

**AGENDA  
REGULAR BOARD MEETING OF THE  
SAN ELIJO JOINT POWERS AUTHORITY  
JUNE 21, 2022 AT 8:30 A.M.  
SAN ELIJO WATER CAMPUS – BOARD MEETING ROOM  
2695 MANCHESTER AVENUE  
CARDIFF BY THE SEA, CALIFORNIA**

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1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS/PUBLIC COMMENT PERIOD (NON-ACTION ITEM)
5. AWARDS AND RECOGNITION  
Laboratory Proficiency Certificate of Excellence
6. \* **CONSENT CALENDAR**
7. \* [APPROVAL OF MINUTES FOR MAY 17, 2022 MEETING](#)
8. \* [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS](#)
9. \* [WASTEWATER TREATMENT REPORT](#)
10. \* [RECYCLED WATER REPORT](#)
11. \* [REPORTABLE MEETINGS](#)
12. \* [SAN ELIJO JOINT POWERS AUTHORITY CONTRACT FOR PROCUREMENT OF CALCIUM NITRATE](#)
13. \* [SAN ELIJO JOINT POWERS AUTHORITY CONTRACT FOR PROCUREMENT OF FERRIC CHLORIDE](#)
14. \* **ITEMS REMOVED FROM CONSENT CALENDAR**

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

## **REGULAR AGENDA**

15. [ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2022-23 BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF TREASURER](#)

1. Adopt Resolution No. 2022-04, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2022-23;
2. Adopt Resolution No. 2022-05, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Amy Chang as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

Staff Reference: Director of Finance and Administration

16. [ADOPTION OF NEW LABOR AGREEMENT](#)

1. Adopt Resolution No. 2022-06, Resolution Adopting the San Elijo Joint Powers Authority Salary and Benefits for Fiscal Years 2022-23, 2023-24, 2024-25 and 2025-26;
2. Approve the FY 2022-23 Classification and Salary Schedule; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

17. [ASSIGNMENT OF OWNERSHIP RIGHTS AND ACCESS AGREEMENTS FOR THE WANKET RESERVIOR TANK](#)

1. Authorize the General Manager to enter into an agreement with the San Dieguito Water District (SDWD) and the Olivenhain Municipal Water District (OMWD) for assignment of ownership rights and access agreements related to the Wanket Reservoir; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

18. [APPROVE SECOND AMENDMENT – WASTEWATER MAINTENANCE FACILITY LEASE WITH CITY OF ENCINITAS](#)

1. Authorize the General Manager to execute the Second Amendment to the 1991 Wastewater Maintenance Facility Lease with the City of Encinitas; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

19. [CONSIDERATION OF LEASING LABORATORY SPACE AT THE SAN ELIJO WATER CAMPUS FOR WATER RESEARCH AND EDUCATION](#)

1. 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".*

A closed session will be held per Government Code Section 54957 (b), Public Employee Employment, Title: General Manager

24. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE GENERAL MANAGER MERIT BONUS

The General Manager's employment agreement allows for consideration and award of a merit bonus payable in June of each year. Discuss and take action as appropriate.

25. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Tuesday, July 19, 2022 at 8:30 a.m.

NOTICE:

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

The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board is available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at [www.sejpa.org](http://www.sejpa.org). The SEJPA Board meetings are held on the third Tuesday of each month, with no scheduled meetings in 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 on the SEJPA website at [www.sejpa.org](http://www.sejpa.org), and in the following locations:

San Elijo Water Campus (formerly known as 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 16, 2022

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

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

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON MAY 17, 2022  
AT THE SAN ELIJO WATER CAMPUS

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Kellie Hinze, Chair

David Zito, Vice Chair

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A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, May 17, 2022, at 8:34 a.m., at the San Elijo Water Campus

1. CALL TO ORDER

Chair Hinze called the meeting to order at 8:34 a.m.

2. ROLL CALL

*Directors Present:*

Kellie Hinze  
Kristi Becker  
David Zito

*Directors Absent:*

Catherine Blakespear

*Others Present:*

Director of Operations  
Director of Finance and Administration  
Administrative Coordinator

Chris Trees  
Amy Chang  
Vanessa Hackney

*SEJPA Counsel:*

Procopio

Tracie Stender

*City of Encinitas:*

Director of Utilities/General Manager

Isam Hireish

*City of Solana Beach:*

City Manager  
Director of Engineering/Public Works

Greg Wade  
Mohammad "Mo" Sammak

*City of Del Mar:*

Public Works Director/City Engineer

Joe Bride

3. PLEDGE OF ALLEGIANCE

Director of Operations, Christopher Trees, led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

None.

6. CONSENT CALENDAR

Moved by Vice Chair Zito and seconded by Board Member Becker to approve the Consent Calendar.

Agenda Item No. 7	Approval of Minutes for the April 19, 2022 Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
Agenda Item No. 9	Wastewater Treatment Report
Agenda Item No. 10	Recycled Water Report
Agenda Item No. 11	Reportable Meetings
Agenda Item No. 12	Aluminum Sulfate Purchase Amendment
Agenda Item No. 13	Award of Contract for Procurement of Sodium Hypochlorite

Motion carried with the following vote of approval:

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

15. SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2022-23 RECOMMENDED BUDGET UPDATE

Director of Finance and Administration, Amy Chang, stated that the proposed budget was presented to the Board in April, and became a public document for comments and suggested changes by the Board, Member Agencies, the public, and other government agencies that receive services from the SEJPA.

To date, SEJPA has not received any proposed changes from the Member Agencies or other participating government agencies, as well as no public comments. However, there are four reportable changes resulting in the following modifications to the recommended budget. The changes result in a 0.9% increase to the recommended revenue budgeted for the City of Encinitas and an increase in the recycled water expense of 0.2% from the recommended operating budget presented to the Board of Directors in April.

Actions taken from the current meeting will be incorporated into the FY 2022-23 budget, and be presented to the Board of Directors for adoption at the June meeting along with the investment policy and appointment of SEJPA Treasurer for FY 2022-23.

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

16. GENERAL MANAGER'S REPORT

Director of Operations, Christopher Trees stated that the Caltrans Regional Bike Path ribbon cutting will be held on June 4, 2022 at 11:00 a.m. under Interstate 5 Freeway Manchester Bridge.

Mr. Trees also provided an update on SEJPA's Solar Project, stating that SEJPA has received permission to operate from SDG&E. Commissioning will start soon and the project will be officially online on June 16, 2022.

17. GENERAL COUNSEL'S REPORT

General Counsel, Tracie Stender, stated that Procopio attended CASA Attorney's Meeting and are monitoring legislation that is working its way through the state. There has also been a recent court case on the Public Records Act that is favorable to public agencies, it states that courts can deny attorney's fee recovery where documents produced on litigation are deemed insignificant.

18. BOARD MEMBER COMMENTS

None.

19. CLOSED SESSION

None.

20. ADJOURNMENT

The meeting adjourned at 8:43 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, June 21, 2022 at 8:30 a.m.

Respectfully submitted,



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Michael T. Thornton, P.E.  
General Manager

