than 6 billion gallons. The Coalition has only done preliminary work for the long-term project, which could increase water reuse by an additional 16,662 AFY, or more than 5 billion gallons. In total, the project is anticipated to increase water reuse by 35,000 AFY, or more than 11 billion gallons. Table 1 shows the ten partner agencies and their existing and future treatment capacity. Marine Corps Base Camp Pendleton participates in project planning because they and Oceanside are neighbors.

Note that treatment capacity is not equivalent to recycled water supply. Capacity may be underused due to factors such as insufficient or seasonal demand, and pipeline size and location. For example, the City of Escondido’s Hale Avenue Resource Recovery Facility currently has the capacity to produce 8 million gallons per day (MGD) of recycled water but its average daily flow is only 3.6 MGD due to the limited number of customers.

¹ Wastewater treated to secondary standards is clean enough to discharge into the ocean or other surface water. Tertiary treatment produces water clean enough for landscaping, agriculture, and some industrial processes. Advanced treatment produces water that can enter the regular drinking water treatment process.

Table 1. NSDWRC Existing and Planned Treatment Capacity
S = Secondary treatment T = Tertiary treatment A = Advanced treatment (potable reuse)

Agency	Treatment Plant	Current Treatment Capacity (MGD)		Treatment Capacity By 2025 (MGD)		Treatment Capacity By 2035 (MGD)	
		S	T	S	T	S	T
Carlsbad MWD	Carlsbad	--	4.0	--	8.0	--	12.0
	Meadowlark	5.0	5.0	5.0	5.0	7.0	7.0
Vallecitos WRF	Gafner	--	1.0	--	2.5	--	3.7
	Escondido	--	--	--	--	2.0	2.0
City of Escondido	Hale Avenue	18.0	8.0	21.0	18.0	27.5	25.0
	Harmony Grove	--	--	0.2	0.2	0.2	0.2
Rincon del Diablo MWD	San Luis Rey	13.5	0.7	13.5	6.5	17.4	13.5
	La Salina	5.5	--	5.5	--	5.5	--
City of Oceanside	San Elijo	5.3	3.0	5.3	3.5	5.3	4.5
	Encina	40.5	--	40.5	--	40.5	--
San Elijo JPA	Rancho Santa Fe						
	Whispering Palms	1.0	--	1.0	--	1.0	--
Encina WA	Fairbanks Ranch						
	Southern Regional	3.6	3.6	3.6	3.6	3.6	3.6
Community Service Districts							
Camp Pendleton							
Total New Capacity		92.4	25.3	95.6	47.3	108.0	69.5
Total Capacity				3.2	22.0	12.4	22.2
						7.2	5.8
						7.2	13.0

Source: North San Diego Water Reuse Coalition, Regional Recycled Water Project Program Environmental Impact Report, April 2015.

Once the Coalition identified future treatment capacity, they matched supply and demand geographically and to optimize use of available wastewater. The partner agencies projected recycled water demand based on the potential for users of tap water for landscaping to switch to recycled water (e.g., homeowners' associations, schools, parks, golf courses). NSDWRC also considered future development plans (e.g., new housing projects). Existing demand for recycled water in the region is approximately 10,800 AFY. The Coalition projects that future demands for recycled water within the project area will increase by up to 18,800 AFY by 2025, to a total of 29,600 AFY, and by another 16,600 AFY by 2035, for a total of 46,200 AFY. However, their demand analysis fails to recognize one potential customer: Caltrans uses tap water to irrigate landscaping along State Route 78 between Oceanside and eastern Escondido. The Grand Jury recommends NSDWRC work with Caltrans to provide recycled water along this route, instead of potable water.

One issue with recycled water demand is that much of it is seasonal – irrigation demand peaks in the dry season and plummets in wetter winter months. Therefore, the Coalition developed a list of potential sites that could store recycled water. 70 MGD of tertiary treatment capacity is needed to supply 45,000 AFY of recycled water without seasonal storage. To balance supply and demand without adding new capacity to meet summer peaks would require roughly 9,500 acre-feet of seasonal storage. That storage would reduce the treatment capacity needed to approximately 42 MGD.

The supply and demand analysis also revealed that member agencies reuse only 16 percent of the available wastewater. By 2025 and 2035, that improves to 32 percent and 42 percent respectively, but there still would be a significant amount of water not reused. Therefore, the Coalition decided there will be enough wastewater to add advanced treatment facilities to produce drinking water (see Table 1).

The Coalition's estimates total short-term (2025) project costs at \$336 million, which works out to about \$1,300/AFY. This compares favorably with 2016 costs of \$1,060/AFY for imported water, \$1,400/AFY for the City of San Diego's Pure Water program, and \$2,131-2,367/AFY for Carlsbad desalination plant water.

For the purposes of securing grant funds and regulatory approvals, the NSDWRC plan is limited to the agencies and projects described in their Program Environmental Impact Report. When possible, the Coalition should invite additional agencies to join. There are adjacent North County agencies that are not members, including the Fallbrook Public Utility District, Valley Center MWD, Rainbow MWD, and the City of Poway. Interconnections among them and NSDWRC members could further improve efficiencies and economies of scale.

The Coalition did not analyze rainwater as a supply source. The Grand Jury believes that future project planning should evaluate the potential for large-scale rainwater capture. Most water agencies offer rebates for rain barrels to capture runoff from building roofs.² On a larger scale, where there are groundwater basins, traditional pavement can be replaced with permeable asphalt or concrete to promote groundwater recharge. In addition, storm water and other urban runoff

² One inch of rain collected from 1,000 ft² of roof can yield up to 625 gallons of water for landscaping.

can be harvested by redirecting the flows into the sewer system (known as a combined sewer system). While combined sewers can lead to treatment plant overflow during large storms, storage facilities and advanced Real Time Decision Support Systems³ (similar in concept to adaptive traffic control systems) can prevent or mitigate the problem.

FACTS AND FINDINGS

Fact: The North San Diego Water Reuse Coalition is a voluntary collaboration of wastewater agencies.

Fact: Existing tertiary treatment capacity among the Coalition partners is 25.3 MGD.

Fact: The Coalition plans to add 44.2 MGD of tertiary capacity by 2035.

Fact: The Coalition plans to add 13 MGD of advanced treatment (potable reuse).

Finding 01: The treated water will replace imported drinking water currently used for irrigation and industrial purposes, and will increase regional drinking water supply and reliability.

COMMENDATION

The 2015/2016 San Diego County Grand Jury commends the North San Diego Water Reuse Coalition and their Regional Recycled Water Project for their voluntary, collaborative and innovative approach to enhancing the reliability and diversity of water supply. Regionalization of facilities will allow recycled water to play an even more significant role in meeting the future water needs in northern San Diego County.

Fact: There are water and wastewater agencies in North County that are not Coalition members.

Finding 02: Expanding Coalition membership in North County would increase the capacity and connectivity of the recycled water project.

Fact: The project does not consider large-scale rainwater capture.

Finding 03: Rainwater capture would be a valuable addition to the project's suite of measures to diversify local water supply.

Fact: The California Department of Transportation uses tap water for irrigation along the SR 78 corridor between Oceanside and Escondido.

Fact: The Coalition does not list Caltrans among their potential future recycled water customers.

Finding 04: Coalition sales of recycled water to Caltrans could reduce the use of tap water for irrigation.

³ Southeast Michigan Council of Governments. Investment in Reducing Combined Sewer Overflows Pays Dividends. Detroit, MI. September 2008. "Going Against the Flow: Green Tech, Sensors and Industrial Internet Make Sewer Systems Smart". Txchnologist. undated monograph.

RECOMMENDATIONS

The 2015/2016 San Diego County Grand Jury recommends the North San Diego Water Reuse Coalition member agencies:

- 16-39: **Reach out to neighboring non-member agencies to further diversify supply lines.**
- 16-40: **Evaluate large-scale rainwater capture as a means of increasing and further diversifying their wastewater supplies.**
- 16-41: **Work to increase use of recycled irrigation water on the State Route 78 corridor between Oceanside and Escondido.**

REQUIREMENTS AND INSTRUCTIONS

The California Penal Code §933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code §933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

- (a) As to each grand jury finding, the responding person or entity shall indicate one of the following:
- (1) The respondent agrees with the finding
 - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:
- (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.

- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
- (c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code §933.05 are required from the:

<u>Responding Agency</u>	<u>Recommendations</u>	<u>Date</u>
North San Diego Water Reuse Coalition	16-39 through 16-42	8/30/16

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 13, 2016

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY (SEJPA) AND ENCINA
WASTEWATER AUTHORITY (EWA) JOINT SUPPLIES AND SERVICES
CONTRACTING

RECOMMENDATION

It is recommended that the Board of Directors:

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;
3. Authorize the General Manager to enter into an agreement with EWA for the procurement of Ocean Monitoring-Water Quality services; and
4. Discuss and take action as appropriate.

BACKGROUND

SEJPA and EWA operate water pollution control facilities and water reclamation facilities in north coastal San Diego County. Over the last several years, the agencies have partnered to identify opportunities to share resources, collaborate on mutual aid, and create efficiencies to reduce costs and improve service.

Success has been obtained in shared HR services, safety inspections, and emergency response assistance. EWA and SEJPA have also implemented a labor leasing agreement that allows employee sharing between the agencies to address spikes in workloads and fluctuation in staffing, conduct special projects, or other assignments.

Recently, EWA and SEJPA have been examining opportunities to reduce cost through bulk purchasing of supplies and services. 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, usually through multi-year contracts. Staff also identified Ocean Monitoring and Water Quality services as a contract that could produce cost savings through economy of scale in conducting the work.

Staff worked with Procopio Cory Hargreaves & Savitch LLP to develop joint agency agreements for bulk purchasing of supplies and services. The agreements address purchasing terms and responsibilities of each agency, as well as liability, indemnification, and insurance requirements to reduce risk to all parties.

DISCUSSION

SEJPA and EWA staff prepared a bid solicitation for Sodium Hypochlorite, which was advertised on April 27 and bids were received on May 25, 2016. The price received was \$0.554 per gallon, which is \$0.089 per gallon less than the current SEJPA contract for sodium hypochlorite, creating a saving of 13.8%. Staff has reviewed the agreement between EWA and Olin Corporation for the procurement of Sodium Hypochlorite (Attachment 1). This new contract results in a savings of approximately \$7,120 and \$8,700 per year for SEJPA and EWA respectively.

EWA staff solicited bids for Ferric Chloride in 2015 and entered into a three-year contract with Kemira Water Solutions, Inc. at a price of \$375.00 per dry ton. SEJPA also solicited bids in 2015, albeit for a lesser total volume, and the low bid was \$463.32 per dry ton. Since the SEJPA contract was only one year, staff contacted Kemira Water Solutions, Inc. and they have offered to extend the same price for Ferric Chloride to SEJPA under the terms of the EWA contract. This new contract results in a savings of \$88.00 per dry ton or approximately \$7,900 per year (Attachment 2).

SEJPA and EWA staff worked together to prepare a bid solicitation for Ocean Monitoring-Water Quality services which was advertised on May 3rd and bids were received on May 26, 2016. The price received was \$299 per month which is \$426 per month less than the current contract for ocean outfall monitoring. The bid is for one year with an optional second year. Staff has prepared an agreement between SEJPA and EWA for the procurement of ocean monitoring-water quality services (Attachment 3). This new contract results in a savings of approximately \$5,100 per year to the SEJPA and EWA is estimated to save \$8,200 as compared to the previous annual contract.

FISCAL IMPACT

As a result of cooperative purchasing, these contracts are anticipated to save the SEJPA approximately \$20,132 for FY 2016-17, with the potential for similar saving in FY 2017-18. Adequate funding for the proposed chemical purchases is budgeted in the SEJPA Wastewater Treatment and Recycled Water programs. Funding for the Ocean Monitoring-Water Quality services agreement is budgeted in the Ocean Outfall program.

It is therefore recommended that the Board of Directors:

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;
3. Authorize the General Manager to enter into an agreement with EWA for the procurement of Ocean Monitoring-Water Quality Services; and
4. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

- Attachment 1: Agreement between Encina Wastewater Authority and Olin Corporation for Purchase and Delivery of Sodium Hypochlorite
- Attachment 2: Agreement between San Elijo Joint Powers Authority and Kemira Water Solutions, Inc. for the Procurement of Ferric Chloride
- Attachment 3: Agreement between Encina Wastewater Authority & San Elijo Joint Powers Authority for Ocean Monitoring-Water Quality Services

ATTACHMENT 1

AGREEMENT
BETWEEN ENCINA WASTEWATER AUTHORITY
AND OLIN CORPORATION
FOR PURCHASE AND DELIVERY OF SODIUM HYPOCHLORITE

Ref: 16-12513a

This Agreement ("Agreement") is made on June 22, 2016, between ENCINA WASTEWATER AUTHORITY ("EWA") and Olin Corporation ("CONTRACTOR"), an independent contractor, with a principal place of business in Tracy, California.

ARTICLE 1
TERM OF CONTRACT

1.01 This Agreement will become effective on July 1, 2016, and will continue in effect until June 30, 2017 or until terminated as provided under Article 7.

ARTICLE 2
SERVICES TO BE PERFORMED BY CONTRACTOR

Specific Services

2.01 CONTRACTOR will perform the deliverables within the scope described in Attachment A. Any changes to the scope of services or timeframes identified in Attachment A must be authorized by EWA in writing and shall be set forth as an amendment to this Agreement.

2.02 CONTRACTOR will determine the method, details, and means of performing the above-described services.

Status of CONTRACTOR

2.03 CONTRACTOR and its employee(s) are engaged in an independent contractor relationship with EWA in performing all work, duties and obligations hereunder. EWA shall not exercise any control or direction over the methods by which CONTRACTOR shall perform its work and functions. EWA's sole interest and responsibility is to ensure that the services covered by this Agreement are performed and rendered in a competent, satisfactory and legal manner. The parties agree that no work, act, commission or omission of CONTRACTOR or its employee(s) pursuant to this Agreement shall be construed to make CONTRACTOR or its employee(s) the agent, employee or servant of EWA. CONTRACTOR and its employee(s) are not entitled to receive from EWA any vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind.

Payment of Income Taxes

2.04 CONTRACTOR shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment law requirements with respect to CONTRACTOR or its employee(s).

2.05 To the maximum extent allowable by law, CONTRACTOR agrees to indemnify, defend and hold EWA harmless from any and all liability, damages or losses (including attorneys' fees, costs, penalties and fines) EWA suffers as a result of (a) CONTRACTOR's failure to meet its obligations under paragraph 2.04, or (b) a third party's designation of CONTRACTOR or its employee as an employee of EWA, regardless of any actual or alleged negligence by EWA.