**SAN ELIJO JOINT POWERS AUTHORITY**  
**PAYMENT OF WARRANTS**  
**22-06**  
**For the Month of May 2022**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
41138	Adam Kaye	Services - Professional	Public communications	\$ 500.00
41139	ASCE Membership	Dues & Memberships	Membership - M. Thornton	295.00
41140	AT&T	Utilities - Telephone	Phone service - 03/13/22 - 04/12/22	574.77
41141	Brax Process and Pump Equip.	Repair Parts Expense	AWP pump and parts	1,357.65
41142	California State Lands Commiss	Fees - Permits	Recycled water distribution line	560.38
41143	Cecilia's Safety Service, Inc	Services - Contractors	Traffic control services	1,575.00
41144	County of San Diego	Fees - Permits	DEH2011 - HUPFP-213701 - Olivenhain	515.00
41145	Denali Water Solutions LLC	Services - Biosolids Hauling	Biosolids hauling and reuse - Mar	20,223.57
41146	EDCO Waste & Recycling Service	Utilities - Trash	Apr	356.90
41147	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	496.50
41148	Excel Landscape, Inc.	Services - Landscape	Grounds maintenance service - Apr	4,202.00
41149	Didra Felix	Accounts Receivable Control	Health and wellness reimbursement - D. Felix	50.00
41150	Grainger, Inc.	Supplies - Shop & Field	Belt filter press oil	407.89
41151	Hardy Diagnostics	Supplies - Lab	Various supplies	436.75
41152	Idexx Distribution, Inc.	Supplies - Lab	WQC enterococci	1,488.11
41153	Integrity Municipal Systems	Repair Parts Expense	Plant odor scrubber 1 valve installation	3,512.00
41154	Joncowest LTD	Supplies - Janitorial	Janitorial services & supplies - Mar	2,799.66
41155	McMaster-Carr Supply Co.	Repair Parts Expense	Various parts	813.94
41156	MetLife - Group Benefits	Life Insurance/Disability	Dental - May	1,973.81
41157	Procopio Cory Hargreaves	Services - Legal	General and Labor & employment - Mar	11,076.50
41158	ReadyRefresh	Supplies - Office	Kitchen supplies	38.00
41159	Roesling Nakamura Terada Archi	Services - Professional	WCI project - 03/01/22 - 03/31/22	2,790.75
41160	Rusty Wallis, Inc.	Services - Maintenance	Water softener, tank service, and salt bags	285.16
41161	Santa Fe Irrigation District	Utilities - Water (Suppl.)	Water	356.91
41162	San Dieguito Water District	Utilities - Water (Suppl.)	Water	709.75
41163	San Dieguito Water District	Utilities - Water	Water	1,618.33
41164	San Elijo Lagoon Conservancy	Services - Professional	School field trips program through 01/01/22 - 03/31/22	16,620.46
41165	Southwest Valve & Equip.	Repair Parts Expense	Replacement pump suction valves, #2 & #4	1,492.69
41166	Thatcher Company of California	Supplies - Chemicals	Aluminum sulfate	5,974.66
41167	Trussell Technologies, Inc	Services - Engineering	SW & RW quality enhancement & storage evaluation	12,100.00
41168	Unifirst Corporation	Services - Uniforms	Uniform service	216.00
41169	Underground Service Alert/SC	Services - Alarm	Dig alert - May	90.85
41170	USA Bluebook	Supplies - Lab, Repair Parts Expense	Various supplies and repair parts	3,874.52
41171	University of Southern CA	Dues & Memberships	Membership - M. Piper	120.00
41172	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	8,862.46
41173	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	4,575.49
41174	Benefits Coordinators Corp.	Dental/Vision	Vision - Apr, May	566.80
41175	VWR International, Inc.	Supplies - Lab	Buffer BDH colorless	197.58
41176	WageWorks	Payroll Processing Fees	Admin fee - Apr	134.00
41177	WM Corporate Services, Inc.	Services - Grit & Screenings	10 yard roll of disposal	1,722.59
41178	Allied Storage Containers	Equipment Rental/Lease	20' and 40' storage container - 05/01/22 - 05/31/22	359.89
41179	AT&T	Utilities - Telephone	Alarm service - May	410.89
41180	California Boiler	Services - Maintenance	Boiler #2 annual maintenance	2,214.00
41181	Carollo Engineers	Services - Engineering	APCD permitting assistance & generator submittal review	5,892.00
41182	City National Bank	Interest Expense - AWT Note	Loan agreement #11-020	74,076.57
41183	Corodata	Rent	Record storage - Apr	104.32
41184	Dixieline Lumber	Supplies - Shop & Field	Various tools and supplies	359.28
41185	eMaint	Licenses	Team edition - 3 users	1,223.64
41186	Equipment Solutions	Services - Professional	Skid steer training	675.00
41187	Evoqua Water Technologies	Supplies - Chem - Odor	Bioxide	5,446.02
41188	Jose Garcia	Dues & Memberships	Employee reimbursement - Membership and Grade 3 certificate	293.00
41189	Grainger, Inc.	Supplies - Shop & Field	Gear oil	326.16
41190	Hach Company	Services - Maintenance	Annual equipment service	20,736.00
41191	Hardy Diagnostics	Supplies - Lab	Various supplies	1,169.06
41192	Hoch Consulting, APC	Services - Professional	Grant admin - IRWM Prop 84 Rd 4, IRWM Prop 1 Rd 1 Proj 6	15,725.00
41193	Idexx Distribution, Inc.	Supplies - Lab	Colilert	1,585.82
41194	IWater, Inc.	Services - Maintenance	Valve service - Apr	1,140.00
41195	Lawson Products Inc.	Supplies - Shop & Field	Various supplies	380.01
41196	Liquid Environmental Solution	Services - Grease & Scum	Pumping service	1,011.00
41197	McMaster-Carr Supply Co.	Repair Parts Expense	Various parts	681.69
41198	Michael Baker International	Services - Engineering	Plume tracking study thru 05/11/22	52,857.91
41199	NSI Solutions, Inc.	Supplies - Lab	TSS	301.00
41200	Olivenhain Municipal Water Dis	Services - Maintenance	Wiegand Zona Gail - 3rd Qtr. 21/22	3,359.59
41201	Polydyne Inc.	Supplies - Chem - Polymer	Clarifloc WE-007	16,929.42
41202	Procopio Cory Hargreaves	Services - Legal	General and Labor & employment - Apr	11,614.00
41203	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment	1,492.77
41204	Aaron Simonson	Supplies - Lab	Employee reimbursement - Lab TNT binders	116.87
41205	Southland Manufacturing, Inc.	Repair Parts Expense	Stormwater repair supplies	1,546.86
41206	Terminix Processing Center	Services - Maintenance	Pest control service	629.00
41207	Christopher A. Trees	Accounts Receivable Control	Health and wellness reimbursement - C. Tree	50.00
41208	Unifirst Corporation	Services - Uniforms	Uniform service and gloves	1,032.40
41209	USA Bluebook	Supplies - Lab, Repair Parts Expense	Various supplies and repair parts	1,854.94
41210	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	8,836.74
41211	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	4,492.56
41212	Daniel Verdon	Accounts Receivable Control	Health and wellness reimbursement - D. Verdon	50.00
41213	Verizon Wireless	Utilities - Telephone	Cell phone service - 04/08/22 - 05/07/22	889.99
41214	Volt Management Corp	Services - Temp	Internship program	1,871.29
41215	VWR International, Inc.	Supplies - Lab	Various supplies	884.87
41216	Water District Jobs	Advertising	Job posting	145.00
41217	WM Corporate Services, Inc.	Services - Grit & Screenings	10 yard roll-off disposal	1,780.26
41218	WorkPartners Occupational	Services - Medical	Covid-19 test	79.00
41219	World Water Works, Inc.	Capital Outlay	Replacement pump	11,865.24
On-line 655	Fuelman	Fuel	Apr	17.11
On-line 656	JCI Jones Chemicals, Inc	Supplies - Chem - Sodium Hypo	Sodium hypochlorite	3,964.19
On-line 657	P.E.R.S.	Medical Insurance - Pers	Health - May	23,961.90
On-line 658	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 04/16/22 - 04/29/22	16,349.79
On-line 659	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	878.98
On-line 660	BankCard Center	Supplies	Various supplies	6,674.58
On-line 661	JCI Jones Chemicals, Inc	Supplies - Chem - Sodium Hypo	Sodium hypochlorite	4,057.94
On-line 662	P.E.R.S.	Medical Insurance - Pers	Health - Jun	23,254.11
On-line 663	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 04/30/22 - 05/13/22	16,257.57
On-line 664	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 04/09/22 - 05/10/22	94,292.61
On-line 665	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - Jun	1,917.80
	San Elijo Payroll Account	Payroll	Payroll - 05/06/2022	82,657.96
	San Elijo Payroll Account	Payroll	Payroll - 05/20/2022	79,324.68
				<u>\$ 725,660.71</u>



SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Month of May 2022  
As of May 31, 2022**

PAYMENT OF WARRANTS	\$ 725,660.71
Reference Number	22-06

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.



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Amy Chang  
Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS  
AND INVESTMENT INFORMATION  
As of May 31, 2022

FUNDS ON DEPOSIT WITH	AMOUNT
<b>LOCAL AGENCY INVESTMENT FUND</b> (MAY 2022 YIELD 0.365%)	
UNRESTRICTED DEPOSITS	16,397,364.04
<b>CALIFORNIA BANK AND TRUST</b> ( 2022 MAY YIELD 0.01%)	
REGULAR CHECKING	210,583.35
PAYROLL CHECKING	5,000.00
<b>PARS - TRUSTEE (POST-EMPLOYMENT BENEFITS TRUST)</b> (APRIL 2022 YIELD -5.53%)	413,274.49
<b>TOTAL RESOURCES</b>	<u>\$ 17,026,221.88</u>

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 21, 2022

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WASTEWATER TREATMENT 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 National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of April 2022. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for **CBOD** and **TSS** were **98.9** and **99.0** percent removal, respectively, during the month of April.

## Exceptional Water Treatment

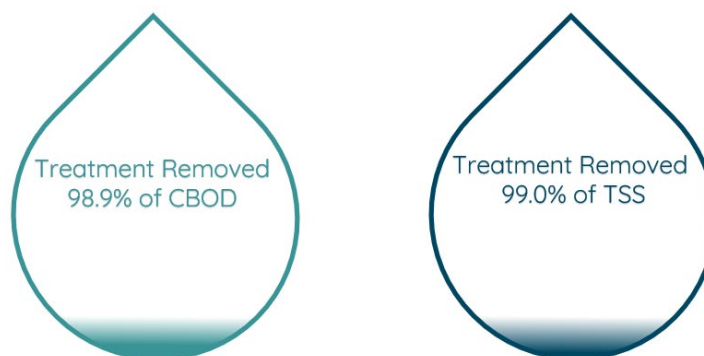
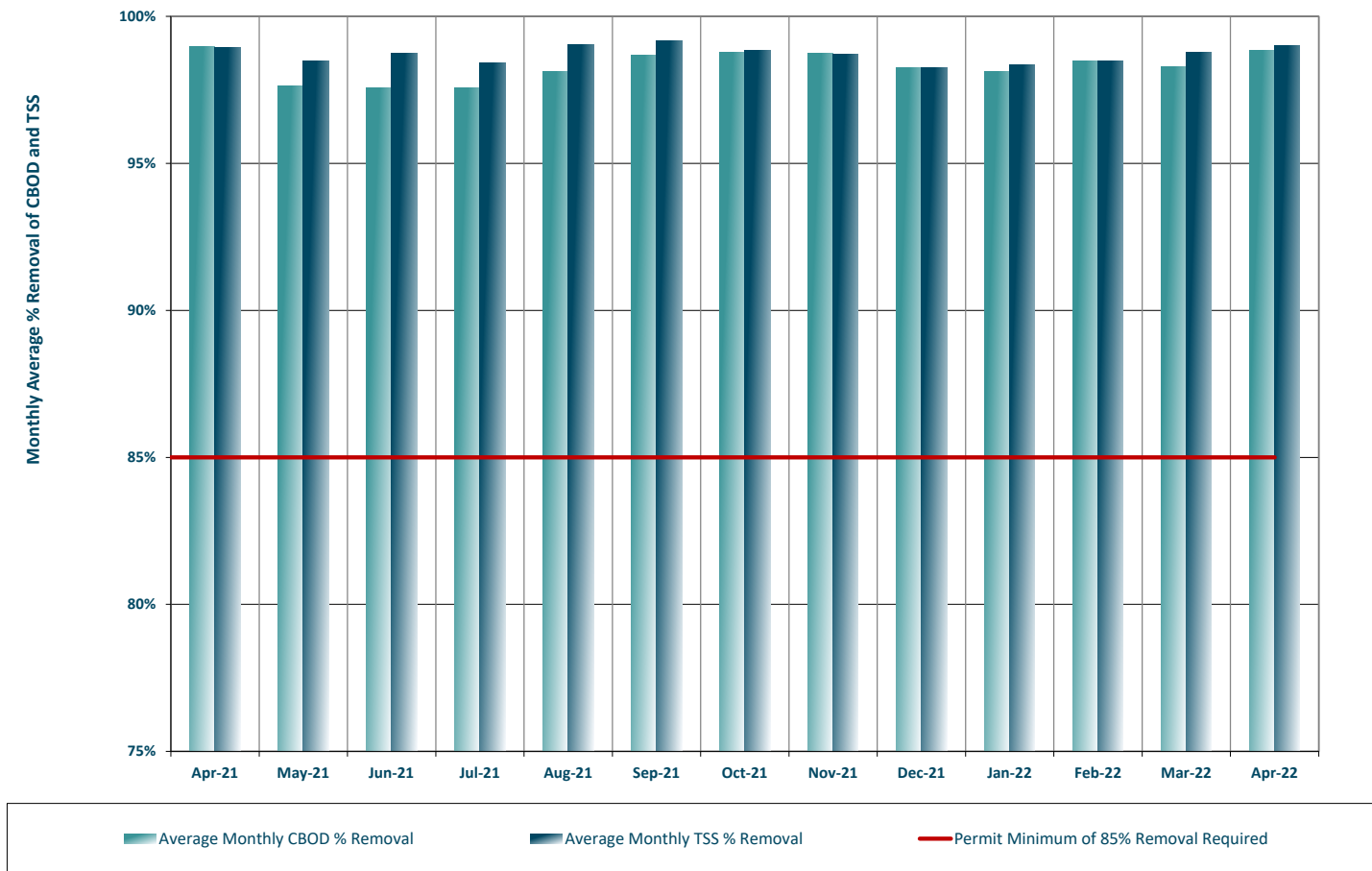


Figure 1 (below) shows historic treatment performance trends for the removal of CBOD and TSS over the last 13 months compared to the permit minimum removal requirement of 85%.

Figure 1: Wastewater Treatment Performance of the SEJPA % Removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS)



Figures 2 and 3 (below) show historic influent vs effluent CBOD and TSS concentration fluctuations in the strength of the wastewater being received and discharged by the SEJPA.

FIGURE 2: TREATED EFFLUENT FLOWS REMOVAL OF CBOD

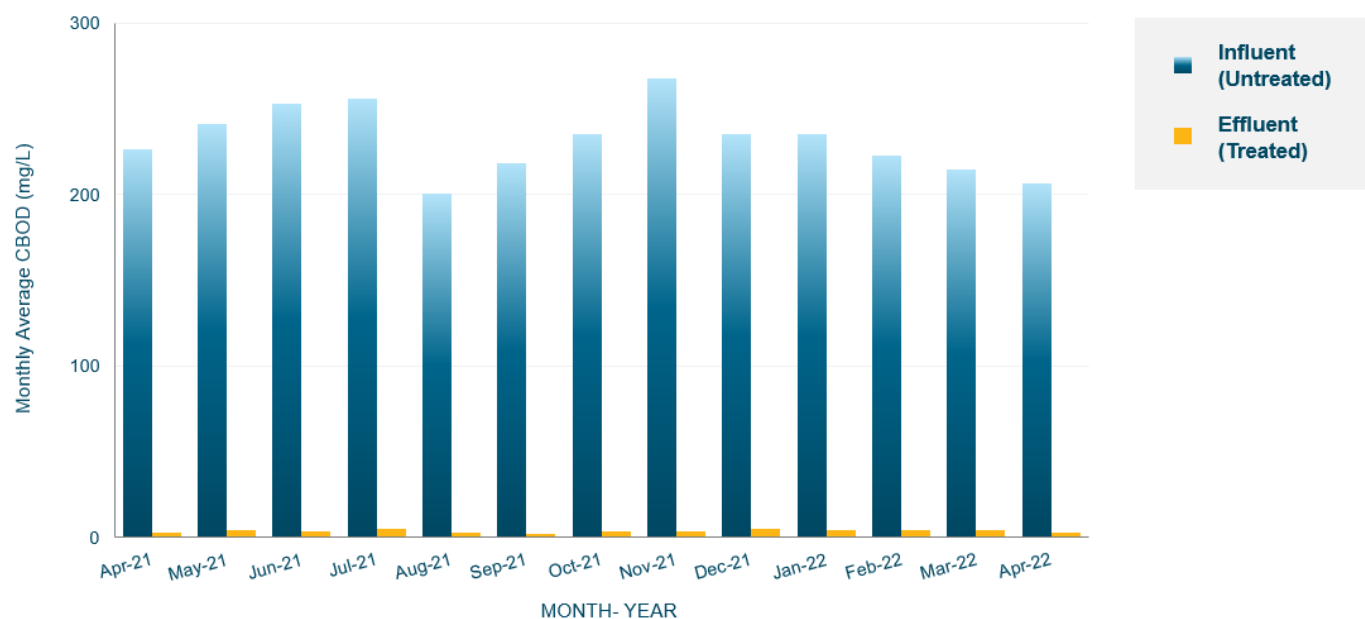
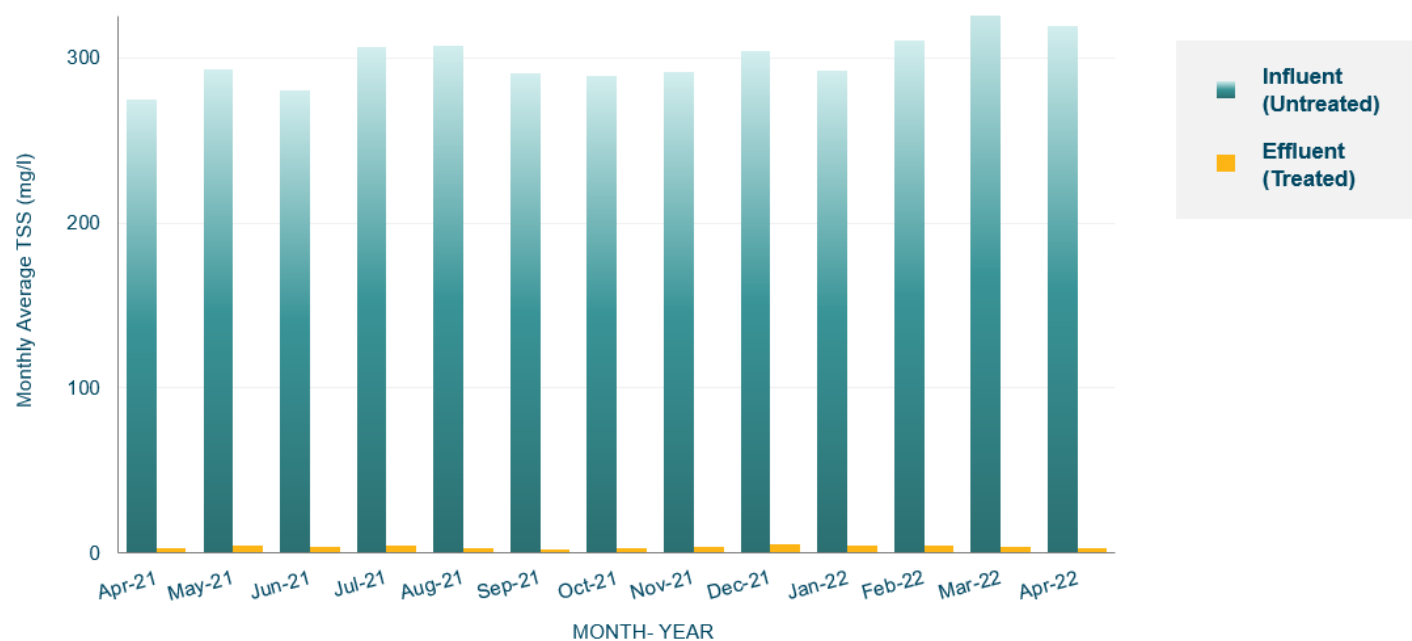


FIGURE 3: TREATED EFFLUENT FLOWS REMOVAL OF TSS



## Member Agency Flows

Table 1 (below) presents 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 Campus. Approximately 74% of the influent flow was recycled for irrigation use in April.

TABLE 1 – INFLUENT AND EFFLUENT FLOWS IN APRIL

APRIL			
	Influent (mgd)	Recycled Water (mgd)	Effluent (mgd)*
Cardiff Sanitary Division	1.134	0.845	0.289
City of Solana Beach	0.875	0.652	0.223
Rancho Santa Fe SID	0.140	0.103	0.037
City of Del Mar	0.315	0.235	0.080
Total San Elijo Water Campus Flow	2.464	1.835	0.629

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

Table 2 (below) presents the historical average and unit influent rates per month for each of the Member Agencies during the past 3 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time period.