Compliance with Laws/Rules

2.06 CONTRACTOR will perform all services under this Agreement in good faith and in the best interests of EWA. In performing the services specified in this Agreement, CONTRACTOR agrees to comply with all laws, rules, regulations and ordinances, whether federal, state or local, and any and all of EWA's policies, procedures, departmental rules and other directives applicable to the services to be performed and provided by EWA's Project Manager to the CONTRACTOR, including, but not limited to, EWA's Contractor Safety Policies and Procedures. Any changes to EWA's policies and procedures that relate to CONTRACTOR will be provided to CONTRACTOR in writing. CONTRACTOR agrees to review such policies, procedures, rules and directives the contents of which CONTRACTOR will be deemed to have knowledge.

2.07 CONTRACTOR shall ensure that any report generated under this Agreement complies with California Government Code section 7550.

ARTICLE 3 COMPENSATION

3.01 Compensation for work under this AGREEMENT shall be \$0.554 per gallon of Sodium Hypochlorite, inclusive of delivery costs, plus applicable California sales tax (currently 8.0%). The CONTRACTOR will ensure that sales tax is properly applied to all invoices.

3.02 CONTRACTOR shall submit monthly invoices to: EWA for deliveries to the Encina Water Pollution Control Facility and the Carlsbad Water Reclamation Facility; and to San Elijo Joint Powers Authority (SEJPA) for deliveries to the San Elijo Water Reclamation Facility. Such invoices shall include the date and location of the delivery, the value of the items delivered, the cost of delivery, and the amount of sales tax. To be approved and qualify for payment, the invoices must separately list those costs and expenses attributable to each delivery location. EWA and SEJPA shall make payment to CONTRACTOR within forty-five (45) days of receipt of an approved invoice.

ARTICLE 4 OBLIGATIONS OF CONTRACTOR

Non Exclusive Relationship

4.01 CONTRACTOR may represent, perform services for, and contract with as many additional clients, persons, or companies as CONTRACTOR, in its sole discretion, sees fit.

Tools, Materials, and Equipment

4.02 CONTRACTOR will supply all tools materials, and equipment required to perform the services under this Agreement.

CONTRACTOR's Qualifications

4.03 CONTRACTOR represents that its employee(s) has the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of EWA. This means CONTRACTOR is able to fulfill the requirements of this Agreement. Failure to perform all the services required under this Agreement constitutes a material breach of the Agreement. CONTRACTOR has complete and sole discretion for the manner in which the work under this Agreement will be performed. Acceptance by EWA of reports, and incidental professional work or materials furnished hereunder, shall not in any way relieve CONTRACTOR of responsibility for the technical adequacy of its work. Neither EWA's acceptance of, nor payment for any of the services, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

Indemnity, Hold Harmless and Defense

4.04 CONTRACTOR agrees to indemnify, defend, and hold EWA and its Member Agencies (to include the City of Carlsbad, the City of Encinitas, the City of Vista, the Buena Sanitation District, the Leucadia Wastewater District, and the Vallecitos Water District) the San Elijo Joint Powers Authority and its members (the cities of Solana Beach and Encinitas) and each of their respective officials, officers, directors, employees, agents and volunteers (collectively referred to as the "Indemnified Parties") free and harmless from all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs (collectively referred to as "Liabilities") that such entities or persons may incur that arise out of the negligence, recklessness or willful misconduct of CONTRACTOR, including CONTRACTOR's officers, officials, directors, employees, subcontractors, agents, representatives, volunteers, successors, assigns or anyone for whom CONTRACTOR is legally responsible. CONTRACTOR shall not be required to defend, indemnify or hold harmless Indemnified Parties for Claims to the extent attributable to the sole negligence, active negligence or willful misconduct of Indemnified Parties.

4.04.1 The indemnification, hold harmless and defense obligations set forth in herein shall survive the termination or expiration of this Agreement.

Insurance

4.05 CONTRACTOR shall procure and maintain for the duration of the AGREEMENT insurance against claims for injuries to persons, including accidental death, or damages to property, which may arise from or in connection with operations or products and materials supplied under this AGREEMENT, and any such other insurance as may be required by federal, state, county and local laws. The cost of such insurance shall be borne by the CONTRACTOR.

4.05.1 Coverage shall be at least as broad as:

Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 0001 or Claims Made Form CG 0002).

Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, Code 1 (any auto).

4.05.2 CONTRACTOR shall maintain limits no less than:

General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

4.05.3 Any deductibles or self-insured retentions must be declared to and approved by the EWA and SEJPA. At the option of the EWA and SEJPA, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the EWA and SEJPA, its officers, officials, employees and volunteers; or the CONTRACTOR shall provide a financial guarantee satisfactory to the EWA and SEJPA guaranteeing payment of losses and related investigations, claim administration and defense expenses.

4.05.4 CONTRACTOR will obtain additional insured insurance coverage and policy endorsements for EWA, its Member Agencies (to include the City of Carlsbad, the City of Encinitas, the City of Vista, the Buena Sanitation District, the Leucadia Wastewater District, and the Vallecitos Water District), the San Elijo Joint Powers Authority and its members (the cities of Solana Beach and Encinitas) and each of their respective officers, officials, directors, employees, volunteers or agents (collectively referred to as the "Insured Parties") under any relevant liability policies, and shall provide EWA with proof of the same upon request.

4.05.5 The CONTRACTOR's insurance coverage shall be primary insurance as respects the EWA and the SEJPA, their Member Agencies, officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the EWA and the SEJPA, their Member Agencies, officers, officials, employees or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute to it.

4.05.6 If General Liability coverage is written on a Claims Made form:

The "Retro Date" must be shown, and must be before the date of the AGREEMENT or the beginning of work under this AGREEMENT.

Insurance must be maintained for at least one (1) year after completion of work under this AGREEMENT and any executed AGREEMENT extensions. Evidence of continued insurance will be provided for at the end of the term of this AGREEMENT or any executed extensions.

If coverage is canceled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the AGREEMENT effective date, the CONTRACTOR must purchase "extended reporting" coverage for a minimum of one (1) year with a minimum of a ninety (90) day "Discovery Period" after completion of work under this AGREEMENT.

4.05.7 Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

4.05.8 CONTRACTOR shall furnish to EWA original certificates and amendatory endorsements effecting coverage required by this Section prior to commencing the services provided for herein. EWA reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications, at any time.

4.05.9 Such policies may not exclude coverage for any damage resulting from the sudden or accidental release of the materials to be transported and delivered under this Agreement or arising out of or resulting from any act or actions, omission, or failure to act on the part of CONTRACTOR.

4.05.10 CONTRACTOR hereby agrees to waive rights of subrogation which any insurer of CONTRACTOR may acquire from CONTRACTOR by virtue of the payment of any loss.

Conflict of Interest

4.06 Upon the award of this Agreement and periodically thereafter, CONTRACTOR may be required to complete and file with EWA a Conflict of Interest form, to be provided to CONTRACTOR by EWA.

Assignment

4.07 Neither this Agreement nor any duties or obligations under this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of EWA. EWA has entered into this Agreement in order to receive the professional services of CONTRACTOR. The provisions of this Agreement shall apply to any subcontractor of CONTRACTOR. EWA shall have the right to approve any subcontractor agreements, in addition to the written consent required by this Section 4.07.

Safety

4.08 CONTRACTOR shall be solely and completely responsible for the safety of all CONTRACTOR personnel, including personnel of any subcontractors, during performance of the services. CONTRACTOR shall fully comply with all laws, rules, regulations and ordinances relating to safety of the public and workers, whether federal, state or local. CONTRACTOR shall also comply with all contract provisions and EWA's policies, procedures, departmental rules and other directives, as provided by EWA's Project Manager to CONTRACTOR, relating to the safety of the public and workers, including, but not limited to, EWA's Contractor Safety Policies and Procedures and any project specific requirements.

4.09 CONTRACTOR shall suspend the performance of work under this Agreement in the event that bad weather or high seas pose a risk to the health or safety of CONTRACTOR's personnel. CONTRACTOR shall notify EWA within 24 hours of such suspension of work. CONTRACTOR shall resume work as soon as practicable when it is safe to do so, or as directed by EWA.

ARTICLE 5 OBLIGATIONS OF EWA

5.01 EWA agrees to comply with all reasonable requests of CONTRACTOR and ensure access to those facilities as is reasonably necessary to the performance of CONTRACTOR's duties under this Agreement.

ARTICLE 6 THIRD PARTY BENEFICIARY

6.01 The parties acknowledge that the materials provided to the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff CA 92007 as defined in Attachment A, is for the benefit of

the San Elijo Joint Powers Authority (“SEJPA”) and that SEJPA has the right to enforce the provisions of this Agreement as a third party beneficiary.

**ARTICLE 7
TERMINATION OF AGREEMENT**

Termination for Default

7.01 If either party defaults in the performance of this Agreement or materially breaches any of its provisions, the non-breaching party may immediately terminate this Agreement by giving written notification to the breaching party. Termination will take effect immediately on receipt of notice by the breaching party or five (5) days after mailing of notice, whichever occurs first. For the purposes of this paragraph, material breach of this Agreement includes, but is not limited to, the following:

7.01.1 CONTRACTOR’s failure to complete the services specified in Article 2 of this Agreement.

7.01.2 CONTRACTOR’s material breach of any representation or term contained in this Agreement.

7.01.3 EWA’s material breach of any representation or agreement contained in this Agreement.

Termination Without Cause

7.02 Either party may terminate this Agreement without cause upon thirty (30) days written notice.

Compensation Upon Termination

7.03 Upon termination by either party under Sections 7.01 or 7.02 above, EWA will pay to CONTRACTOR any outstanding service fees minus any costs reasonably incurred by EWA related to CONTRACTOR’s services under this Agreement prior to the notice of termination.

**ARTICLE 8
PROPRIETARY RIGHTS**

Confidential Information

8.01 Any written, printed, graphic, or electronically or magnetically recorded information furnished by EWA for CONTRACTOR’s use are the sole property of EWA. This proprietary information includes, but is not limited to, customer requirements, customer lists, marketing information, and information concerning EWA employees, products, services, prices, operations, and subsidiaries.

8.02 CONTRACTOR and its employee(s) will keep this confidential information in the strictest confidence, and will not disclose it by any means to any person except with EWA approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to CONTRACTOR’s employees, agents, and subcontractors. On termination of this Agreement, CONTRACTOR will promptly return any confidential information in its possession to EWA.

Agreement infringe any patent, copyright or other proprietary right. CONTRACTOR shall defend, indemnify and hold harmless EWA from and against all losses, claims, damages, liabilities, costs expenses and amounts (collectively, "Losses") arising out of or in connection with an assertion that any Contractor Products or the use thereof, infringe any patent, copyright or other proprietary right of any third party. EWA will: (1) notify CONTRACTOR promptly of such claim, suit or assertion; (2) permit CONTRACTOR to defend, compromise, or settle the claim; and, (3) provide, on a reasonable basis, information to enable CONTRACTOR to do so. CONTRACTOR shall not agree without EWA's prior written consent to any settlement which would require EWA to pay money or perform some affirmative act in order to continue using Contractor Products.

9.05.1 If CONTRACTOR is obligated to defend EWA pursuant to this Section 9.05 and fails to do so after reasonable notice from EWA, EWA may defend itself and/or settle such proceeding, and CONTRACTOR shall pay to EWA any and all losses, damages and expenses (including attorney's fees and costs) incurred in relationship with EWA's defense and/or settlement of such proceeding.

9.05.2 In the case of any such claim of infringement, CONTRACTOR shall either, at its option, (1) procure for EWA the right to continue using Contractor Products; or (2) replace or modify Contractor Products so that that they become non-infringing, but equivalent in functionality and performance.

9.05.3 Notwithstanding this Section 9.05, EWA retains the right and ability to defend itself, at its own expense, against any claims that Contractor Products infringe any patent, copyright, or other intellectual property right.

9.05.4 All provisions of Section 4.04, including the subsections thereunder, shall apply to CONTRACTOR's obligation pursuant to this Section 9.05.

Audits

9.06 If this Agreement involves an expenditure of public funds in excess of Ten Thousand Dollars (\$10,000), the Agreement is subject to examination and audit of the State Auditor, at the request of EWA or as part of any audit of EWA, for a period of three (3) years after final payment under the Agreement. CONTRACTOR shall cooperate with EWA, including any authorized representative of EWA, regarding such audit at no charge to EWA.

Counterparts

9.07 This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

Provisions Required By Law

9.08 Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the request of either party, the Agreement shall forthwith be physically amended to make such insertion.

Governing Law

9.09 This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.

Jurisdiction, Forum and Venue

9.10 The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California, County of San Diego. EWA and CONTRACTOR agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. EWA and CONTRACTOR hereby submit to personal jurisdiction in the State of California for any action or proceeding arising out of or relating to this Agreement including, but not limited to, the enforcement of this Agreement, and hereby waive any and all personal rights under the law of any state, county, or other jurisdiction to object to jurisdiction within the State of California for the purposes of any legal action or proceeding arising out of or relating to this Agreement, including but not limited to the enforcement of this Agreement, whether on grounds of inconvenient forum or otherwise.

Signature Authority

9.11 EWA and CONTRACTOR do covenant that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

Executed in San Diego County, California, on _____.

ENCINA WASTEWATER AUTHORITY

CONTRACTOR

By: _____
Keith Blackburn, EWA Board Chair

By: _____
Name, Title

Approved as to Form:

By: _____
EWA Counsel

Attachment A

**SPECIFICATIONS FOR
FURNISHING AND DELIVERING SODIUM HYPCHLORITE
TO THE ENCINA WATER POLLUTION CONTROL FACILITY,
THE CARLSBAD WATER RECLAMATION FACILITY &
THE SAN ELIJO WATER RECLAMATION FACILITY**

1.0 GENERAL

Contractor shall furnish and deliver Sodium Hypochlorite (12.5% solution) to the Encina Water Pollution Control Facility at 6200 Avenida Encinas, Carlsbad, CA 92011 ("EWPCF"), the Carlsbad Water Reclamation Facility at 6220 Avenida Encinas, Carlsbad, CA 92011 ("CWRF"), and the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff CA 92007 ("SEWRF") for the time period from July 1, 2016 to June 30, 2017, unless renewed pursuant to the terms of the Agreement.

It is estimated that the EWPCF, CWRF and SEWRF will require an annual quantity of approximately 380,000 gallons of Sodium Hypochlorite. However, no representation is made as to the total quantity that will be used during this period. This product will be used for reclaimed water disinfection, odor control and microfiltration system maintenance, although the Owners reserve the right to use it for other applications. Present projections indicate Sodium Hypochlorite will be required on a fairly uniform basis throughout the supply period, but no assurances for this are given.

2. TIME FOR PERFORMANCE

The CONTRACTOR shall not begin any of the work specified in this AGREEMENT until authorized by the EWA in writing to proceed.

This AGREEMENT shall be from July 1, 2016 to June 30, 2017. If mutually agreeable to all parties, the service or period of time covered by the quotation may be extended under the following conditions:

- a. The AGREEMENT extension is to be confirmed sixty (60) calendar days prior to June 30, 2017. At the time the AGREEMENT is up for extension, the CONTRACTOR may request an adjustment in the AGREEMENT price as stipulated in paragraph 3 below. This proposal for a price adjustment MUST BE SUBMITTED BY THE CONTRACTOR, TO BE RECEIVED BY THE EWA, AT LEAST NINETY (90) CALENDAR DAYS PRIOR TO JUNE 30, 2017. If the price adjustment proposal is not received in writing at least ninety (90) days prior to the date specified above, the EWA will assume that no price adjustment will be requested for the AGREEMENT extension and the AGREEMENT will be automatically extended for an additional one (1) year, unless terminated by the EWA. The EWA reserves both the right to determine the reasonableness of the proposal and the right to accept, reject or negotiate the CONTRACTOR's proposed adjustments. If an acceptable AGREEMENT between the EWA and the CONTRACTOR cannot be reached, the renewal and renewal options will be considered null and void.

- b. Maximum extension period shall not exceed two (2) single year periods.
- c. The price established by this AGREEMENT may only be adjusted prior to the start of and will be valid through the entire period of the extension. The adjustment will allow for any increase or decrease in the production cost and will not exceed a five percent (5%) increase or decrease of the original price. The CONTRACTOR will be required to submit manufacturing information, as requested by and to the satisfaction of the EWA, in order to justify and document the amount of the adjustment being requested. The EWA reserves the right to be the sole judge concerning the acceptability of the information provided by the CONTRACTOR.

3. DELIVERY

Deliveries shall be made to: EWPCF at 6200 Avenida Encinas, Carlsbad, California; the CWRF at 6220 Avenida Encinas, Carlsbad, California; and the SEWRF at 2695 Manchester Avenue, Cardiff, California. Deliveries to the EWPCF or CWRF can be accepted 7 days/week between 7:00 AM and 5:00 PM, and to the SEWRF on Monday through Friday between 7:00 AM and 3:00 PM.

Sodium Hypochlorite deliveries shall be 5,000 gallons or less by tank truck for discharge to a bulk storage tank. All transportation equipment shall be thoroughly cleaned, and free from scale and other foreign matter. All truck connecting piping and valves shall be inspected before shipment and shall be in proper operating condition upon delivery. Defective tank trucks from which Sodium Hypochlorite cannot be withdrawn will be rejected and returned at the manufacturer's expense. Bidders shall inspect the EWPCF's, CWRF's and SEWRF's storage and transfer facilities to ensure compatibility with trucks prior to bid.

All Sodium Hypochlorite shall be delivered within five (5) working days of the request. If the supplier is unable to deliver a requested quantity within the terms stated above, the Owners may purchase on the open market such additional Sodium Hypochlorite that might be necessary for their use and consumption. If the cost of the product procured results in increased operating costs, the successful Sodium Hypochlorite supplier shall be responsible for the difference in costs.

Each shipment of Sodium Hypochlorite delivered shall have a certified weight statement included with the delivery.

4. HOUSEKEEPING AND SPILLS

The Contractor shall be responsible to cleanup and remove all trash, grease, oil and debris that are the result of specified work. The Contractor will be responsible for the removal, disposal, cleaning, transportation, labor and other costs associated with Sodium Hypochlorite that does not meet acceptable performance criteria as determined by the Owners.

The Contractor will promptly clean up any spills or discharge of materials within the facility resulting from the Contractor's operation. If the cleanup results in the need for material disposal, the Contractor will assume all financial costs and responsibility for containment, freight and disposal. The Contractor will also conform to all federal, state and local material disposal requirements.

ATTACHMENT 2

AGREEMENT

THIS AGREEMENT is made and entered into on this 1st day of July, 2016, by and between the San Elijo Joint Powers Authority, a municipal corporation, hereinafter referred to as AUTHORITY, and Kemira Water Solutions, Inc., hereinafter referred to as SUPPLIER.

WITNESSETH:

WHEREAS, Encina Wastewater Authority (EWA) invited bids for the provision of Ferric Chloride.

WHEREAS, pursuant to said invitation, SUPPLIER submitted a bid which was accepted by EWA for said services.

WHEREAS, AUTHORITY desires and SUPPLIER is willing to provide said services to AUTHORITY on the same pricing terms as EWA, as described in the letter dated April 28, 2016, attached hereto and incorporated herein.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. TERM. The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until June 30, 2017.
2. AUTHORITY'S OBLIGATIONS. For furnishing services or supplies as specified in the Agreement, AUTHORITY will pay and SUPPLIER shall receive compensation for Ferric Chloride at the unit price of \$375 per dry ton. The total amount of Ferric Chloride to be purchased under this Agreement has been estimated to be 90 dry tons per year, but actual usage may be considerably less. In no case will total compensation exceed \$33,750. The unit cost and total cost shall include all delivery, tax and shipping charges.

Payments to the SUPPLIER shall be made within forty-five (45) days after receipt of an original invoice from the SUPPLIER and provision of said services to AUTHORITY. SUPPLIER shall invoice no more frequently than monthly for services or supplies provided. Neither AUTHORITY'S acceptance of, nor payment for any of the services, shall be construed to operate as a waiver of any rights under this Agreement or any cause of action arising out of the performance of this Agreement.

3. SUPPLIER'S OBLIGATIONS. For and in consideration of the payments and agreements hereinbefore mentioned to be made and performed by AUTHORITY, SUPPLIER agrees with AUTHORITY to furnish the said services and to do everything required by this Agreement and the said specifications. Without limiting the generality of the foregoing, SUPPLIER warrants on behalf of itself and all sub-SUPPLIERS engaged for the performance of this Agreement that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder. In performing services under this Agreement, SUPPLIER agrees to comply with all laws, rules and regulations and ordinances, whether federal, state or local, and any and all AUTHORITY policies, procedures, departmental rules or other directives applicable to the services to be performed by provided by AUTHORITY'S General Manager or his designee, to

SUPPLIER. Any changes to AUTHORITY'S policies and procedures that relate to SUPPLIER will be provided to SUPPLIER in writing. SUPPLIER agrees to review such policies, procedures, rules and directives and the contents of which SUPPLIER will be deemed to have knowledge. SUPPLIER shall ensure that any report generated under this Agreement complies with California Government Code section 7550.

4. HOLD HARMLESS AND INDEMNIFICATION. SUPPLIER agrees to defend, indemnify, and hold harmless AUTHORITY, its member agencies (to include the City of Encinitas and the City of Solana Beach), and each of their respective directors, officials, officers, employees, representatives, and agents (collectively, "Indemnified Parties"), from and against all claims, lawsuits, liabilities or damages, including attorney's fees and costs, of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of SUPPLIER, its agents, employees, and sub-SUPPLIERS of any tier and employees thereof in connection with the performance or non-performance of this Agreement. The SUPPLIER shall thoroughly investigate any and all claims and indemnify the Indemnified Parties and do whatever is necessary to protect the Indemnified Parties as to any such claims lawsuits, liabilities, expenses, or damages.

5. INSURANCE. During the course of the Agreement, SUPPLIER shall pay for and maintain, in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of SUPPLIER in connection with or related to the work covered hereby. SUPPLIER SHALL FURTHER TAKE OUT AND SHALL FURNISH SATISFACTORY PROOF BY CERTIFICATE OR OTHERWISE AS MAY BE REQUIRED, THAT HE HAS TAKEN OUT COMPREHENSIVE GENERAL LIABILITY INSURANCE AND AUTO LIABILITY WITH AUTHORITY, ITS MEMBER AGENCIES (TO INCLUDE THE CITY OF ENCINITAS AND THE CITY OF SOLANA BEACH), AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICIALS, OFFICERS, EMPLOYEES, REPRESENTATIVES AND AGENTS ("INSURED PARTIES") NAMED HEREIN AS ADDITIONAL INSUREDS, AS WELL AS ALL OTHER COVERAGE REQUIRED BY THIS AGREEMENT. Insurance carrier shall be satisfactory to AUTHORITY, and insurance shall be purchased from insurance companies with a current A.M. Best rating of no less than A:VII, unless otherwise agreed in writing by AUTHORITY. Insurance shall be in such form approved by AUTHORITY so as to protect all Insured Parties against loss from liability assumed by contract or imposed by law from damages on account of bodily injury, including death resulting therefrom, suffered or alleged to have been suffered by any person or persons, other than employees, resulting directly or indirectly from the negligent performance or execution of this Agreement by SUPPLIER or any subcontract with SUPPLIER thereunder, and also to protect all Insured Parties against loss from liability imposed by law for damage to any property, caused directly or indirectly by the negligent performance or execution or the Agreement by SUPPLIER; which insurance shall also cover accidents arising out of the use and operation of owned, non-owned and hired automobiles, trucks, and/or other mobile equipment. Automobile liability shall be at least as broad as form number CA 0001, covering code 1 (any auto), covering bodily injury and property damage, with a combined single limit of no less than \$1,000,000 per claim for bodily injury and property damage. General liability shall be at least as broad as occurrence form CG 0001, covering bodily injury, personal injury and property damage. The amounts of coverage of said insurance shall not be less than the following:

Public Liability	\$1,000,000 single limit/\$3,000,000 aggregate
Property Damage	\$1,000,000 single limit/\$3,000,000 aggregate

SUPPLIER shall further maintain adequate Worker's Compensation Insurance, including occupational disease provisions, under the laws of the State of California and employer's general liability insurance for the benefit of its employees with a combined single limit of no less than \$1,000,000 per claim for bodily injury or disease, and shall require similar insurance to be provided by its sub-SUPPLIERS. A certificate shall be furnished to AUTHORITY showing compliance with above.

Said policies shall have a non-cancellation clause providing that thirty (30) days written notice shall be given to AUTHORITY prior to any material modification or cancellation, and a certificate of such insurance shall be furnished to AUTHORITY by direct mail from SUPPLIER'S insurance carrier and shall specifically cover any contractual liability incurred hereunder.

All insurance policies shall be on an occurrence basis and cover the period of performance under this Agreement.

The coverage shall contain no special limitations on the scope of protection afforded to the Insured Parties.

SUPPLIER'S Insurance shall be primary insurance as respects the Insured Parties, and each of them. Any insurance, self-insurance or other coverage maintained by Insured Parties shall be excess of the SUPPLIER'S insurance and not contribute to it.

SUPPLIER hereby agrees to waive rights of subrogation which any insurer of SUPPLIER may acquire from SUPPLIER by virtue of the payment of any loss. SUPPLIER agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The workers' compensation policy shall be endorsed with a waiver of subrogation in favor of the Insured Parties for all work performed by the SUPPLIER, its employees, agents and sub-SUPPLIERS.

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Insured Parties.

SUPPLIER'S insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of insurer's liability.

All insurance policies shall specifically cover any contractual liability incurred pursuant to this Agreement.

Any deductibles or self-insured retention limits must be disclosed to and approved by AUTHORITY prior to execution of this Agreement. At the option of AUTHORITY, either: the insurer shall reduce or eliminate such deductibles as respects the Insured Parties; or SUPPLIER shall provide a financial guarantee satisfactory to AUTHORITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

SUPPLIER shall furnish to AUTHORITY certificates of insurance prior to the commencement of work under this Agreement, and as may be periodically requested by AUTHORITY. SUPPLIER shall include all endorsements necessary to comply with this Agreement, including additional insured endorsements, signed by the insurer's

representative. Such evidence shall include confirmation that coverage includes or has been modified to include all provisions required by this Agreement. SUPPLIER shall, upon request of AUTHORITY at any time, deliver to AUTHORITY complete, certified copies of the policies of insurance, including endorsements, and receipts for payment or premiums thereon, required by this Agreement. Failure to obtain the required documents prior to the work beginning shall not waive SUPPLIER'S obligation to provide them.

If any of the required coverages expire during the term of this Agreement, SUPPLIER shall deliver the renewal certificate(s) including the general liability and auto liability additional insured endorsements to AUTHORITY at least ten (10) days prior to the expiration date.

In the event that SUPPLIER employs sub-SUPPLIERS to perform any portion of the services to be performed pursuant to this Agreement, it shall be SUPPLIER'S responsibility to require and confirm that each sub-SUPPLIER meets the minimum insurance requirements specified in this Agreement.

6. AMENDMENTS. Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon written approval by the Manager of the AUTHORITY.
7. TERMINATION. If, during the term of this contract, AUTHORITY determines that SUPPLIER is not faithfully abiding by any term or condition contained herein, AUTHORITY may notify SUPPLIER in writing of such defect or failure to perform; which notice must give SUPPLIER five (5) working days thereafter in which to perform said work or cure the deficiency. If SUPPLIER has not performed the work or cured the deficiency within five (5) days specified in the notice, such shall constitute a breach of this contract and AUTHORITY may terminate this contract immediately by written notice to SUPPLIER to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under this Agreement, except, however, any and all indemnification, hold harmless and defense obligations of SUPPLIER shall remain in full force and effect, and shall not be extinguished, reduced, or in any manner waived by the termination hereof. In said event, SUPPLIER shall be entitled to the reasonable value of its services performed from the beginning of the period in which the breach occurs up to the day it received AUTHORITY's Notice of Termination, minus any offset from such payment representing AUTHORITY's damages from such breach. AUTHORITY reserves the right to delay any such payment, to allow for a full and complete accounting of costs. In no event, however, shall SUPPLIER be entitled to receive in excess of the compensation quoted in its bid.
8. STATUS OF SUPPLIER. SUPPLIER and its employee(s) are engaged in an independent SUPPLIER relationship with AUTHORITY in performing all work, duties and obligations hereunder. AUTHORITY shall not exercise any control or direction over the methods by which SUPPLIER shall perform its work and functions. AUTHORITY'S sole interest and responsibility is to ensure that the services covered by this Agreement are performed and rendered in a competent, satisfactory and legal manner. SUPPLIER represents that its employee(s) have the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of AUTHORITY. SUPPLIER will supply all tools, materials and equipment required to perform the services under this Agreement. The parties agree that no work, act, commission or omission of SUPPLIER or its employee(s) pursuant to this

Agreement shall be construed to make SUPPLIER and its employee(s) the agent, employee or servant of AUTHORITY. SUPPLIER and its employee(s) are not entitled to receive from AUTHORITY vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind. SUPPLIER shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment law requirements with respect to SUPPLIER or its employee(s). To the maximum extent allowable by law, SUPPLIER agrees to indemnify, defend and hold AUTHORITY harmless from any and all liability, damages or losses (including attorney's fees, costs, penalties and fines) AUTHORITY suffers as a result of (a) SUPPLIER'S failure to meet its employer obligations, or (b) a third party's designation of SUPPLIER or its employee as an employee of AUTHORITY, regardless of any actual or alleged negligence by AUTHORITY.