**TABLE 2 - SAN ELIJO WATER CAMPUS MONTHLY REPORT - FLOWS AND EDUS**

	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)						
MONTH	CSD	RSF	CSD	SB	DM	TOTAL PLANT	CSD	RSF	CSD	SB	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
May-19	1.125	0.133	0.880	0.361	2.499		8,494	568	8,083	2,611	19,756		132	234	109	138	126
Jun-19	1.162	0.126	0.903	0.507	2.698		8,504	568	8,083	2,611	19,766		137	222	112	194	136
Jul-19	1.127	0.128	0.924	0.546	2.725		8,504	568	8,083	2,611	19,766		133	226	114	209	138
Aug-19	1.148	0.126	0.938	0.567	2.779		8,505	570	8,105	2,612	19,792		135	221	116	217	140
Sep-19	1.131	0.132	0.918	0.393	2.574		8,507	570	8,105	2,612	19,794		133	232	113	150	130
Oct-19	1.120	0.124	0.914	0.378	2.536		8,507	571	8,105	2,612	19,795		132	217	113	145	128
Nov-19	1.230	0.137	0.927	0.437	2.731		8,510	571	8,105	2,612	19,798		145	240	114	172	138
Dec-19	1.347	0.173	0.946	0.483	2.949		8,516	571	8,105	2,612	19,804		158	303	117	185	149
Jan-20	1.194	0.163	0.917	0.410	2.684		8,517	571	8,105	2,612	19,805		140	286	113	157	136
Feb-20	1.176	0.146	0.919	0.352	2.593		8,517	571	8,105	2,612	19,805		138	256	113	135	131
Mar-20	1.432	0.185	0.907	0.389	2.913		8,519	572	8,105	2,612	19,808		168	324	112	149	147
Apr-20	1.720	0.231	0.912	0.377	3.240		8,522	572	8,105	2,612	19,811		202	404	113	153	164
May-20	1.293	0.158	0.853	0.304	2.608		8,523	573	8,105	2,612	19,813		152	276	105	133	132
Jun-20	1.251	0.164	0.897	0.434	2.746		8,534	576	8,105	2,612	19,826		147	285	111	179	139
Jul-20	1.231	0.157	0.937	0.548	2.873		8,535	576	8,110	2,616	19,837		144	273	116	222	145
Aug-20	1.226	0.156	0.950	0.478	2.810		8,540	577	8,110	2,616	19,843		144	271	117	194	142
Sep-20	1.225	0.151	0.956	0.362	2.694		8,540	578	8,110	2,616	19,844		143	261	118	146	136
Oct-20	1.197	0.142	0.940	0.316	2.595		8,543	579	8,110	2,616	19,848		140	245	116	128	131
Nov-20	1.200	0.142	0.927	0.341	2.610		8,543	579	8,110	2,616	19,848		140	245	114	138	131
Dec-20	1.217	0.141	0.893	0.304	2.555		8,543	579	8,110	2,616	19,848		142	244	110	123	129
Jan-21	1.238	0.150	0.909	0.323	2.620		8,543	579	8,110	2,616	19,848		145	259	112	129	132
Feb-21	1.224	0.151	0.926	0.306	2.607		8,548	579	8,110	2,616	19,853		143	261	114	121	131
Mar-21	1.291	0.160	0.968	0.332	2.751		8,548	579	8,110	2,616	19,853		151	277	119	131	139
Apr-21	1.232	0.160	0.925	0.320	2.637		8,552	579	8,110	2,616	19,857		144	277	114	129	133
May-21	1.189	0.157	0.932	0.323	2.601		8,552	579	8,110	2,616	19,857		139	271	115	130	131
Jun-21	1.218	0.148	0.938	0.358	2.662		8,554	579	8,110	2,616	19,859		142	256	116	145	134
Jul-21	1.183	0.144	0.972	0.435	2.734		8,554	579	8,124	2,616	19,873		138	249	120	178	138
Aug-21	1.178	0.150	0.966	0.480	2.774		8,556	579	8,124	2,616	19,875		138	259	119	196	140
Sep-21	1.153	0.129	0.948	0.353	2.583		8,557	579	8,124	2,616	19,876		135	223	117	144	130
Oct-21	1.225	0.126	0.885	0.329	2.565		8,557	579	8,124	2,616	19,876		143	218	109	139	129
Nov-21	1.156	0.131	0.911	0.329	2.527		8,557	581	8,124	2,616	19,878		135	226	112	135	127
Dec-21	1.264	0.145	0.913	0.310	2.632		8,557	581	8,124	2,616	19,878		148	250	112	127	132
Jan-22	1.174	0.140	0.906	0.357	2.577		8,557	581	8,124	2,616	19,878		137	241	112	145	130
Feb-22	1.113	0.158	0.929	0.300	2.500		8,557	581	8,124	2,616	19,878		130	272	114	120	126
Mar-22	1.176	0.142	0.946	0.307	2.571		8,557	581	8,124	2,616	19,878		137	245	116	123	129
Apr-22	1.134	0.140	0.875	0.315	2.464		8,557	582	8,124	2,616	19,879		133	241	108	129	124

CSD: Cardiff Sanitary Division

RSF CSD: Ranch Santa Fe Community Service District

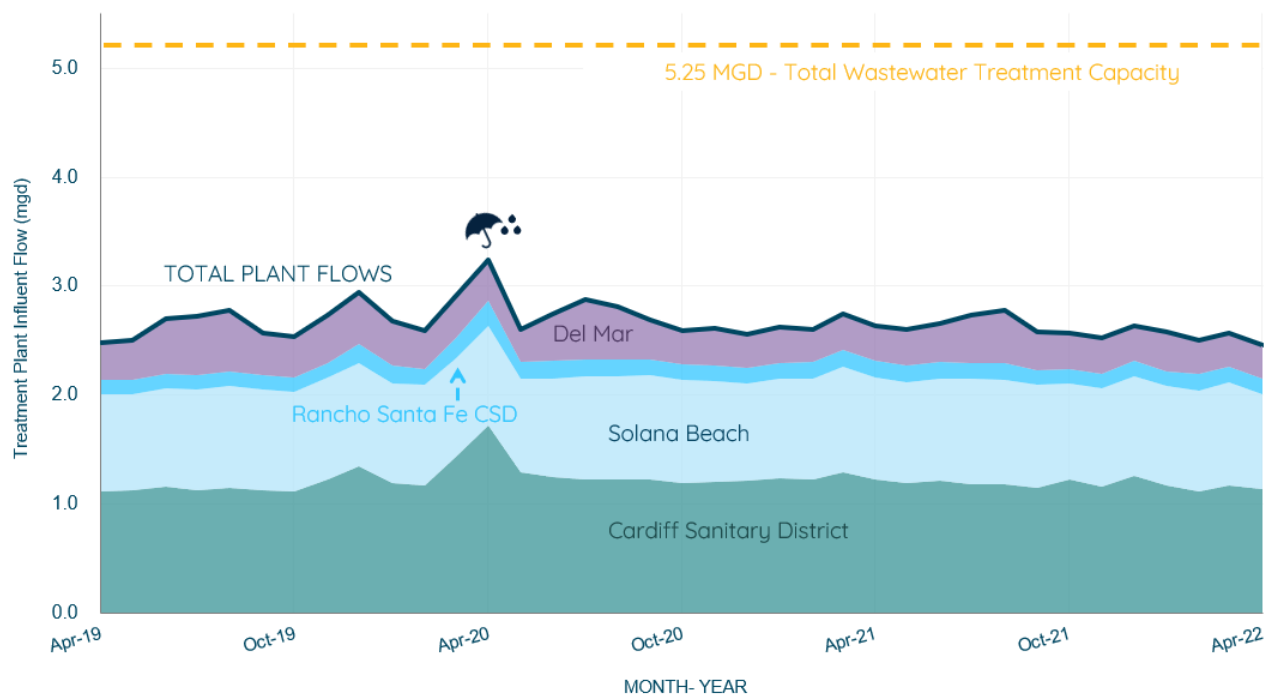
SB: Solana Beach

DM: City of Del Mar

EDU: Equivalent Dwelling Unit

Figure 4 (below) presents the 3-year historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average flow treated for each agency. Also shown in Figure 4 is the total wastewater treatment capacity of the water campus, 5.25 mgd, of which each Member Agency has the right to 2.2 mgd, Rancho Santa Fe Community Service District leases 0.25 mgd, and the City of Del Mar leases 0.60 mgd.

FIGURE 4: SEJPA AVERAGE DAILY FLOWS OVER THE PAST 3 YEARS





### City of Escondido Flows

The average and peak flow rate for the month of April 2022 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below in Table 3.

TABLE 3 – CITY OF ESCONDIDO FLOWS

	Flow (mgd)
Escondido (Average flow rate)	9.79
Escondido (Peak flow rate)	18.2

### Connected Equivalent Dwelling Units

The City of Solana Beach and the City of Del Mar updated the number of connected EDUs that is reported to the SEJPA in July 2021. The City of Encinitas and Rancho Santa Fe CSD update their connected EDUs report every month. The number of EDUs connected for each of the Member Agencies and lease agencies is reported in Table 4 below.

TABLE 4 – CONNECTED EDUs BY AGENCY

	Connected (EDU)
Cardiff Sanitary Division	8,557
Rancho Santa Fe SID	582
City of Solana Beach	7,787
San Diego (to Solana Beach)	337
City of Del Mar	2,616
Total EDUs to System	19,879

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 21, 2022

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER REPORT

RECOMMENDATION

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

DISCUSSION

*Recycled Water Production*

For the month of April 2022, recycled water demand was 174.2 acre-feet (AF), which was met using 172.8 AF of recycled water and 1.4 AF supplementation with potable water.

April demand was 21% above budget expectations of 144 AF due to dry spring weather in the area coupled with Caltrans reconnecting irrigation to recycled water as part of the I-5 Freeway construction improvements. The total water production for the first 10 months of FY 2021-22 was slightly above budget by 5.4%.

Figure 1 (attached) provides a graphical view of annual recycled water demand spanning the last 10 fiscal years, with the overlay of annual rainfall. Since the recycled water program primarily serves outdoor irrigation, annual demand is reduced during wet periods and increases during times of drought. Figure 2 (attached) shows the monthly recycled water demand for each April for the last ten years to provide a year-over-year comparison. Figure 3 (attached) compares budget versus actual recycled water sales for FY 2021-22.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