9. ASSIGNMENT. Neither this Agreement nor any duties or obligations under this Agreement may be assigned or subcontracted by SUPPLIER without the prior written consent of AUTHORITY. AUTHORITY has entered into this Agreement in order to receive the professional services of SUPPLIER. The provisions of this Agreement shall apply to any sub-SUPPLIER of SUPPLIER. AUTHORITY shall have the right to approve any sub-SUPPLIER agreements, in addition to the written consent required by this section.
10. PROPRIETARY RIGHTS. Any written, printed, graphic, or electronically or magnetically recorded information furnished by AUTHORITY for SUPPLIER'S use are the sole property of AUTHORITY. SUPPLIER and its employee(s) will keep any information identified by AUTHORITY as confidential in the strictest confidence, and will not disclose it by any means to any person except with AUTHORITY approval, and only the extent necessary to perform the services under this Agreement. This prohibition also applies to SUPPLIER'S employees, agents, and sub-SUPPLIERS. On termination of this Agreement, SUPPLIER will promptly return any confidential information in its possession to AUTHORITY.
11. PARTIAL INVALIDITY. If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.
12. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.
13. PROVISIONS REQUIRED BY LAW. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the request of either party, the Agreement shall forthwith be physically amended to make such insertion.
14. GOVERNING LAW. This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions

concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.

15. JURISDICTION, FORUM AND VENUE. The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California, County of San Diego. AUTHORITY and SUPPLIER agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. AUTHORITY and SUPPLIER hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement, whether on grounds of inconvenient forum or otherwise.
16. COMPLETE AGREEMENT. This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding, or representation be binding upon the parties hereto.
17. AUDIT. AUTHORITY shall have the option of inspecting and/or auditing all records and other written materials used by SUPPLIER in preparing its statements to AUTHORITY as a condition precedent to any payment to SUPPLIER. This Agreement is subject to examination and audit of the State Auditor, at the request of AUTHORITY or as part of any audit of AUTHORITY, for a period of three (3) years after final payment under the Agreement. SUPPLIER shall cooperate with AUTHORITY, including any authorized representatives of AUTHORITY, regarding any such audit at no charge to AUTHORITY.
18. NOTICE. All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered, certified, or first class mail addressed as follows:

AUTHORITY

General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff, CA 92007

SUPPLIER

Kemira Water Solutions, Inc.
4321 W. 6th Street
Lawrence, KS 66049
Attn: _____

Notices shall be deemed communicated as of the day of receipt or the fifth day after mailing, whichever occurs first.

19. PROTECTION OF EXISTING FACILITIES AND NON-INTERFERENCE WITH PLANT OPERATIONS. SUPPLIER shall perform his duties in such a way that there will be no damage done to existing facilities and all facilities shall be left in the condition they were in prior to the beginning of the contract. SUPPLIER will also perform all work in such a way that there is no interference with plant operations.

20. AUTHORITY TO EXECUTE AGREEMENT. AUTHORITY and SUPPLIER do covenant that the individual executing this agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

SAN ELIJO JOINT POWERS AUTHORITY

By: _____
Michael T. Thornton, P.E.
General Manager

KEMIRA WATER SOLUTIONS, INC.

By: _____ (Signature)
Name: _____ (Print)
Title: _____

ATTACHMENT 3

AGREEMENT BETWEEN ENCINA WASTEWATER AUTHORITY & SAN ELIJO JOINT POWERS AUTHORITY FOR OCEAN MONITORING-WATER QUALITY

Ref: Admin.16-12430b

This Agreement for Ocean Monitoring-Water Quality ("Agreement"), dated as of 1st of June 2016 (the "Effective Date"), is made and entered into between Encina Wastewater Authority ("EWA") and San Elijo Joint Powers Authority ("SEJPA"). EWA and SEJPA are each referred to individually as "Party" and collectively as "Parties."

RECITALS

WHEREAS, EWA is a Joint Powers Authority organized in accordance with the Joint Powers Act, California Government Code 6500 et seq;

WHEREAS, SEJPA is a Joint Powers Authority organized in accordance with the Joint Powers Act, California Government Code 6500 et seq;

WHEREAS, as part of their operation of separate wastewater treatment and water recycling facilities, EWA and SEJPA both require ocean monitoring-water quality as specified in Attachment A (the "Services");

WHEREAS, the Parties desire to collectively obtain the Services in order to promote efficiency and realize cost savings through efficiencies of scale;

WHEREAS, the purpose of this Agreement is to establish the terms under which EWA and SEJPA will obtain the Services for and on behalf of one another, and to allocate the costs and potential liabilities of the Parties in carrying out this Agreement;

WHEREAS, it is the intent of the Parties that, insofar as possible, EWA shall be primarily responsible for letting, awarding and administering any contracts with third-parties that are necessary to obtain the Services and that SEJPA shall be a third-party beneficiary to those contracts; and

WHEREAS, it is also the intent of the Parties that any liabilities arising out of the provision of the Services provided under this Agreement be allocated between the Parties accordingly to their proportionate share of the liability.

AGREEMENT

NOW, THEREFORE, BE IT RESOLVED, that in consideration for the promises and the mutual agreements of the Parties contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereby agree as follows:

1. **Term.** This Agreement shall become effective on the date stated above, and will continue in effect until the earlier of the completion of the Services provided for by this Agreement or until terminated as provided for under Section 8.

2. **Services to Be Performed.** The Parties enter into this Agreement for the purpose of obtaining ocean monitoring-water quality as specified in Attachment A. Unless otherwise provided for herein, each Party shall be responsible for its own reporting as required by any permit, order or regulation.

3. **EWA Responsibilities.**

- a. EWA agrees to enter into and administer a contract with a competent contractor for the purpose of obtaining ocean monitoring-water quality services as specified in Attachment A. EWA will be responsible for timely paying all compensation owed under this contract and for separately billing SEJPA for SEJPA's proportionate share of the services rendered pursuant to Section 5 of this Agreement.
- b. To the extent any of the Services will be performed by EWA employees, these employees shall remain employed by EWA and EWA shall remain financially and operationally responsible for these employees, including responsible for paying all wages owed, for obtaining workers' compensation and unemployment insurance coverage, and for all other administrative functions customarily performed by an employer and required under applicable federal, state, or local laws.
- c. EWA shall be responsible for communicating with those contractors and employees responsible for providing the Services. EWA will timely convey SEJPA's reasonable concerns or requests concerning the Services to the responsible contractor or employee.

4. **SEJPA Responsibilities.**

- a. SEJPA will cooperate with EWA in the administration of this Agreement and will provide the personnel and resources necessary for effective communication with EWA and as necessary to accept the services provided for by this Agreement. SEJPA will keep accurate records regarding any work performed on SEJPA's behalf for the purposes of computing and allocating costs between the Parties, as needed. SEJPA shall submit copies of these records to the EWA as requested by EWA.
- b. SEJPA will provide payment to EWA pursuant to Section 5 of this Agreement.

5. **Compensation.**

- a. As compensation for the Services, SEJPA agrees to cover its proportionate share of the costs of the Services provided herein, including, without limitation, the proportionate costs of benefits, any employment taxes, and total gross wages paid to any EWA employee assigned to perform duties for SEJPA based upon that employee's regular payroll.
- b. EWA shall bill SEJPA for the proportionate cost of the Services received by SEJPA on a monthly basis by providing SEJPA an itemized invoice or copy of Area 1 invoice provided to EWA by contractor. SEJPA shall reimburse EWA for its costs as reflected on the invoice within thirty (30) days of receiving the bill.

- c. EWA will continue to be financially and operationally responsible for making payments to contractors and employees in order to provide the services provided herein. This includes meeting payroll and providing compensation and employee benefits and the associated personnel, payroll, and benefit administration services for any EWA employees performing work under this Agreement for SEJPA in accordance with applicable federal, state, and local laws, including but not limited to, collection, reporting, and payment of all applicable federal, state, and local payroll taxes, unemployment and disability insurance withholding, administration of workers compensation programs, maintenance of payroll benefit and safety records; and compliance with the Immigration Reform and Control Act of 1986. No EWA employee assigned to perform duties for SEJPA shall be considered an employee of SEJPA for the purpose of accruing any benefits afforded to SEJPA employees.

6. **Employment Relationship.**

- a. Nothing in this Agreement shall confer upon any employee of the either party any rights or remedies, including any right to employment or continued employment for any specified period. Each Party hereto intends that this Agreement does not benefit or create any right or cause of action in or on behalf of any party other than the Parties.
- b. All employees providing work under this Agreement shall at all times be subject to the direction, supervision, and control of EWA. No work by SEJPA employees shall be considered work for EWA under this Agreement.

7. **Allocation of Liabilities, Indemnification and Insurance.** The Parties recognize that under Government Code section 895, they may be jointly and severally liable for liabilities arising out of the Services; however, this Agreement may provide for indemnification and rights of contribution which effectively allocate such potential liabilities.

a. **Indemnification.**

- i. SEJPA agrees to defend, indemnify, and hold harmless EWA for liabilities to third parties, including any employee or contractor, incurred by EWA arising out of the Services provided to SEJPA under this Agreement, to the extent not covered by liability or workers compensation insurance maintained by the Parties pursuant to this Agreement.
- ii. EWA agrees to defend, indemnify and hold harmless SEJPA for liabilities to third parties, including any employee or contractor, incurred by SEJPA arising out of the Services provided to EWA under this Agreement, to the extent not covered by liability or workers compensation insurance maintained by the Parties pursuant to this Agreement; provided that in the event of liabilities arising out of the gross negligence or willful misconduct of an EWA employee assigned to perform duties for SEJPA, EWA agrees to defend, indemnify and hold harmless SEJPA to the extent permitted by law.

- iii. The Parties hereby assume a proportionate/pro-rata share of any liabilities to third parties, including any contractor, incurred as a result of the Services provided to both Parties under this Agreement.
- b. Liability Insurance. The Parties shall ensure that they have sufficient liability insurance to cover the Services performed by any employee. Both SEJPA and EWA acknowledge that their liability insurance will cover the activities of employees while they are performing duties pursuant to this Agreement. However, neither Party shall be responsible for carrying liability insurance sufficient to cover any services performed by a contractor. The Parties should contact their respective insurance companies to confirm this.
- 8. Termination. Either Party may terminate this Agreement by providing the other Party with at least thirty (30) days written notice.
- 9. Amendment. This Agreement may be modified only by an agreement in writing signed by both Parties.
- 10. Entire Agreement. This Agreement comprises the entire integrated understanding between EWA and SEJPA concerning the subject matter of this Agreement and it supersedes all prior negotiations, representations, agreements and understandings, both written and oral, between the Parties with respect to the subject matter of this Agreement.
- 11. Agreement Binding on Successors. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns, and it is not intended to create any obligations to, or rights in respect of, any person other than the Parties and their respective successors and assigns.
- 12. Governing Law. The interpretation, validity, and enforcement of this Agreement shall be governed by, and construed in accordance with, the laws of the State of California, without regard to the conflicts of laws principles thereof. The Parties shall be responsible for complying with all federal, state, and local laws whether or not said laws are expressly stated or referred to herein.
- 13. Notices. Any notice required or permitted under this Agreement shall be deemed given when actually delivered or when deposited in the mail, certified or registered, postage prepaid, addressed as follows:

To EWA:
 Encina Wastewater Authority
 Attn: General Manager
 6200 Avenida Encinas
 Carlsbad, California 92011-1095
 Telephone: (760) 438-3941
 Facsimile: (760) 431-7493

To SEJPA:
 San Elijo Joint Powers Authority
 Attn: General Manager
 2695 Manchester Ave.
 Cardiff by the Sea, California 92007-7077
 Telephone: (760) 753-6203
 Facsimile: (760) 753-5935

- 14. Counterparts. This Agreement may be executed in the original or in any number of

counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument

15. **Signatures.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of EWA and SEJPA

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed and delivered by their duly authorized representatives as of the Effective Date.

ENCINA WASTEWATER AUTHORITY

By: 
Michael F. Steinlicht, General Manager

SAN ELIJO JOINT POWERS AUTHORITY

By: _____
Michael T. Thornton, General Manager

ATTACHMENT A

SCOPE OF WORK

The Agreement between EWA and SEJPA shall apply to the following services:

1. OCEAN MONITORING-WATER QUALITY SERVICES

The Parties require the services of a contractor to perform the following ocean monitoring-water quality services.

Time Frame: July 1, 2016 through June 30, 2017 with optional second year.

Survey Area 1: Once each month, 7 nearshore and 7 offshore (*) stations need to be sampled at the water surface, and the visual observations recorded in accordance with RWQCB Order R9-2010-0087 and NPDES Permit CA0107999. Survey Area 1 Stations are located as follows:

<u>Station</u>	<u>Location Description</u>	<u>Longitude</u>	<u>Latitude</u>
N-1	8,000 ft. S of outfall, 3,000 ft. seaward, MLLW	117°16'58"	32°59'12"
N-2	4,500 ft. S of outfall, 3,000 ft. seaward, MLLW	117°17'08"	32°59'46"
N-3	2,500 ft. S of outfall, 3,000 ft. seaward, MLLW	117°17'14"	33°00'05"
N-4	500 ft. S of outfall, 3,000 ft. seaward, MLLW	117°17'16"	33°00'25"
N-5	500 ft. N of outfall, 3,000 ft. seaward, MLLW	117°17'19"	33°00'34"
N-6	2,200 ft. N of outfall, 3,000 ft. seaward, MLLW	117°17'27"	33°00'50"
N-7	4,000 ft. N of outfall, 3,000 ft. seaward, MLLW	117°17'36"	33°01'06"
A-14-S*	14,000 ft. S of outfall, at 120 ft. depth contour	117°17'30"	32°58'00"
A-4-S*	4,000 ft. S of outfall, at 120 ft. depth contour	117°17'56"	32°59'40"
A-2-S*	2,000 ft. S of outfall, at 120 ft. depth contour	117°17'59"	32°59'59"
A-1-S*	1,000 ft. S of outfall, at 120 ft. depth contour	117°18'01"	33°00'09"
A-0.5-S*	500 ft. S of outfall, at 120 ft. depth contour	117°18'03"	33°00'14"
A-1-N*	1,000 ft. N of outfall, at 120 ft. depth contour	117°18'05"	33°00'28"
A-2-N*	2,000 ft. N of outfall, at 120 ft. depth contour	117°18'09"	33°00'38"

Survey Area 2: Once each month, 5 nearshore stations need to be sampled at the water surface and 5 offshore (*) stations need to be sampled at the water surface and mid-depth. The visual observations recorded in accordance with RWQCB Order R9-2011-0019 and NPDES Permit CA0107395. Survey Area 2 Stations are located as follows:

<u>Station</u>	<u>Location Description</u>	<u>Longitude</u>	<u>Latitude</u>
K1	Downcoast of outfall at contemporary offshore edge of kelp bed, MLLW	117°19'37.3"	33°06'14.8"
K2	Upcoast of outfall at contemporary offshore edge of kelp bed, MLLW	117°20'18.8"	33°07'22.5"
N2a	Directly offshore of S2, at the 30' contour depth, MLLW	117°19'37.6"	33°06'28.8"
N3	Directly offshore of S3, at the 30' contour depth, MLLW	117°19'49.8"	33°06'48.3"
N4	Directly offshore of S4, at the 30' contour depth, MLLW	117°20'02.5"	33°07'11.7"
Z1*	150' downcoast from the diffuser midpoint, at the 150' contour, MLLW	117°20'47.4"	33°06'33.3"
Z2*	150' upcoast from the diffuser midpoint, at the 150' contour, MLLW	117°20'48.4"	33°06'36.2"
G1*	1000' downcoast from the diffuser midpoint, at the 150' contour, MLLW	117°20'44.8"	33°06'25.2"
G2*	1000' upcoast from the diffuser midpoint, at the 150' contour, MLLW	117°20'51.5"	33°06'44.3"
R1*	2 miles downcoast from the outfall at the 150' contour, MLLW	117°20'01.0"	33°04'42.3"

General Requirements: All stations will be located with a differential GPS. Sterile sample bottles will be provided by EWA. Survey Area 2 visual observations along the outfall pipe will be recorded at the end of the diffuser, along the diffuser section, at the junction structure, and along the remaining outfall.

Samples should be refrigerated after each collection, documented and delivered to the Encina Wastewater Authority Laboratory with a signed Chain of Custody form within six (6) hours after the first sample collection. A copy of the visual observations should be provided to the laboratory as the samples are delivered. Samples should be delivered to the laboratory at 6200 Avenida Encinas, Carlsbad, CA 92011 between the hours of 9:00 am and 2:00 pm.

Selection of Contractor and Administration of Contract: EWA shall follow its normal practices for obtaining bids or proposals and will use its best judgment and exercise reasonable diligence in awarding and administering this contract.

Prior Approval, Modifications and Renewal: EWA must obtain SEJPA's prior approval before entering into any contract for ocean monitoring-water quality services as to Service Area 1. EWA cannot agree to any change in the cost or scope of providing ocean monitoring-water quality services as to Service Area 1 without first obtaining SEJPA's approval. EWA must also obtain SEJPA's prior approval before renewing any such agreement for ocean monitoring-water quality services as to Service Area 1.

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 13, 2016

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: ENCINA WASTEWATER AUTHORITY (EWA) – SAN ELIJO JOINT POWERS
AUTHORITY (SEJPA) INTEGRATION PROPOSAL

RECOMMENDATION

It is recommended that the Board of Directors:

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
3. Discuss and take action as appropriate.

BACKGROUND

Encina Wastewater Authority (EWA) and the San Elijo Joint Powers Authority (SEJPA) are separate joint powers authorities with a shared mission to protect public health and the environment through the delivery of wastewater treatment and disposal services, water recycling, renewable energy, and other environmental services for the North County communities they serve.

Nearly 4 years ago, EWA and SEJPA Boards expressed interest in exploring efficiencies and potential cost reductions through collaboration and resource sharing. Both Boards directed their General Managers to work together to evaluate and take prudent steps toward realizing benefits associated with resource sharing.

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. Furthermore, EWA and SEJPA have recently pursued bulk chemical purchasing and ocean monitoring services, all of which are expected to produce annual cost savings of approximately \$100,000. 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.

Ultimately, creating an EWA-SEJPA integrated agency will likely produce synergies and opportunities to better utilize existing and future infrastructure. This may lead to a cooperative potable reuse project; opportunities for food waste digestion, SEJPA participating in EWA's Class A biosolids program, and energy recovery and reuse.

DISCUSSION

At the Board's request, Staff researched the feasibility of EWA-SEJPA Integration and drafted a proposal outlining the process. EWA and SEJPA have demonstrated success in leveraging opportunities to reduce costs and create efficiencies. 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 measureable success while managing risk.

The proposed first phase is integrating the management and administration of both agencies into a single, consolidated, team. This would provide the benefits of streamlining administration to both organizations, while allowing each to exist independently. The focus would be on capturing cost savings associated with reduced administrative staffing; shared engineering, laboratory, and HR staff; and leveraged efficiencies in permitting and system operations. Additionally, staff will continue to examine opportunities to create further savings as institutional knowledge is shared and working relationships are built.

As with any business proposal, there is the potential for both gains and losses. Being mindful to manage downside risk, the executive leadership team proposes to keep clear objectives and milestones during this critical phase. Emphasis will be placed on clear communication within the new management team, between the organizations, and with the Board of Directors of both EWA and SEJPA. The leadership team understands that effective utility management cannot be compromised and that exceptional operating service must be maintained.

Phase I will include quarterly meetings with both Boards to review progress, milestones, and performance. Off-ramps will be provided to both EWA and SEJPA to "unwind" the team and to return to existing management practices, if requested.

However, if Phase I demonstrates success, EWA and SEJPA Boards can consider moving into Phase II of the integration plan. Phase II builds upon gained successes, memorializes the integrated management team, examines further streamlining of operation and administration systems, and provides opportunities for developing regional project.

FINANCIAL IMPACT

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.

It is recommended that the Board of Directors:

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
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Encina Wastewater Authority – San Elijo Joint Powers Authority Integration Proposal: A Collaborative Solution for Smart Management of North County's Water Future



**ENCINA WASTEWATER AUTHORITY
SAN ELIJO JOINT POWERS AUTHORITY
INTEGRATION PROPOSAL:**

**A Collaborative Solution for Smart Management
of North County's Water Future**

DELIVERING ON SYNERGIES

Integrating the Encina Wastewater Authority (EWA) and San Eljero Joint Powers Authority (SEJPA) organizations represents innovative value creation. Member agencies will benefit from reduced costs, streamlined management and administration, and potential new revenue. North County residents will benefit from a more stable and plentiful water supply through expanded opportunities for recycled water and potable reuse.

EWA and SEJPA are separate joint powers authorities sharing a mission to protect public health and the environment through the delivery of wastewater treatment and disposal services, water recycling, renewable energy, and other environmental services for the North County communities they serve.

Nearly 4 years ago, EWA and SEJPA boards expressed interest in exploring efficiencies and potential cost reductions through collaboration and resource sharing. Both boards directed their general managers to work together to evaluate and take prudent steps toward realizing benefits associated with resource sharing.

Since that time the following actions have been initiated:

- ▶ Resource sharing in human resource services, emergency response assistance, bulk chemical purchasing, and ocean monitoring are projected to produce savings estimated at \$100,000 in the first year. Furthermore, the risk to each agency has been low with relatively seamless integration.
- ▶ Resource sharing HR services allowed SEJPA to eliminate one administrative position and hire a treatment operator. The more effective use of labor funds provided needed operational staff at a net savings.
- ▶ Ongoing meetings between the organizations’ executive teams have developed peer relationships and professional roles, as well as identified opportunities for collaboration and consolidation.
- ▶ Ongoing efforts have built familiarity, trust, and accountability between EWA and SEJPA staff, laying a foundation for further success.



With this record of successful collaboration, we believe the organizations are well positioned to move forward with further integration to capture greater cost savings, maximize administrative efficiencies, manage succession planning, and increase the depth of resources available to both agencies.



BENEFITS TO MEMBER AGENCIES & RESIDENTS

The driving forces to further integrate EWA and SEJPA are cost reduction, streamlined administration and operations, and increased water recovery and reuse efforts. With their substantial operational similarities, an integrated EWA–SEJPA offers the following advantages:

Saving money through economies of scale. Bulk purchases and contracting by the agencies of ferric chloride, sodium hypochlorite, and ocean monitoring are estimated to save nearly \$38,000 per year. The agencies believe joint purchasing can be extended to other supplies and service contracts, further expanding savings.

Increasing North County’s water supply. EWA and SEJPA operate water reclamation facilities with capacity of 5 million gallons a day and 3 million gallons a day, respectively. The North San Diego County Regional Recycled Water Project describes opportunities for both recycled water and potable reuse that can be served by EWA and SEJPA. Collaboration on future recycled water projects could provide cost savings and efficiencies beyond that which either EWA or SEJPA could obtain on its own. Additionally, an integrated EWA–SEJPA would be better positioned to pursue potable reuse, which has substantially greater technical and managerial requirements for success.



Increasing member agency revenue. Water resource recovery and reuse opportunities through an EWA–SEJPA alliance is substantial and could create a multimillion dollar revenue stream, which could produce dividends to the participating member agencies. Furthermore, scaling up the size of projects often increases the return on investment, thereby lowering the cost of service to ratepayers.

Leveraging EWA’s biosolids leadership. EWA has invested significantly to become an industry leader with its Pure Green program offering Class A biosolids used locally as fertilizer, sold commercially, and used as a fuel source for industry. Opportunities for SEJPA to partner in this program could provide operational cost savings, generate revenue from SEJPA to EWA for system use, and allow the SEJPA to discontinue hauling Class B biosolids to Arizona. There is concern within the wastewater industry that delivering Class B biosolids to Arizona could have a limited future.

Increasing biogas production for renewable energy. EWA operates a biogas-fueled renewable energy power plant. Opportunities may be available to convey SEJPA’s primary sludge to EWA for processing to increase biogas production and create more renewable energy. Such an approach would eliminate the need for millions of dollars in future solid handling improvements at the San Elijo Water Reclamation Facility.



PROPOSED INTEGRATION APPROACH

EWA and SEJPA have demonstrated success in leveraging opportunities to reduce costs and create efficiencies. The executive leadership teams of both agencies propose an integration plan that provides key actions and corresponding benefits. The plan is segregated into three phases.

PHASE I

- Key Goals: *Integrated Management Team (non-permanent)*
Consolidated Administration of EWA & SEJPA
- Timeframe: *1-18 Months*
- Cost Savings Goal: *\$400,000*

Net Projected Value Creation



Creating an integrated management team to administer both EWA and SEJPA would provide the benefits of consolidated and streamlined administration to both organizations, while allowing each to exist independently. The focus would be on capturing cost savings associated with reduced administrative labor; shared engineering, laboratory, and HR staff; and leveraged efficiencies in permitting and system operations. Additionally, staff will continue to examine opportunities to create further savings associated with “bundling” service and supply contracts.

This proposal includes hosting the “integrated” management team at EWA’s Administrative Building. Locating the management team at one site will maximize working relationships between team members and provide a path for the full potential of this proposal to be realized. Furthermore, consolidating management at EWA may reduce building space needs for the SEJPA, thereby potentially reducing future capital building expenditures. For EWA, this can allow the SEJPA to lease space in the existing EWA Administrative Building, creating new revenues for EWA and its member agencies.

The plan includes quarterly meetings with both Boards to review progress, milestones, and performance. Off-ramps will be provided to both EWA and SEJPA to “unwind” the team and return to existing management practices, if requested.

The financial goal of Phase I is a net value creation of \$400,000 through reduced staffing, administration streamlining and bulk purchasing, with an 18-month timeframe.



PHASE II

Key Goals: *Integrated Management Team (permanent)*
Integration of Financial and Accounting Systems
Laboratory Consolidation
Regional Infrastructure Planning

Timeframe: *18-60 Months*

Cost Savings Goal: *\$2,000,000*

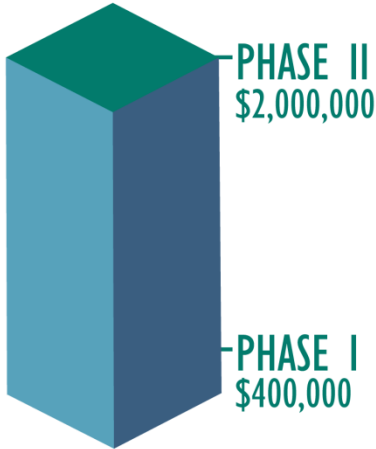
Upon the successful integration of the management team, EWA and SEJPA Boards may desire to pursue greater agency integration. Creating a permanently integrated management team is likely the first step. This can allow the SEJPA to capture financial benefits of constructing a smaller operations building and provide an opportunity for the SEJPA to “buy into” EWA’s Administration Building. It is anticipated that this could be financially advantageous for both EWA and SEJPA.

During Phase II, further streamlining and cost savings are anticipated to be achieved in the areas of Operations, Engineering, and Administration. This may include consolidating laboratories, integrating financial and accounting systems, and developing regional infrastructure solutions.

Regional infrastructure solutions will likely provide substantial benefits to EWA, SEJPA and the collective communities served. The integrated team will focus on better utilization of existing and future infrastructure; developing new possibilities with recycled water and potable reuse; opportunities for food waste digestion, Class A biosolids, and energy recovery and reuse. Both EWA and SEJPA strive to developing “regional” solutions to provide the greatest value to North County and produce the best return on investment for the public.

The financial goal of Phase II is a net value creation of \$2,000,000, with a 42-month timeframe.

Net Projected Value Creation



“Regional infrastructure solutions will likely provide substantial benefits to EWA, SEJPA and the collective communities served.”