FIGURE 1: RECYCLED WATER DEMAND AND RAINFALL COMPARISON



FIGURE 2: APRIL RECYCLED WATER DEMAND

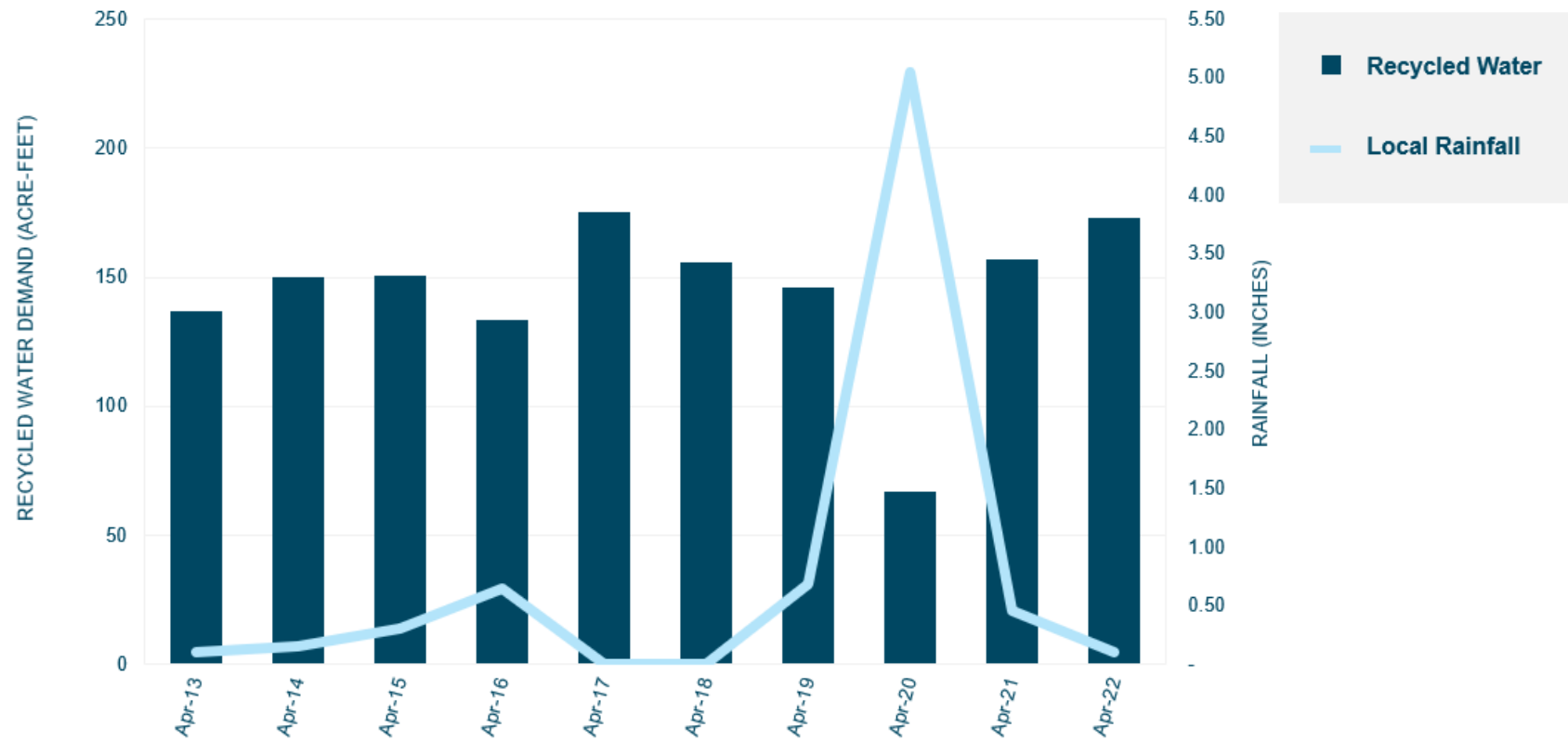
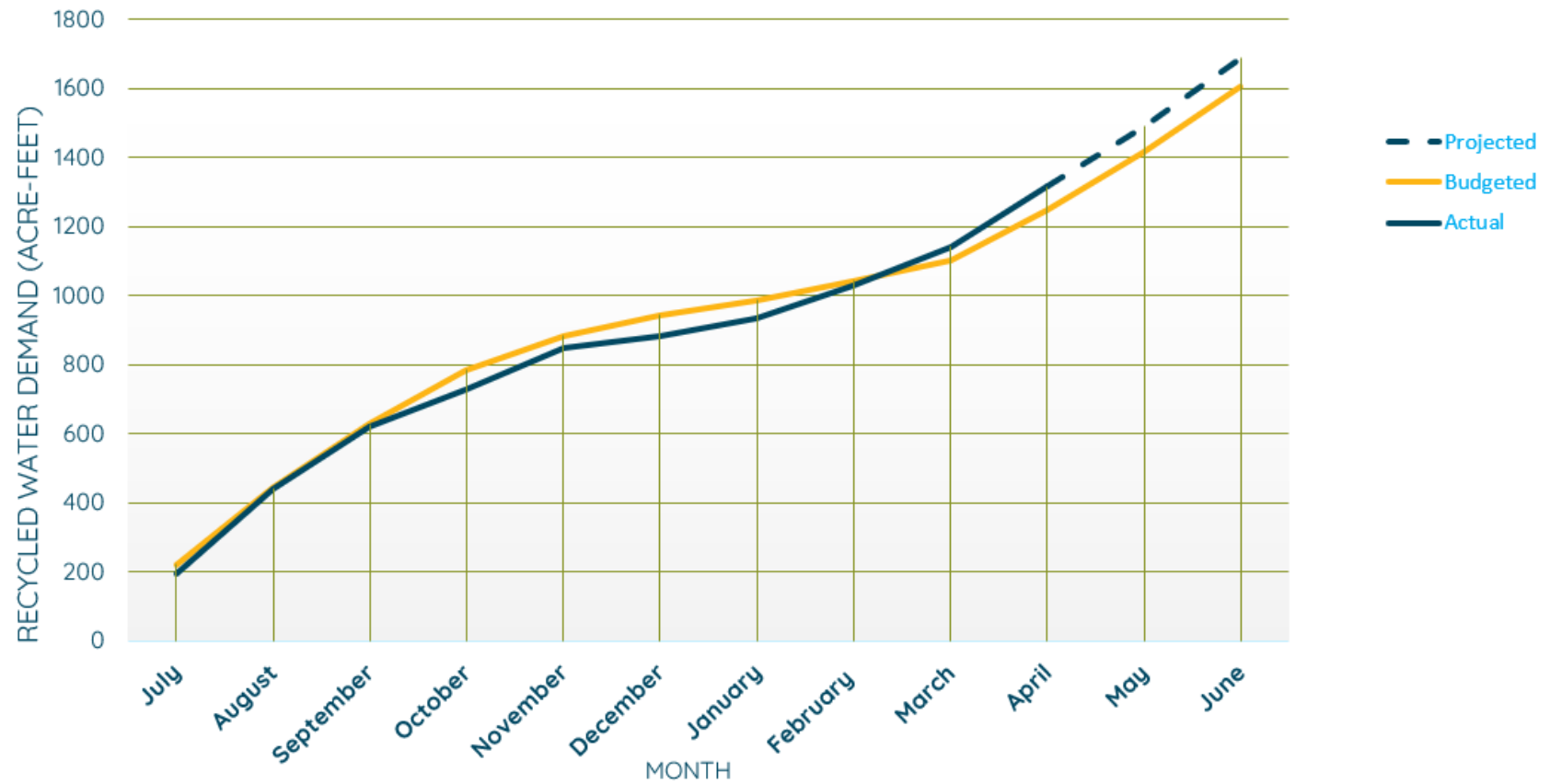


FIGURE 3: FY2021/22 CUMULATIVE DEMAND VS BUDGET



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 21, 2022

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: REPORTABLE MEETINGS

RECOMMENDATION

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

BACKGROUND

The General Manager or his designee may meet monthly with one or more Board Members in preparation for the Board Meeting.

DISCUSSION

The following meetings have taken place since the previous Board Meeting:

1. Meeting to review Board Meeting Agenda with Board Chair Hinze on May 16, 2022.

FINANCIAL IMPACT

Per the SEJPA Restatement Agreement, SEJPA pays the Board Member \$160 for each reportable meeting. These meetings are accounted for in our annual budget.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 21, 2022

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY CONTRACT FOR PROCUREMENT  
OF CALCIUM NITRATE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with Evoqua Water Technologies, LLC for the procurement of Calcium Nitrate for an amount not-to-exceed \$87,000; and
2. Discuss and take action as appropriate.

BACKGROUND

An unintended result of indoor water conservation can be wastewater septicity in the collection system due to lower flows. Reduced wastewater flows result in increased travel time within the wastewater collection system allowing microorganisms within the wastewater to consume available aqueous oxygen and leading to septic conditions. The biological process that leads to septicity also produces corrosive gases (hydrogen sulfide) that pose a safety concern for workers entering the sewer collection system, as well as strong odors (rotten egg smell).

To address this situation, San Elijo Joint Powers Authority (SEJPA) adds liquid calcium nitrate,  $\text{Ca}(\text{NO}_3)_2$ , to the collection system to interrupt the biological process that leads to septicity. Adding the chemical at strategic locations within the collection system can produce benefits for the collection system, pump stations, and the treatment plant. Currently, SEJPA adds calcium nitrate at Olivenhain and Eden Gardens Pump Stations, and measured levels of hydrogen sulfide has substantially decreased.

DISCUSSION

In March 2022, staff advertised and publicly bid via PlanetBids the purchase of 30,000 gallons of calcium nitrate as a turn-key system, including double-walled chemical storage tanks and dosing equipment. The contract term is for one year, with the option to extend for two additional years.

One vendor submitted a bid that met the bid requirements. The bid result is shown in Table 1 below:

**TABLE 1 – BID RESULTS**

<b>Vendor</b>	<b>Cost per Gallon</b>	<b>Gallons</b>	<b>Total Price</b>
Evoqua Technologies, LLC	\$2.90	30,000	\$87,000
USP Technologies	No Bid		

The proposal submitted by Evoqua has been reviewed for completeness. Evoqua is the current provider of Calcium Nitrate to SEJPA, and their service to date has met expectation. Staff contacted USP Technologies to inquire about the “no bid” decision and they responded that the volume of chemical was not enough for them to pursue the contract.

#### FISCAL IMPACT

The lowest responsive and responsible bid was submitted by Evoqua Technologies, LLC for \$2.90 per gallon. The FY 2022-23 Recommended Budget includes \$87,000 for bioxide purchases.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with Evoqua Technologies, LLC for the procurement of Calcium Nitrate for an amount not-to-exceed \$87,000; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

Attachment 1: Evoqua Technologies, LLC Bid Form



**BID FORM  
LIQUID CALCIUM NITRATE INCLUDING ONSITE STORAGE TANKS  
AND DOSING EQUIPMENT  
BID SPECIFICATION SE 2022 LCN**

Date: 4/13/22

**PROVIDE A TURN-KEY, DELIVERED PRICE, FOB Cardiff by the Sea, CA and Solana Beach, CA**

**FOR: LIQUID CALCIUM NITRATE INCLUDING ONSITE STORAGE TANKS AND DOSING EQUIPMENT**

Time Frame: July 1, 2022 to June 30, 2023, with the option of two (2) additional one (1) year terms at the request of the San Elijo Joint Powers Authority.

All prices quoted shall include any and all shipping, handling, insurance, training, consulting, out of pocket expense, setup, and delivery charges necessary to deliver any materials and equipment ordered to:

OLIVENHAIN PUMP STATION – 3050 Manchester Avenue, Cardiff by the Sea, CA 92007  
EDEN GARDENS PUMP STATION – 975 Valley Ave, Solana Beach, CA 92014

Product does not get delivered to any location that has a loading dock.