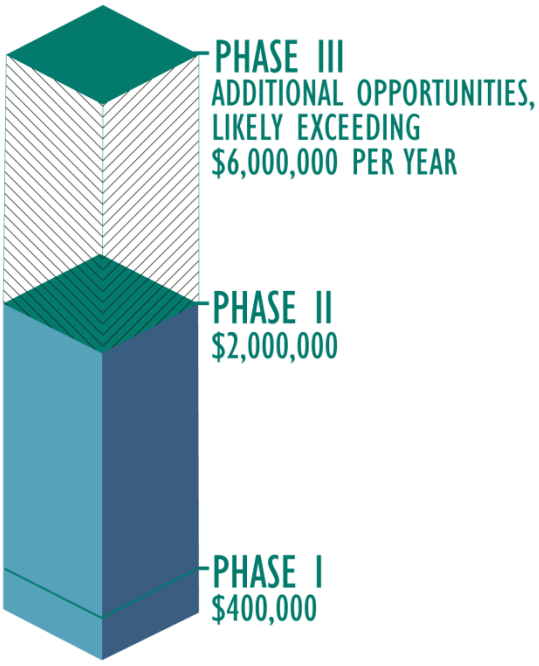


PHASE III

- Key Goals: *Optimization of Asset Utilization*
Regional Recycled Water & Potable Use
Regional Biosolids Solutions
- Timeframe: *60+ Months*
- Cost Savings Goal: *TBD*
- Revenue Goal: *TBD*

Phase III will focus on implementing the highest rated Regional Infrastructure solutions. This will likely involve projects that leverage capital infrastructure investments between EWA and SEJPA, as well as the individual member agencies, to provide maximum benefits at the lowest possible cost. These areas may include joint planning, system interconnection, expanded resource recovery and reuse, and optimization of asset utilization. Clarity on these opportunities will be gained as regional projects are assessed by EWA-SEJPA. However, to quantify the potential value of such opportunities, revenue from a 4 MGD potable reuse project will likely exceed \$6 million per year. Creating revenues from water reuse or other efforts will be essential to developing the financial basis for the investment of public funding. The intent of creating revenue streams from resource recovery is to provide long-term financial sustainability to EWA-SEJPA.

Net Projected Value Creation



MANAGING RISK

As with any business proposal, there is the potential for both gains and losses. EWA and SEJPA management have identified potential risks and have developed risk-mitigation measures. Emphasis will be placed on clear communication within the new management team, between the organizations, and with the Board of Directors of both EWA and SEJPA. This is to ensure common objectives are communicated, understood and achieved. Furthermore, the integration proposal provides a three-phase plan that staggers key milestones, provides for ongoing deliverables, and uses a step-wise approach to implement integration. This allows for progress and success to be measured, and the pace of integration can be controlled at the Board level. The executive leadership team understands that effective utility management cannot be compromised and that exceptional operating service must be maintained.

“We further recommend that integration planning keep the integrity of both agency governance structures separate and distinct to preserve asset ownership, voting rights, and debt.”

We further recommend that integration planning keep the integrity of both agency governance structures separate and distinct to preserve asset ownership, voting rights, and debt. This allows the integration proposal to move forward without creating complexities with existing governance and asset ownership.

Furthermore, the integration plan will include quarterly meetings with both Boards to review progress, milestones, and performance. Specific off-ramps will be clearly outline in the event policy makers choose to pivot back to original organizational structures.

CONCLUSION

Merging any two organizations is a complex transaction filled with risk and reward. Nearly 4 years of due diligence and measured efforts in resource and knowledge sharing have positioned EWA and SEJPA for success in full organizational blending.

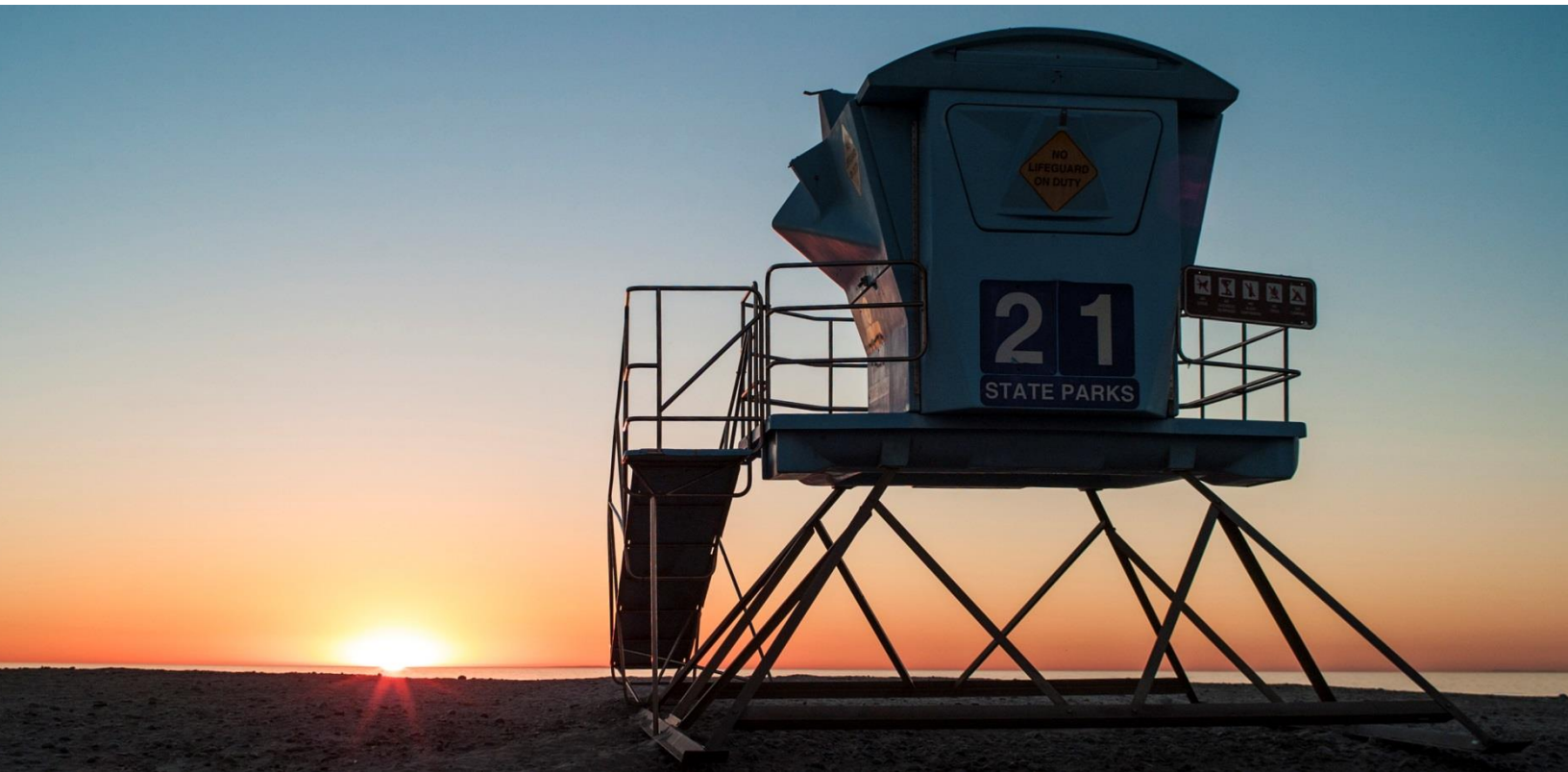
Moving forward in a structured and disciplined approach with clear strategic objectives, comprehensive due diligence, detailed integration planning, and a strong focus on creating and capturing value can result in a win for member agencies and rate payers through reduced costs and operational risk. The strategy that we are presenting includes the first step of a single-integrated management team to administer both EWA and SEJPA. The plan includes quarterly meetings with both Boards to review progress, milestones, and performance. Off-ramps will be provided to both EWA and SEJPA to “unwind” the team and to return to existing management practices. The financial goal for Phase I is to produce \$400,000 in cost savings in 18 months.

Upon demonstrated success, EWA and SEJPA Boards can consider moving into Phase II of the integration plan. Phase II builds upon gained successes, memorializes the integrated management team, examines opportunities for further streamlining of operation and administration, and provides potential capital savings. Phase II (42 months) has a financial saving goal of \$2 million, but actual savings could be greater. Phase III, which is scheduled to launch at month 60, expands into the opportunities of increased asset utilization, system interconnection, recycled water and potable reuse, and other revenue-creating possibilities. The value creation associated with a regional water reuse project or other regional service project could be substantial. Leveraging the intellectual knowledge of EWA staff in the areas of Class A biosolids, FOG digestion, and renewable energy; coupled with the intellectual knowledge of SEJPA staff in recycled water and potable reuse, provides the leadership and knowledge required for success.





SUPPLEMENTARY APPENDIX



EXECUTIVE TEAM

MICHAEL F. STEINLICHT

Appointed General Manager on March 1, 2016, Michael F. Steinlicht joined the Encina team in 1992 and has served on Encina's Executive Leadership Team since 2001. Mr. Steinlicht was appointed Assistant General Manager in June of 2009 providing executive oversight to Encina's Operations, Environmental Compliance, General Services, Engineering, and Financial & Administration programs. In 2012, Mr. Steinlicht was appointed an Officer of the Encina Board of Directors and serves as Treasurer and Auditor. Prior to this appointment, Mr. Steinlicht served as Director of General Services with executive leadership roles in Encina's Capital Improvement Program, Maintenance & Fleet Management, Information Systems, Purchasing & Inventory Control, and Asset Management. Prior to Encina, Mr. Steinlicht worked in plant operations for the banking industry and began his career in the United States Navy. Mr. Steinlicht holds a bachelor of science in business administration and attended Post-Graduate Studies in Executive Education at the Kenan-Flagler Business School, University of North Carolina-Chapel Hill.



MICHAEL T. THORNTON, PE

Mr. Thornton joined the San Elijo Joint Powers Authority (SEJPA) management team in October 2000 and was appointed by the Board of Director as General Manager in December 2002. He provides leadership in the management of the agency, execution of policies, and development of strategic planning. Mr. Thornton serves as the agency's chief executive officer and oversees the day-to-day operations of all departments. His duties include responsibility for the planning, engineering, financing, and management of the wastewater and recycled water utilities.



Mr. Thornton earned his bachelor's degree in civil engineering from San Diego State University and he is a licensed civil engineer in the state of California (No. C056969). He has more than 20 years of combined engineering and management experience, covering both the public and private sectors, focusing primarily on wastewater and recycled water infrastructure. He currently serves on the Board of Trustees for WateReuse California, the Board of Directors for the Southern California Alliance of Publicly Owned Treatment Works, and the Industry Advisory Board for the Environmental Engineering Program at San Diego State University.

Professional affiliations include the Water Environment Foundation, California Association of Sanitation Agencies, and American Society of Civil Engineers.

CHRISTOPHER A. TREES, PE

Mr. Trees joined the SEJPA management team in November 2009. As the Director of Operations, he is responsible for supporting the General Manager in carrying out directives of the Board of Directors, overseeing operation of the wastewater treatment plant, eight remote pump stations, advanced water purification system, ocean outfall, laboratory, and the recycled water distribution system. He is also responsible for planning and implementation of Capital Projects associated with these facilities.



Mr. Trees has 28 years of engineering and management experience in public and private companies and government agencies holding positions ranging from Project Engineer to General Manager. Mr. Trees earned his bachelor's degree in mechanical engineering from Purdue University, he is a Registered Mechanical Engineer in California (license No. M29095), and holds inactive registrations as a Professional Engineer in Oregon and Washington. He currently serves as President of the Board of the San Diego Chapter of WateReuse.

DEBBIE ALLEN

Debbie Allen joined the Encina team in 2012 as the Human Resources Manager. Prior to Encina, she served in HR leadership roles at Palomar College, Prairie State College (Chicago), and CAMP, Inc., a public/private hybrid manufacturing consulting organization (Cleveland). Ms. Allen earned a bachelor of arts in English from Miami University and a master of labor relations and human resources from Cleveland State University.



DEBRA BIGGS

Debra Biggs joined the Encina team in 2000 and has served on Encina's Executive Leadership Team since 2006. Ms. Biggs was appointed Director of Operations in 2012 providing executive oversight for operation of the Encina Water Pollution Control Facility, the Carlsbad Water Recycling Facility and four remote pump stations. Prior to that, she served as Director of Environmental Compliance with responsibility for the Source Control Program, laboratory operations, safety, and the Biosolids Environmental Management System Program. Before joining Encina, Ms. Biggs worked eight years for the City of San Diego Wastewater Utilities Department.

Ms. Biggs holds a bachelor of science in chemistry and certified public manager certification.



DOUGLAS J. CAMPBELL

Douglas J. Campbell joined the Encina team in 1991 and has served on Encina's executive leadership team since 2012. Mr. Campbell was appointed Director of Environmental Compliance in July of 2012 providing executive oversight to Encina's Laboratory, Source Control and Safety programs. Prior to this appointment, Mr. Campbell served as the Laboratory Manager since 2004 where he was responsible for the Flow Metering and Revenue programs with his major contribution being the implementation of a Laboratory Information Management System. From 1991 to 2004 Mr. Campbell worked as a chemist for the authority. Prior to Encina, Mr. Campbell worked as a Biological Technician for the National Oceanographic and Atmospheric Administration fisheries programs. Mr. Campbell holds a bachelor of arts in environmental science emphasizing in aquatic biology.



GARRY J. PARKER

Garry began his career at Encina in May of 2003 as an Electrical Instrumentation Specialist. Garry has served as the Systems Manager and now is the Director of General Services at Encina Wastewater Authority in Carlsbad, California. Garry is responsible for all mechanical maintenance, Information Technology as well as Automation (SCADA), Electrical, and the instrumentation needs for the agency. His educational achievements include an associate degree in water/wastewater technology from San Diego Mesa College, a bachelor of arts in management, and a master of business administration from Webster University. He is a member of the Water Environment Federation (WEF). Garry has been certified through the California Water Environment Association (CWEA) and holds a Grade IV Plant Maintenance Technologist Certification and a Grade III Electrical Instrumentation Technologist Certification. Garry has held board positions for the CWEA at both the San Diego Section and California State level. He is currently President-Elect and slated to be President of CWEA in April of 2016.



KIRSTEN PLONKA

Kirsten joined the Encina team in 2016 as the Director of Engineering. Prior to Encina, Kirsten served as the Utilities Engineering Manager for the City of Carlsbad and as District Engineer for Rainbow Municipal Water District. She holds a bachelor of science in Civil Engineering from Cal Poly, San Luis Obispo and is a registered Professional Engineer in the State of California.



LEEANN WARCHOL

LeeAnn Warchol joined the Encina team in 2004 and has served on Encina's executive leadership team since 2009. Mrs. Warchol was appointed Administrative Services Manager in March of 2012 providing leadership and oversight to the Financial and Administrative functions. Prior to this appointment, Mrs. Warchol served as Management Analyst and Purchasing Specialist. Prior to Encina, Mrs. Warchol worked in the purchasing field at a Supervisory Control and Data Acquisitions (SCADA) firm located in Kearny Mesa, California. Mrs. Warchol holds a bachelor of science in applied arts and sciences in business administration.



PAUL F. KINKEL, CPA

Mr. Kinkel joined the SEJPA management team in July 2013. As the Director of Finance and Administration, he is responsible for supporting the General Manager in carrying out directives of the Board of Directors, developing and administering programs related to the SEJPA's provision of services, general accounting activities including payroll, accounts payable, purchasing, expenditure control, budget and year end audit, contract administration, human resources including recruitment, classification and compensation, benefits and supporting labor relations, management information systems, document control including record keeping and Board Policies and Administrative procedures.

Mr. Kinkel has 27 years of accounting, financial and management experience in public accounting, private company, public company and government holding positions of controller, finance manager, director of finance, chief financial officer and vice president of finance. He is an inactive certified public accountant (license #56274, 1990) and a graduate of San Diego State University (1987).

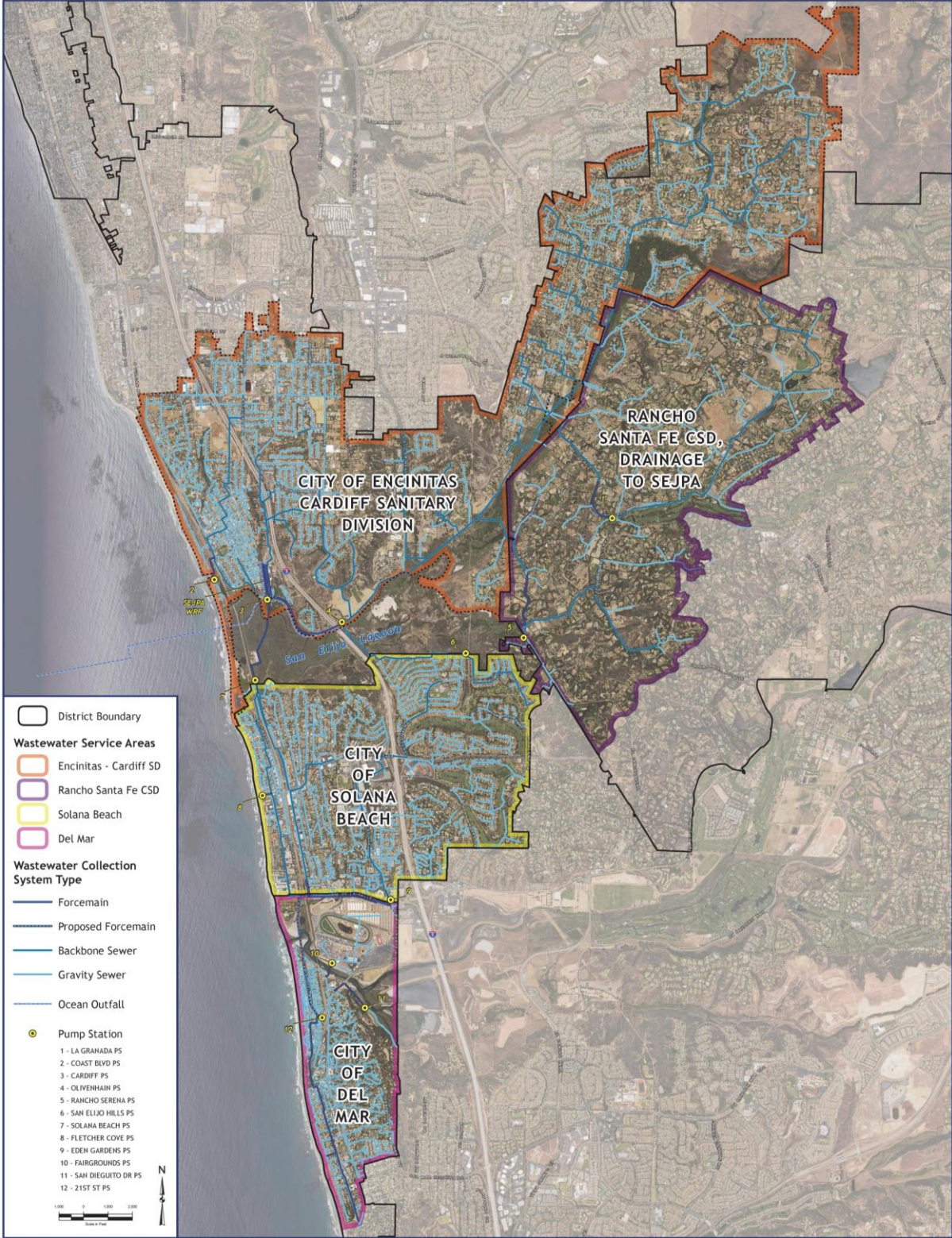


AGENCY COMPARISON AT A GLANCE

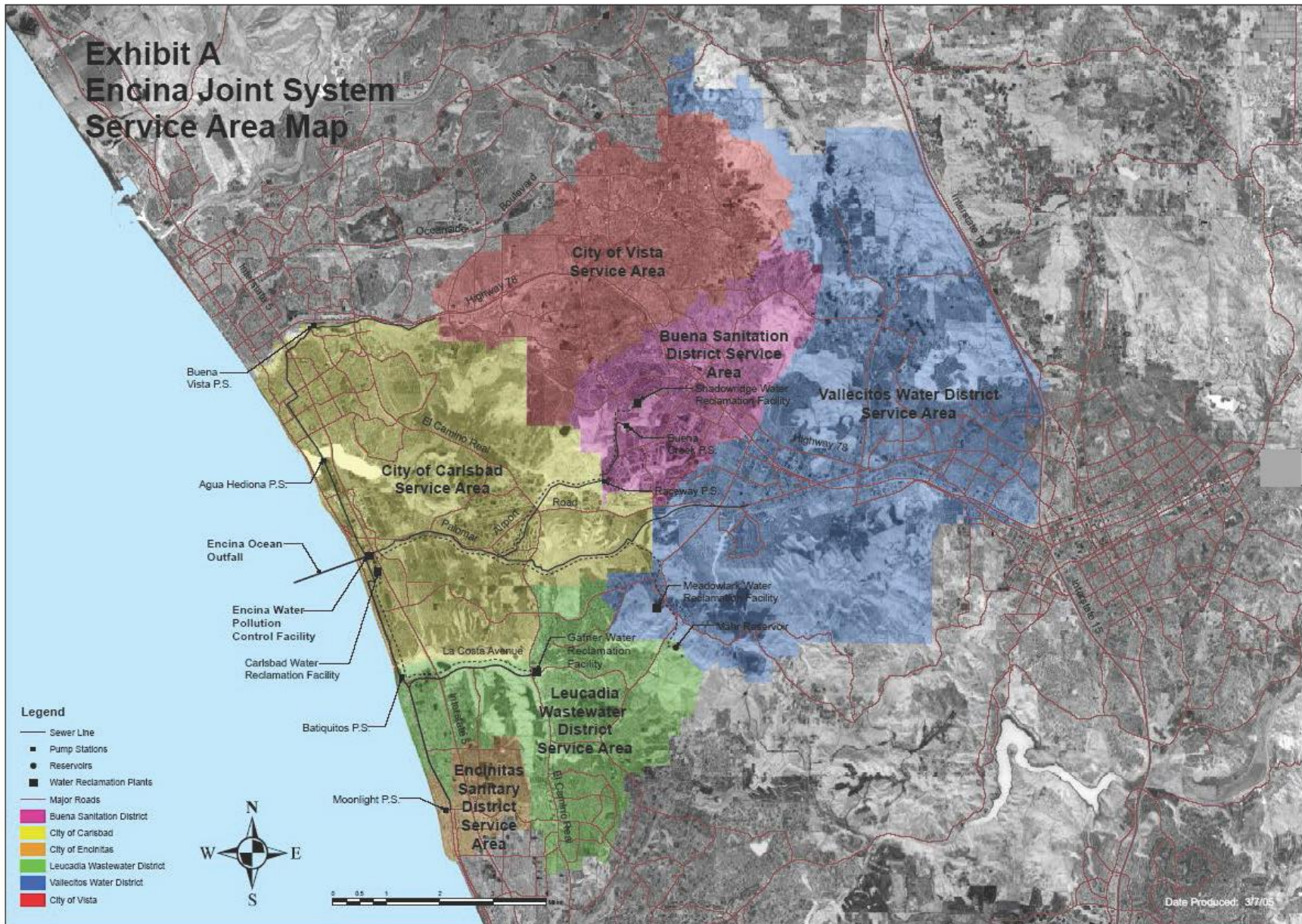
	SEJPA	EWA
Agency Structure	Joint Powers Authority	Joint Powers Authority
Bidding Required	Yes	No
No. of Member Agencies	2	6
Operating Budget (FY2016-17) excluding debt	\$7.7 million	\$15.0 million
Capital Budget (FY2016-17)	\$1.7 million	\$13.1 million
Recycled Water Revenue	\$2.8 million	\$0.88 million
Annual Debt Service Payment**	\$2.5 million	N/A
Capital Asset Value at Cost (FY 2014-15 Audit)	\$69.4 million	\$244.6 million
Accumulated Depreciation	\$29.7 million	\$134.7 million
Debt Service to Revenue Ratio	31.7%	N/A
Debt Service to Assets Ratio	4.6%	N/A
Re-Investment Ratio	4.4%	10.6%
Depreciation Ratio	43.4%	55.1%
Number of Employees	20	68
OPEB Unfunded Liability	\$137,538	\$307,469
OPEB UAAL / EE	\$6,877	\$4,522
WW Treatment Capacity/Average Flow (MGD)	5.25/2.84	43.30/21.10
Operates Recycled Water Distribution Facilities	Yes	Yes
Operated Water Reclamation Capacity	3.0 MGD	5.0 MGD
Operates Ocean Outfall	Yes	Yes
Non-Point Source Control Program	No	Yes
Daily Power Production Capacity	N/A	3.0 MW
No. of Remote Facilities / Programs Operated	17	5

** Majority of SEJPA debt is scheduled to be retired in 2020.

SEJPA SANITARY SEWER SERVICE AREA



ENCINA WASTEWATER AUTHORITY SERVICE AREA



SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 13, 2016

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: 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"

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2016-10, Resolution Adopting the San Elijo Joint Powers Salary and Benefits for Fiscal Years 2016-17, 2017-18, and 2018-19; 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, pump station operation and maintenance, and laboratory services.

The SEJPA employees are currently operating under a 4-year labor agreement (Resolution No. 2012-06), which is scheduled to expire June 30, 2016. Included in this resolution is the requirement to complete a Classification and Compensation analysis prior to the end of the agreement.

In September 2015, the Board directed the General Manager to perform a Classification and Compensation analysis; which was completed and presented at the December 14, 2015 Board meeting. Based on the results of the classification and compensation analysis, the General Manager prepared the proposed 2016 SEJPA Classification and Compensation Schedule and Organizational Chart. This included recommended salary adjustments and organizational staffing changes. The proposed salary adjustments and organizational changes created a cost-neutral proposal, which the Board approved at the January 2016 Board meeting.

DISCUSSION

Subsequent to the 2016 Classification and Compensation recommendation, the Board provided direction to the General Manager for developing a new labor agreement with the SEJPA employees. Through an informal labor negotiation process, the General Manager engaged staff in preparing a multi-year labor agreement. This agreement was presented to the Board for comments and direction at the May 9, 2016 Board meeting in closed session.

The labor agreement is now being presented to the Board for approval consideration. The agreement is for a term of three years (fiscal year 2016-17, 2017-18, and 2018-19) and includes the following changes from the prior labor agreement:

- The SEJPA will contribute health and dental plan premiums in an amount of 95 percent of the average of the plans being offered, at the appropriate tier (single, double, and family). The previous agreement provided 100 percent contribution of the average of the plans being offered.
- The SEJPA will provide up to \$185.00 upon the hire date, and yearly thereafter towards the purchase of safety shoes/boots required of their position. The previous agreement provided \$150.00.
- The SEJPA will provide up to \$300.00 each fiscal year towards the purchase of SEJPA approved prescription safety glasses. The previous agreement did not address prescription safety glasses.
- The SEJPA will reimburse approved tuition fees and education material costs expended by an employee for successfully completed courses up to \$600.00 for any one course. The previous agreement provided up to \$500.00 for any one course.
- Provide for increases in the Salary Schedule as follows:
 - July 1, 2016 0.9%
 - July 1, 2017 1.9%
 - July 1, 2018 1.9%

Note: this is not a cost of living adjustment (COLA), but an increase to the salary range of each labor category. Individual pay increases are based on performance.

- Employees that are at the top of their range shall receive consideration for a one-time annual bonus of up to \$800.00. Merit pay increases and bonuses are subject to performance reviews. The previous agreement provided for a 1.9 percent COLA increase beginning each fiscal agreement year for all employees, except the General Manager.

The employees voted to accept the proposed labor agreement on May 4, 2016. At this time, the labor agreement is being presented to the Board of Directors for consideration of approval through the adoption of Resolution No. 2016-10.

It is therefore recommended that the Board of Directors:

1. Adopt Resolution No. 2016-10, Resolution Adopting the San Elijo Joint Powers Salary and Benefits for Fiscal Years 2016-17, 2017-18, and 2018-19; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Resolution No. 2016-10

ATTACHMENT 1

RESOLUTION NO. 2016-10

A 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

WHEREAS, the San Elijo Joint Powers Authority (SEJPA), which provides direct employment of SEJPA employees, is desirous to meet in an informal input process with SEJPA employees (Employees) regarding the wages, benefits, and certain other terms and conditions of employment;

WHEREAS, the Board of Directors has appointed the General Manager to act as a Labor Relations committee;

WHEREAS, the General Manager and the SEJPA Board of Directors have reviewed salary and benefit data of comparable service agencies;

WHEREAS, the General Manager has met with the Employees regarding compensation and benefits;

WHEREAS, the Employees are a valuable and important part of the organization of the SEJPA and have had the opportunity to meet in the informal input process with the designated SEJPA representatives, the General Manager, on compensation, benefits, and other terms and conditions of employment; and

WHEREAS, the Board of Directors of the SEJPA is desirous of formally establishing the salary, benefits, and other terms and conditions of employment for Employees for the Fiscal Years 2016-17, 2017-18, and 2018-19;

NOW THEREFORE, be it resolved by the Board of Directors of the SEJPA that the salary, benefits, and other terms and conditions of employment for the Employees set forth below are hereby adopted and established as those of the SEJPA. San Elijo Joint Powers Authority Employee Handbook may be updated as deemed necessary by the General Manager to incorporate these provisions.

SECTION I GENERAL

The provisions of this resolution shall commence on July 1, 2016 and terminate on June 30, 2019. If a new resolution is not in place by July 1, 2019, the provisions of this resolution will continue with all salary and benefit allowance frozen at the Fiscal Year 2018-19 limits. For Section II, F, the process for determining benefit limits remains the same until a new resolution is in place.