All safety data sheets are required to be delivered with the product. One copy must also be sent to the SEJPA Operations Office, 2695 Manchester Ave, Cardiff by the Sea, CA 92007.

The total amount of goods to be purchased under this Agreement has been estimated to be 30,000 gallons per year, but actual usage may be considerably less.

UNDERSIGNED, AS BIDDER, HEREBY AGREES AND DECLARES THAT:

1. BID IRREVOCABLE FOR SIXTY DAYS. This bid, as presented herein, is irrevocable, and may not be withdrawn for a period of sixty (60) days after the date set for the opening of bids, except in accordance with the withdrawal of bid provisions of the Information for Bidders.

2. BIDDER ACKNOWLEDGEMENTS. Bidder acknowledges that s/he is submitting this bid in accordance with the applicable statutes of the State of California, applicable local laws, and in accordance with the Notice Inviting Bids for Liquid Calcium Nitrate Including Onsite Storage Tanks and Dosing Equipment, Specification Number SE 2022 LCN, and in accordance with the instructions contained therein and herein.

3. TOTAL BID PRICE FOR THE PURCHASE OF LIQUID CALCIUM NITRATE:

\$ 2.90 \* per gallon

\*We can provide on site Technical Assistance within 24 hours, as required.

4. COSTS INCLUDED IN PRECEDING BID. The undersigned declares that the price per gallon stated above includes all charges, including freight/delivery, onsite storage tanks, secondary containment, dosing feed pumps/control systems, remote monitoring/control equipment, setup, materials, heat tracing (if required), water lines, hydrogen sulfide monitoring units, maintenance, emergency repairs, routine/optimization services, and any applicable taxes and incidentals necessary for delivery of a complete turn-key system.

5. ADDENDA ACKNOWLEDGMENT: Bidder Acknowledges Receipt of Addendum(s) No(s):     

6. ESTIMATED DELIVERY TIME ARO: 48 hours

7. BIDDER INFORMATION:

LEGAL NAME OF BIDDER: Evoqua Water Technologies LLC

BUSINESS ADDRESS: 2650 Tallevast Road  
Sarasota, FL 34243

TELEPHONE: 941-359-7916


CONTACT NAME: Gary Snyder

EMAIL: municipalservices@evoqua.com

8. CLOSING STATEMENT

The undersigned has the legal authority to bind the Bidder to a contract for purchase of the Equipment Item(s) under this Bid and under the above-referenced Request for Bids. The undersigned agrees that, should his/her bid be deemed the lowest responsive bid by SEJPA, s/he will sell the Equipment for no more than the amount stated in this Bid Proposal.

Respectfully submitted by:

  
(Signature)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this statement was executed on April 13, 2022 at Sarasota, ~~California~~ Florida

Clearly printed name:

Gary Snyder

Position:

Director Field Service

Co-signed or attested:

See Attached Officer's Certificate

(Signature)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this statement was executed on \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_, California.

Clearly printed name

\*\*\*END OF BID FORM\*\*\*

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 21, 2022

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY CONTRACT FOR PROCUREMENT  
OF FERRIC CHLORIDE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with California Water Technologies for the procurement of Ferric Chloride for an amount not to exceed \$87,675;
2. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) and Encina Wastewater Authority (EWA) operate similar 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.

EWA and SEJPA have partnered on 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 worked with Procopio Cory Hargreaves & Savitch LLP to develop joint bidding documents 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

EWA staff solicited bids for Ferric Chloride on May 12, 2022 and opened the bids on June 13, 2022. The results are shown in the Table 1 below:

**Table 1: Ferric Chloride Bid Results**

Vendor	Cost per Dry Ton	Dry Ton	Total Price
California Water Technologies	\$ 835	105	\$87,675
Kemira Water Solutions, Inc	\$ 1,149	105	\$120,645
Pencco, Inc.	\$ 1,300	105	\$136,500
Univar USA	No Bid		

The low responsive and responsible bidder is California Water Technologies. SEJPA has previously purchased ferric chloride from this vendor and previous service by California Water Technologies was satisfactory with no noted issues or concerns.

## FISCAL IMPACT

The FY 2022-23 Recommended Budget includes \$92,000 for ferric chloride procurement, which is adequate for the proposed chemical purchase agreement.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with California Water Technologies for the procurement of Ferric Chloride for an amount not to exceed \$87,675;
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

Attachment 1: Bid Results for the Procurement of Ferric Chloride

Attachment 1

This form is required.  
Failure to submit a bid upon this form shall constitute grounds for rejection of the bid.

~~~ BEGIN COST BID FORM ~~~

**BID FORM**

TO: ENCINA WASTEWATER AUTHORITY  
6200 AVENIDA ENCINAS  
CARLSBAD, CA 92011

FOR: PURCHASE AND DELIVERY OF FERRIC CHLORIDE  
FOR THE ENCINA WATER POLLUTION CONTROL FACILITY AND THE SAN ELIJO  
WATER RECLAMATION FACILITY

UNDERSIGNED, AS BIDDER, HEREBY AGREES AND DECLARES THAT:

**A. BID IRREVOCABLE FOR SIXTY DAYS**

This bid, as presented herein, is irrevocable, and may not be withdrawn for a period of sixty days after the date set for the opening of bids.

**B. SCHEDULE OF PRICES**

All prices quoted are F.O.B. JOB SITE furnished and delivered with all applicable taxes, excluding applicable sales taxes, and with all applicable patent rights or royalties. FREIGHT AND FULL INSURANCE SHALL BE PAID BY THE BIDDER to the job site. The Contractor may add an additional amount for applicable sales taxes on its invoices to the Owner.

**C. PRICE OF THIS BID**

\$ 835.00 Price per Dry Ton of Ferric Chloride  
(Written in Figures)

\$ Eight Hundred Thirty-Five Dollars and Zero Cents  
(Written in Words)

**D. COSTS INCLUDED IN PRECEDING BID**

The undersigned declares that the cost for all labor, materials, equipment, and incidentals, excluding applicable sales tax, necessary for the following is included in the Lump Sum Price of this Bid Proposal: FURNISHING AND DELIVERING FERRIC CHLORIDE IN CONFORMANCE WITH APPLICABLE SAFETY ORDERS.

<Continued on Next Page>

**E. COMPANY DATA**

Legal name of bidder: California Water Technologies, LLC

8851 Dice Road, Santa Fe Springs, CA 90670

The full names and residences of all persons and parties interested in the foregoing Bid Proposal as principals are as follows:

(NOTICE: Give first and last names in full; in case of corporation, give names of President, Secretary, Treasurer, and Manager, and in case of partnerships and joint ventures, give names and Post Office addresses of all the individual members.)

Dwight Glover, 300 Frank W. Burr Blvd. Suite 21 Teaneck, NJ 0766-6712 (Manager)

Lauren Stein 10900 Harper Avenue, Detroit, MI 48020 (Manager)

Craig Mikkelson, 10900 Harper Avenue, Detroit, MI 48080 (Manager)

Dave Clark, 8851 Dice Road Santa Fe Springs, CA 90670 (Manager)

Business address: California Water Technologies, LLC

8851 Dice Road

Santa Fe Springs, CA 90670

Telephone 866-337-7427

Facsimile 313-571-6765

Contact Craig Mikkelson (313-571-1100 Ext 4111)

Email bids@pvschemicals.com

<Continued on Next Page>

F. CLOSING STATEMENT

In signing below, bidder certifies that its total bid amount requests sufficient funds to allow Contractor to comply with all applicable laws or regulations governing the goods and services to be provided under the contract. Furthermore, Contractor hereby indemnifies Owner for liabilities and penalties for violations of Labor Code Section 2810.

In conformance with current requirements of Section 1861 of the Labor Code of the State of California, the undersigned confirms the following as his certification:

I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

The undersigned has the legal authority to bind the bidder to a contract for the execution of the work object of this Bid.

Respectfully submitted by:  
(Signature)

Craig Mikkelsen

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this statement was executed on

June 7th, 20 22

at 10900 Harper Avenue Detroit, ~~California~~ Michigan

Clearly printed name:

Craig Mikkelsen

Position:

Vice President of Sales and Marketing of its member, PVS Technologies, Inc.

Seal:

Co-signed or attested:  
(Signature)

Dave Clark

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this statement was executed on

June 7th, 20 22

at 10900 Harper Avenue Detroit, ~~California~~ Michigan

Clearly printed name

Dave Clark

~~~END COST BID FORM~~~



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 21, 2022

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY  
FISCAL YEAR 2022-23 BUDGET, INVESTMENT POLICY, AND  
APPOINTMENT OF TREASURER

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2022-04, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2022-23;
2. Adopt Resolution No. 2022-05, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Amy Chang as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

BACKGROUND

In April 2022, Staff presented the FY 2022-23 Recommended Budget to the Board of Directors for public review and comment. In addition, staff met with both Member Agencies staff as well as discussed the recommended budget with other government agencies that utilize San Elijo Joint Powers Authority (SEJPA) services.

In May 2021, Staff informed the Board of Directors that SEJPA has not received any proposed changes from the Member Agencies or other participating government agencies, as well as no public comments. However, there are four reportable changes to the recommended budget from staff related to two of the 11 programs SEJPA provides and debt service budget. These changes result in a \$37,000 increase to the Cardiff Pump Station Program to reflect the transfer of electric utility payment for the Olivenhain Pump Station from the City of Encinitas to SEJPA, move \$22,500 from Recycled Water Program expense budget (pipeline rent) to debt service for Santa Fe Irrigation District Pipeline Loan payment, add \$20,000 to the Recycled Water Program chemical expense budget to reflect cost increase for the purchase of Sodium Hypochlorite, and add a Recycled Water Supervisor position to the Classification and Salary Schedule to create a position series.

## DISCUSSION

### *FY 2022-23 Budget*

The FY 2022-23 Budget is anticipated to be adequate to fulfill the mission of SEJPA. This budget consists of \$8,911,445 operating costs, \$3,180,000 capital projects, and \$1,587,716 debt service for a total budget of \$13,679,161.