SECTION II BENEFITS

A. Vacation Leave

Employees accrue vacation leave as follows:

Vacation Increment	Hours of Vacation Leave	Bi-Weekly Accrual Rate	Maximum Accumulation
0-5 years	104	4.00 hours	208 hours
5-10 years	128	4.92 hours	256 hours
10-15 years	152	5.85 hours	304 hours
15+ years	184	7.08 hours	368 hours

Vacation leave for part-time employees is prorated based on the number of hours worked, i.e. an employee who works 30 hours per week would accrue vacation leave at a rate of 75 percent of that rate at which a regular full-time employee accrues vacation leave.

Employees are entitled to accrue vacation leave up to a maximum amount equal to twice the employees' annual accrual rate ("Maximum Accumulation"), after which accrual ceases until the balance of maximum accrued hours falls below the Maximum Accumulation. Upon separation of employment with the SEJPA, accrued vacation benefits that have not been used will be paid to the employee.

Conversion of Vacation Leave to Cash Option I

Annually, on December 1st of each year, an employee may elect to cash-out vacation hours in excess of 72 hours, provided that the employee has used at least 72 hours of vacation time within the previous 12 months. The maximum allowable hours to be cashed-out are equal to the employee's one-year accrual rate. The pay rate will be the employee's hourly wage at the time of the cash-out. Cash-out will be paid on a quarterly basis by the last payday of April, July, October, and January. The election to cash-out vacation hours may not be revoked or modified.

Conversion of Vacation Leave to Cash Option II

An employee may elect to cash-out vacation hours in excess of 72 hours at any time, provided that the employee has used at least 72 hours of vacation time within the previous 12 months, however, the pay rate will be 90 percent of the employee's hourly wage at the time of the cash-out.

Options I and II are both available to employees provided that the employee has accumulated sufficient vacation hours to exercise an option.

B. Holidays

Employees of the San Elijo Joint Powers Authority (SEJPA) receive 12 paid holidays each fiscal year: 10 fixed holidays and 2 floating holidays. Floating holidays for employees hired after the start of the fiscal year are prorated based upon the date of hire. Employees are entitled to pay that is equal to the employee's regularly scheduled hours on any given holiday.

Fixed holidays include:

1. New Year's Day, January 1
2. Martin Luther King, Jr., Third Monday in January
3. President's Day, Third Monday in February
4. Memorial Day, Last Monday in May
5. Independence Day, July 4
6. Labor Day, First Monday in September
7. Veteran's Day, November 11
8. Thanksgiving Day, Fourth Thursday in November
9. Day after Thanksgiving
10. Christmas Day, December 25

C. Sick Leave

Employees accrue sick leave at a rate of eight hours per month accumulated on a bi-weekly basis. The benefit accrual rate for part-time employees will be prorated based on the number of hours worked per week. Sick Leave benefits may be accrued up to a maximum of 1,000 hours after which accrual ceases unless the balance of maximum accrued hours falls below the maximum accrual rate. Except where the law provides otherwise, sick leave benefits may be used only in the case of actual illness or injury of an employee or the employee's spouse, parent, child, domestic partner or child of a domestic partner.

Employees who have accumulated more than 176 hours of sick leave may elect to be paid for any sick leave in excess of 176 hours. The pay rate will be 50 percent of the employee's hourly wage at the time of the cash-out.

Employees who are not terminated for cause and have given the SEJPA 14 calendar days (beginning on the date the notice is received by the SEJPA) written notice shall be paid for 50 percent of their accumulated sick leave. Sick leave pay will be calculated based on the employee's rate of pay at the time of the cash-out.

D. Bereavement Leave

Employees may receive 3 days off with pay for bereavement of an individual who is a member of the employee's immediate family. Upon approval by the General Manager, additional sick leave may be used to supplement the bereavement leave in the event of a death of an immediate family member. Immediate family member is defined as:

Spouse	Mother/Father-in-Law
Child/Adopted Child	Daughter/Son-in-Law
Stepchild	Grandparent
Sibling	Niece/Nephew
Parent	Sister/Brother-in-Law
Stepparent	Registered Domestic Partner
Grandchild	Child of Registered Domestic Partner
Aunt/Uncle	

Employees may receive one paid full day off to attend the funeral of a relative who is not a member of the employee's immediate family.

E. Administrative Leave

Exempt employees are exempt from overtime provisions of the Fair Labor Standards Act. In lieu of compensating time off, these employees shall be entitled to take up to five (5) days of administrative leave annually. This leave must be taken in increments of not less than half a day.

F. Health, Dental Insurance and Vision Care Plan

Employees and their dependents are provided a group dental and vision care plan; the employer's contribution for premiums for vision and dental plans shall be an amount each year that is 95% of the average of the plans being offered, at the appropriate tier (single, double and family). Eligibility for dental and vision insurance will begin the first of the month following employment.

Employees and their dependents are provided with group health insurance coverage under the CalPERS PEMCHA program. Effective July 1, 2016, the employer's contribution for each employee shall be an amount each year that is 95% of the average of all health plans CalPERS makes available to the SEJPA, excluding the CalPERS Care Plan, at the appropriate tier (single, double and family). The employee shall pay for any premium cost for coverage that exceeds the SEJPA's contribution. Eligibility for health coverage will begin the first of the month following employment.

Employees who meet the applicable eligibility requirements established by the SEJPA shall be provided health, dental and vision insurance for themselves and their dependents, upon request. Flexible contributions allocated to part-time employees are prorated based on the number of hours worked, i.e. an employee who works 30 hours per week would receive 75 percent of the maximum annual contribution.

In lieu of health insurance coverage, eligible employees may elect to receive compensation of 25 percent of the single employee benefit in addition to their regular pay. Employees must show current proof of health insurance coverage under another plan outside of the SEJPA and may be required to periodically show proof upon request. Requests for compensation in lieu of health insurance coverage should be in writing and are subject to review and approval of the General Manager.

Employees hired before July 1, 2008, shall receive a minimum annual contribution of \$8,870 with maximum cash out of \$6,530.

G. Health Care Reimbursement

Employees shall be able to designate dollars for eligible medical, dental, and vision reimbursement. Employees may supplement Plan contributions with tax-exempt dollars through voluntary payroll deduction. Each employee shall assume responsibility for any income tax obligations resulting from participation in the health care reimbursement program.

H. Dependent Care Reimbursement

Employees shall be able to designate dollars for eligible dependent care reimbursement. Employees may supplement Plan contributions with tax-exempt dollars through voluntary payroll deduction. Each employee shall assume responsibility for any income tax obligations resulting from participation in the dependent care reimbursement program.

I. Life and Disability Insurance

The SEJPA provides for its employees life insurance equal to the employee's annual salary. Each employee shall assume responsibility for any income tax obligations resulting from the payment of insurance premiums.

The SEJPA provides for its employees short-term and long-term disability insurances. Each employee shall assume responsibility for any income tax obligations resulting from the payment of insurance premiums and disability compensation received from the disability insurance provider

J. Retirement

For all employees hired prior to July 1, 2012, the SEJPA shall participate in the California Public Employees' Retirement System (CalPERS) program, 2.5% at 55 Full Formula, One-Year Final Compensation for active SEJPA miscellaneous members effective July 1, 2008.

Effective the first pay date of each fiscal year, the employees shall pay the full employee portion as defined or set forth by CalPERS, which as of July 1, 2016 is 8.00%.

For all employees hired after June 30, 2012 and CalPERS Classic Employees, the SEJPA shall participate in the California Public Employees' Retirement System (CalPERS) program, 2.0% at 60 Full Formula, Three Year Average Final Compensation for active SEJPA miscellaneous members effective July 1, 2012. Effective the first pay date of each fiscal year, the employees shall pay the full employee portion as defined or set forth by CalPERS, which as of July 1, 2016 is 7.00%.

For all employees hired after January 1, 2013, the SEJPA shall participate in the California Public Employees' Retirement System (CalPERS) program, 2.0% at 62 Full Formula, subject to the California Public Employees' Pension Reform Act of 2013 ("PEPRA"). Effective the first pay date of each fiscal year, the employees shall pay the full employee portion as defined or set forth by CalPERS, which as of July 1, 2016 is 6.25%.

K. Deferred Compensation Plan

Where the employee voluntarily participates in the SEJPA's deferred compensation plan, the SEJPA shall contribute an equal amount on a matching basis up to 4 percent of the employee's annual base salary.

L. Uniforms and Safety Equipment

The SEJPA shall provide all laboratory, operations and maintenance employees with uniforms to be worn while on duty and the necessary personal protective equipment as required for their duties. The SEJPA shall provide employees, upon date of hire and yearly thereafter, up to a maximum amount of \$185.00 to purchase safety shoes/boots required of their position. If an employee damages their boots performing work duties, the General Manager has authority to approve replacement boots.

The SEJPA shall provide employees up to \$300.00 each fiscal year for the purchase of SEJPA-approved prescription safety glasses.

M. Tuition Reimbursement

The SEJPA will reimburse approved tuition fees and education material costs expended by employees for successfully completed courses up to \$600.00 for any one course, and up to a maximum of \$2,000.00 per employee per fiscal year.

SECTION III. COMPENSATION

A. Employee Compensation

Employees, except the General Manager, shall receive compensation in accordance with the adjusted ranges in the Classification and Compensation Schedule.

B. Salary Adjustments

Effective the first pay date in July of 2016, 2017, and 2018, the Classification and Compensation Schedule for all personnel classifications shall be increased as follows:

Year	Salary Schedule Adjustment*
July 1, 2016	0.9%
July 1, 2017	1.9%
July 1, 2018	1.9%

* Salary schedule adjustment shall apply to all SEJPA labor classifications except for the General Manager position, which is generally reviewed annually by the Board of Directors.

Employees shall be provided a performance review, typically on an annual basis. Employees that are not at the top of their classification salary range shall receive consideration of a merit pay increase. Employees that are at the top of their classification salary range that receive an above average review may qualify for a one-time annual bonus of up to \$800.00 for meritorious work performance.

The Classification and Compensation Schedule for Fiscal Year 2015-16 is shown in Exhibit A.

SEJPA and its employees acknowledge and agree that during the term of this agreement the SEJPA may implement decisions within its discretion related to implementation of its on-going assessment of the competitiveness of the SEJPA. This means that job positions, classifications, and their respective job descriptions may be revised, added, or deleted; work and shift hours may be revised; new or revised automation; and new or revised procedures may be implemented. The SEJPA invites employees to provide input on these decisions if they result in a modification of any express provision of the SEJPA's policies and procedures.

C. Working Out of Position Specification

Occasionally, an employee is required by the General Manager to assume an "acting" position that is outside his/her job specification. This policy is intended to provide the employee with additional compensation based upon the newly assumed duties.

An employee designated as "acting" by the General Manager, will assume the acting title and associated base salary for the position that he/she is assuming. This title and compensation will continue throughout the duration of the acting period. The General Manager can designate a rate of pay within the range of the assumed position. Under no circumstance will the employee's increased salary exceed the top of the assumed position range.

The needs of the SEJPA will prevail in determining the length of time for which the employee assumes the acting position.

This provision does not apply to the General Manager.

D. Shift Differential

The SEJPA shall pay non-exempt operations and maintenance employees a shift differential of \$1.50 per hour in addition to their base rate of pay for hours assigned to a work shift other than the day shift.

E. Standby Duty

Non-exempt operations and maintenance employees are required to be on standby to respond to emergency situations. Non-exempt operations and maintenance employees on standby are compensated at one hour of their regular hourly rate of pay per day.

F. Call Out

The SEJPA shall compensate, at the rate of time and one-half their regular rate of pay, non-exempt employees who are unexpectedly ordered to report back to duty to perform necessary work following completion of the non-exempt employee's workweek or work-shift and their departure from the site. Non-exempt employees called back under this condition shall receive a minimum of two hours compensation. Call outs on holidays, weekdays or weekends after midnight and before the start of the non-exempt employee's regular shift are compensated at a rate of two times the non-exempt employee's regular hourly rate.

G. Meal Allowance

The SEJPA shall reimburse non-exempt employees a maximum of \$12.00 per meal for food and non-alcoholic beverages when the non-exempt employee is unexpectedly ordered to work due to an emergency for at least two hours overtime beyond the standard work shift.

H. Incentive Program

The Employee Recognition Program is designed to provide an opportunity for the SEJPA to recognize dedicated and loyal employees who contribute to its success.

1. Professional and Technical Achievement

Recognizes employees for their individual accomplishments in the area of work related professional development such as education or technical certification or recognition by a work related professional organization, payable within 45 days of receiving certification or education.

Industry Awards and Professional Certifications - \$500.00

Associates Degree - \$1,000.00, Bachelors Degree - \$1,500.00, Masters Degree - \$2,000.00

2. Organizational Performance Achievements

Recognizes employees for SEJPA accomplishments related to environmental performance, safety and industry recognition.

Environmental Performance

- Region 9 Regional Water Quality Control Board Performance
 - No more than 5 violations of NPDES requirements - \$250.00
 - 100% compliance with NPDES requirements - \$1,000.00
 - 100% compliance with NPDES requirements for 5 consecutive years - \$2,000.00
- Environmental Performance at Pump Stations
 - No reportable spills from pump stations - \$250.00
- Period of Performance
 - The period of performance will be January 1 to December 31, of each year, payable in January of the following year.

Safety – Years without a lost-day injury based upon the following schedule.

- 1 year - \$250.00, 2 years - \$375.00, 3-4 years - \$500.00, 5-9 years - \$750.00, 10+ years - \$1,000.00
- As of May 23, 2010, SEJPA employees have had 10 years without a lost-day injury. For the purposes of this resolution, the period of time without a lost-day injury shall be calculated from the last date on which a lost-day occurred due to an injury, through December 31 each year, and payable in January.

Industry Awards – Industry organizations may include, but not limited to, American Society of Civil Engineers (ASCE), California Water Environment Association (CWEA), WaterReuse, California Association of Sanitary Agencies (CASA), California Sanitary Risk Management Authority (CSRMA), and Water Environment Federation (WEF), payable within 45 days of receiving award.

- Local Award – 1st place - \$150.00
- State Award – Honorable Mention, Second, or Third Place - \$200.00, First Place - \$300.00

All organizational awards apply to each and every employee employed on the date of award. Employees hired during the award year will receive a prorated award bonus.

Terms and Conditions of Employment

All other terms and conditions of employment are specified in the SEJPA’s Employee Handbook.

Competitiveness Assessment Decision

The SEJPA will perform a Classification and Compensation Study and present recommendations to the SEJPA Board of Directors prior to the end of this contract.

PASSED AND ADOPTED this 13th day of June, 2016, by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

ABSTAIN: Boardmembers:

Catherine Blackspear, Chairperson
SEJPA Board of Directors

ATTEST:

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