The recommended FY 2022-23 Operations budget of \$8,911,445 includes the new 22<sup>nd</sup> District Agricultural Association clean water services program with a budget at \$120,000 and funding to continue to develop the Recycled Water program and potable reuse concepts. The Cardiff Pump Station budget increase reflects the transfer of electric utility costs to SEJPA from the City of Encinitas. Below is a budget summary of the 11 operational programs for FY2022-23.

| <b>Program</b>                                      | <b>Adopted<br/>Budget<br/>2021-22</b> | <b>Recommended<br/>Budget<br/>2022-23</b> | <b>Budget<br/>Change</b> | <b>%<br/>Change</b> |
|---|---------------------------------------|---|--------------------------|---------------------|
| Wastewater Treatment                                | \$ 3,202,668                          | \$ 3,455,532                              | \$ 252,864               | 7.9%                |
| Laboratory Services                                 | 841,210                               | 894,520                                   | 53,310                   | 6.3%                |
| Ocean Outfall                                       | 1,103,408                             | 1,020,349                                 | (83,059)                 | -7.5%               |
| Cardiff Sanitary Division Pump Stations             | 296,008                               | 355,226                                   | 59,218                   | 20.0%               |
| Encinitas Sanitary Division Pump Stations           | 151,184                               | 155,882                                   | 4,697                    | 3.1%                |
| City of Encinitas Urban and Stormwater Services     | 35,048                                | 37,314                                    | 2,266                    | 6.5%                |
| City of Solana Beach Pump Stations                  | 418,351                               | 446,437                                   | 28,086                   | 6.7%                |
| City of Solana Beach Generator Maintenance Services | 14,111                                | 14,884                                    | 773                      | 5.5%                |
| City of Del Mar Pump Station                        | 57,425                                | 61,888                                    | 4,463                    | 7.8%                |
| Del Mar Fairgrounds                                 | -                                     | 120,000                                   | 120,000                  |                     |
|   | \$ 6,119,414                          | \$ 6,562,031                              | \$ 442,617               | 7.2%                |
| Recycled Water                                      | 1,883,700                             | 2,349,413                                 | 465,713                  | 24.7%               |
| Total Operating Expenses                            | <u>\$ 8,003,113</u>                   | <u>\$ 8,911,445</u>                       | <u>\$ 908,331</u>        | <u>11.3%</u>        |

The recommended FY 2022-23 Capital Improvement Program request is \$3,180,000, which is comprised of the following.

| <b>Program</b>                           | <b>Recommended<br/>Budget<br/>2022-23</b> |
|--|---|
| Wastewater Treatment                     | \$ 1,260,000                              |
| Laboratory Remodel                       | 120,000                                   |
| Ocean Outfall                            | 175,000                                   |
| Cardiff Pump Station                     | -   |
| Encinitas Sanitary Division Pump Station | 1,125,000                                 |
| Solana Beach Pump Station                | -   |
| Water Reclamation                        | 500,000                                   |
| Total Capital Expense                    | <u>\$ 3,180,000</u>                       |

Debt Service for FY 2022-23 is \$1,587,716; and includes \$1,390,813 for Wastewater and \$196,903 for Recycled Water.

| <b>Revenue Source</b>            | <b>Recommended<br/>Budget<br/>2022-23</b> |
|----------------------------------|---|
| 2017 Revenue Bond                | \$ 1,337,425                              |
| SDG&E On-Bill Financing          | 53,388                                    |
| Advanced Water Purification Loan | 148,153                                   |
| SFID Pipeline Loan               | 37,500                                    |
| Solana Beach Pipeline Loan       | 11,250                                    |
| <b>Total Revenue</b>             | <u><b>\$ 1,587,716</b></u>                |

FY 2022-23 revenue budget by entity, which is taking the operating, capital, and debt services expense budgets and allocating to the respective customers, is as follows.

| <b>Revenue Source</b>                  | <b>Adopted<br/>Budget<br/>2021-22</b> | <b>Recommended<br/>Budget<br/>2022-23</b> | <b>Budget<br/>Change</b> | <b>%<br/>Change</b> |
|--|---------------------------------------|---|--------------------------|---------------------|
| City of Encinitas                      | \$ 3,873,291                          | \$ 4,874,444                              | \$ 1,001,153             | 25.8%               |
| City of Solana Beach                   | 2,906,282                             | 3,145,811                                 | 239,529                  | 8.2%                |
| City of Del Mar                        | 870,501                               | 949,515                                   | 79,014                   | 9.1%                |
| 22nd District Agricultural Association | -                                     | 120,000                                   | 120,000                  |                     |
| Rancho Santa Fe CSD                    | 365,764                               | 377,184                                   | 11,420                   | 3.1%                |
| City of Escondido                      | 938,948                               | 988,720                                   | 49,772                   | 5.3%                |

The recommended FY 2022-23 Budget is now ready for Board consideration for adoption as presented in the attached Resolution No. 2022-04. A copy of the FY 2022-23 Recommended Budget Document is available on SEJPA website at <https://www.sejpa.org/about-us/financials>.

### *Investment Policy*

State law requires that the Investment Policy be reviewed and adopted annually. No changes are recommended to SEJPA investment policy at this time. 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 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 Amy Chang, Director of Finance and Administration. The General Manager recommends reappointing Amy Chang as SEJPA Treasurer.

It is therefore recommended that the Board of Directors:

1. Adopt Resolution No. 2022-04, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2022-23;
2. Adopt Resolution No. 2022-05, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Amy Chang as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

Respectfully submitted,



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Amy Chang  
Director of Finance and Administration

Attachment 1: Resolution No. 2022-04, "Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2022-23"

Attachment 2: Resolution No. 2022-05, "Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of SEJPA Treasurer"

**RESOLUTION NO. 2022-04**

**RESOLUTION APPROVING THE SAN ELIJO JOINT POWERS AUTHORITY  
OPERATING AND CAPITAL IMPROVEMENT BUDGETS  
FOR FISCAL YEAR 2022-23**

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 2022-23;

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 Recommended Operating Budgets and Capital Projects Budget, and the funds included herein for the period of July 1, 2022 through June 30, 2023 and hereby finds that such budgets, as reviewed, are sound plans for the financing of required SEJPA operations and capital improvements during Fiscal Year 2022-23. Such budgets are hereby adopted.

|  |                      |
|--|----------------------|
| San Elijo JPA Operations and Maintenance Fund  | \$ 7,952,845         |
| San Elijo JPA Water Reclamation Operating Fund | 3,046,316            |
| San Elijo JPA Capital Projects Fund            | <u>2,680,000</u>     |
| Total  | <u>\$ 13,679,161</u> |

2. The Board of Directors authorizes carrying forward unexpended capital project appropriations and encumbered operating funds for the Fiscal Year 2022-23.
3. The Board of Directors authorizes the SEJPA Treasurer to deposit any surplus FY 2022-23 budgeted funds, meaning appropriated funds that are not expended or otherwise encumbered by June 30, 2023, into the SEJPA PARS Public Agencies Post-Employments Benefits Trust Program.

PASSED AND ADOPTED this 21<sup>th</sup> day of June, 2022, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

ABSTAIN: Board members:

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Kellie Hinze, Chairperson  
SEJPA Board of Directors

ATTEST:

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

**RESOLUTION NO. 2022-05**

**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 SEJPA's 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. SEJPA Treasurer has prepared an Investment Policy and Guidelines, 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 SEJPA's temporary idle cash and outline the policies for maximizing the efficiency of SEJPA's cash management system.
3. The investment goal is to enhance the economic condition of SEJPA while insuring the safety of funds invested.
4. The assignment of Amy Chang as SEJPA Treasurer for the 2022-23 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 21<sup>th</sup> day of June, 2022 by the following vote:

|            |               |
|------------|---------------|
| Ayes:      | Boardmembers: |
| Noes:      | Boardmembers: |
| Abstained: | Boardmembers: |
| Absent:    | Boardmembers: |

Attest:

Signature: \_\_\_\_\_  
Kellie Hinze, Chairperson  
San Elijo Joint Powers Authority Board of Directors

Signature: \_\_\_\_\_  
Michael T. Thornton, P.E.  
Secretary

**EXHIBIT A  
TO  
RESOLUTION NO. 2022-05**

**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 SEJPA cash management system. The investment goal is to enhance the economic condition of SEJPA while insuring the safety of funds invested.

**2. OBJECTIVE**

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

**3. POLICY**

SEJPA Treasurer is responsible for investing the surplus funds in SEJPA Treasury in accordance with the California Government Code, Sections 53600 et seq. and 53635 et seq. 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. 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. SEJPA attempts to obtain the highest yield possible, provided that the basic criteria of safety and liquidity have been met.

#### 4. INVESTMENT INSTRUMENTS

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

#### 6. INVESTMENT REPORTS

- A) SEJPA Treasurer shall submit a monthly investment report to SEJPA's General Manager Board of Directors containing the following information:
- Financial institution
  - Type of investment
  - Amount of deposit
  - Rate of interest
- B) SEJPA Treasurer shall annually render a Statement of Investment Policy to the 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, ordinance, resolution, or indenture of trust.

\* \* \* End of Policy \* \* \*

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 21, 2022

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: ADOPTION OF NEW LABOR AGREEMENT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2022-06, Resolution Adopting the San Elijo Joint Powers Authority Salary and Benefits for Fiscal Years 2022-23, 2023-24, 2024-25 and 2025-26;
2. Approve the FY 2022-23 Classification and Salary Schedule; and
3. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) and its employees are currently operating under a 3-year labor agreement (Resolution No. 2019-03) that expires June 30, 2022. The employees are non-unionized workforce with informal representation. The agency and employees desire to continue the strong working relationship and open communication in developing a new multi-year labor agreement.

DISCUSSION

The General Manager, who is working on behalf of the Board of Directors, has held several meetings with the employees to discuss the process in reaching a mutually acceptable labor agreement and to identify key elements that the employees are seeking. These conversations have been positive and productive, and the proposed requests by staff are in line with current labor trends. In summary, staff is seeking to extend the current labor agreement by up to four years with the following adjustments:

- Cost of Living Adjustment (COLA) to all labor positions (excluding the General Manager)
  - July 1, 2022 – 3%
  - July 1, 2023 – 3%
  - July 1, 2024 – 3%
  - July 1, 2025 – 3% (Optional year employees can decline with majority vote, 50% plus one)

- Safety Boots/Shoes – Adjust to \$225/year from \$200/year
- Prescription Safety Glasses – Adjust to \$335/year from \$300/year
- Stand-by Pay for Afterhours Response – Adjust to 2.00 hours/day from 1.25 hours/day
- Health and Wellness – Adjust to \$120/year from \$60/year
- Work from Home – Up to 2 days/week
- Electric Vehicle Charging – No fee for employees at designated chargers

The employees voted to accept the proposed labor agreement on May 4, 2022. At this time, the labor agreement is being presented to the Board of Directors for consideration of approval through the adoption of Resolution No. 2022-06. In addition, the General Manager has prepared the FY 2022-23 Classification and Salary Schedule in accordance with the labor agreement for the Board of Directors consideration.

It is therefore recommended that the Board of Directors:

1. Adopt Resolution No. 2022-06, Resolution Adopting the San Elijo Joint Powers Authority Salary and Benefits for Fiscal Years 2022-23, 2023-24, 2024-25 and 2025-26;
2. Approve the FY 2022-23 Classification and Salary Schedule; and
3. Discuss and take action as appropriate.

Respectfully submitted,




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Michael T. Thornton, P.E.  
General Manager

Attachment 1: Resolution No. 2022-06

Attachment 2: FY 2022-23 Classification and Salary Schedule

## RESOLUTION NO. 2022-06

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SAN ELIJO JOINT POWERS AUTHORITY  
ADOPTING SALARY AND BENEFITS  
FOR FISCAL YEARS 2022-23, 2023-34, 2024-25, and 2025-26**

**WHEREAS**, San Elijo Joint Powers Authority (SEJPA), which provides direct employment of SEJPA employees, desires 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 SEJPA and have had the opportunity to meet in the informal input process with the designated SEJPA representative, the General Manager, on compensation, benefits, and other terms and conditions of employment;

**NOW THEREFORE**, be it resolved by the Board of Directors of 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. The 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, 2022 and terminate on June 30, 2026, with FY 2025-26 being the option year that employees can vote to opt out of with majority vote. If a new resolution is not in place by July 1, 2026, the provisions of this resolution will continue with all salary and benefit allowance frozen at the Fiscal Year 2025-26 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 Rate | Accrual | 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            |

## RESOLUTION NO. 2022-06

Vacation leave for part-time employees is prorated based on the number of hours worked, e.g. 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. Vacation accrues on an as-worked basis. Vacation does not accrue during any unpaid leave of absence.

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.

### Accrued, Unused Vacation Payout upon Separation of Employment

Upon separation of employment with the SEJPA, accrued vacation benefits that have not been used or cashed out will be paid to the employee in accordance with applicable law.

### Conversion of Accrued, Unused Vacation Leave to Cash

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 annually is limited to an amount equal to the employee's one-year accrual rate at the time the vacation is cashed out. For example, an employee with who has worked for SEJPA for 0 to 5 years is permitted to cash out a maximum of 104 hours annually, provided the employee has used at least 72 vacation hours during the 12 months preceding December 1. The pay rate will be the employee's applicable hourly wage at the time each cash-out payment is made. Cash-out will be paid on a quarterly basis by the last payday of April, July, October, and January. If an employee's employment is terminated prior to receiving all of the employee's quarterly cash-out payments, the employee will be paid all remaining accrued, unused vacation at the time the employee receives his or her final pay. The election to cash-out vacation hours may not be revoked or modified.

## **B. Holidays**

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

## **C. Paid Sick Leave**

### Eligible Employees

All employees (including part-time and temporary) who work for SEJPA are eligible to accrue Paid Sick Leave ("PSL") beginning on the first day of employment under the accrual rate and cap set forth in this policy.

## RESOLUTION NO. 2022-06

### Permitted Use

Eligible employees may use their accrued PSL to take paid time off for the diagnosis, care, or treatment of an existing health condition of (or preventive care for) the employee or the employee's family member.

For purposes of this policy, "family member" means a child, parent, spouse, registered domestic partner, grandparent, grandchild, or sibling of the employee. "Child" means a biological child, a foster child, an adopted child, a step-child, a child of a registered domestic partner, a legal ward, or a child of a person standing in loco parentis. "Parent" means a biological, foster, or adoptive parent, a step-parent, or a legal guardian of the employee or the employee's spouse or registered domestic partner. "Spouse" means a legal spouse, as defined by California law.

Employees may also use their PSL to take time off from work for reasons related to domestic violence, stalking, or sexual assault.

### Accrual Rate, Maximum, and Carryover

Eligible **full-time employees** will accrue eight hours of PSL per month accumulated on a bi-weekly basis beginning immediately upon hire. Part-time employees will accrue on a prorated bases, but not less than one hour of PSL for every 30 hours worked beginning immediately upon hire. Accrual for non-exempt, part-time employees will be calculated based on actual hours worked. PSL accrues on an as-worked basis and does not accrue during an unpaid leave of absence.

There is a cap on PSL accrual. PSL accrues up to a maximum of 1,000 hours after which accrual ceases until the balance of maximum accrued hours falls below the cap. In such a case, no PSL will be earned for the period in which the employee's PSL was at the maximum. Accrued but unused PSL will carry over from year to year, subject to this maximum accrual.

### Limits on Use and Cashing Out

If an employee absents himself or herself from work for part or all of a workday for a reason covered by this policy, he or she will be required to use accrued PSL to make up for the absence. If while on vacation, an employee becomes ill, he/she may have the period of illness charged to his/her accumulated sick leave instead of vacation.

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 provided an election is made prior to December 15<sup>th</sup> each year for payment in the following year. The pay rate will be 50 percent of the employee's hourly wage at the time of the cash-out.

### Notification

The employee must provide reasonable advance notification, orally or in writing, of the need to use PSL, if foreseeable. If the need to use PSL is not foreseeable, the employee must provide notice as soon as practicable.

### Termination

Employees who are not terminated for cause and have given SEJPA 14 calendar days (beginning on the date the notice is received by 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 regular rate of pay at the time of the cash-out.

## RESOLUTION NO. 2022-06

All other employees who do not meet the conditions above will not receive pay in lieu of accrued but unused PSL. Accrued but unused PSL will not be paid out upon termination for cause or where the employee has failed to provide 14 days' notice of termination.

### Retaliation

SEJPA prohibits discrimination or retaliation against employees for using their PSL.

### **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          | Persons who have raised the employee |

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. SEJPA may request documentation (i.e. a copy of the death certificate) to certify the need for such leave.

### **E. Administrative Leave**

Exempt employees are exempt from overtime provisions of the Fair Labor Standards Act. In lieu of compensating overtime, 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. If there is a conflict between this Agreement and the applicable plan document, the plan document shall apply.

Employees and their dependents are provided with group health insurance coverage under the CalPERS PEMCHA program. Effective July 1, 2019, 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 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 SEJPA contribution. Eligibility for health coverage will begin the first of the month following employment.

Employees who meet the applicable eligibility requirements established by SEJPA, in accordance with applicable law, 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

## RESOLUTION NO. 2022-06

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 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**

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.

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**, 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**, 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%.



## RESOLUTION NO. 2022-06

**For all employees hired after January 1, 2013**, 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, SEJPA shall contribute an equal amount on a matching basis up to 4 percent (4%) of the employee's annual base salary.

### **L. Uniforms and Safety Equipment**

SEJPA shall provide all laboratory, operations and maintenance employees (and any other employee classification as deemed appropriate) with necessary personal protective equipment as required for their duties, including but not limited to uniforms. SEJPA shall provide employees, upon date of hire and yearly thereafter, up to a maximum amount of **\$225.00** 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 reimbursement of replacement boots.

SEJPA shall provide employees up to **\$335.00** each fiscal year for the purchase of SEJPA-approved prescription safety glasses.

In certain circumstances, the General Manager also has authority to approve a uniform and safety equipment allowance beyond the maximum amount.

### **M. Tuition Reimbursement**

SEJPA will reimburse employees for certain educational expenses incurred by employees in connection with the employee's successful completion of educational courses approved in advance by SEJPA. Employees may be reimbursed up to \$625.00 for any one course, and up to a maximum of \$2,300.00 per employee per fiscal year.

### **N. Health and Wellness Reimbursement**

Starting in FY 2022-23, each employee is eligible for a reimbursement of up to \$120 per year for purchases related to health and wellness.

### **O. Work from Home**

Eligible employees with approval of their respective director may be allowed up to two (2) days per week to work from home. Employees approved to work from home are required to be available for calls and meetings during scheduled work shift.

### **P. Electric Vehicle Charging**

Electric vehicle charging shall be offered to employees without a fee at designated charging stations.

### **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 2022, 2023, 2024, and 2025, the Classification and Compensation Schedule for all personnel classifications shall be increased as follows:

| <b>Year</b>    | <b>Cost of Living Adjustment (COLA)*</b> |
|----------------|--|
| July 1, 2022   | 3.0%                                     |
| July 1, 2023   | 3.0%                                     |
| July 1, 2024   | 3.0%                                     |
| July 1, 2025** | 3.0%                                     |

\* Salary schedule adjustment shall apply to all SEJPA labor classifications except for the General Manager position.

\*\* Option year that employees can vote to opt out of with majority vote by July 31, 2024.

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. At the discretion of the General Manager, employees may qualify for a one-time annual recognition bonus of up to \$800.00 for exceptional work performance.

The Classification and Compensation Schedule for Fiscal Year 2022-23 is shown in Exhibit A.

SEJPA and its employees acknowledge and agree that during the term of this agreement SEJPA may implement decisions within its discretion related to implementation of its on-going assessment of the competitiveness of 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. SEJPA invites employees to provide input on these decisions if they result in a modification of any express provision of 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 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**

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 **two (2.00) hours** at their regular hourly rate of pay per day.

#### **F. Call-Back**

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-backs 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**

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 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 and providing proof of completion of the qualifying certification or education.

Industry Awards and Professional Certifications - \$500.00

Associates Degree - \$1,000.00, Bachelor's Degree - \$1,500.00, Master's Degree - \$2,000.00

##### **2. Organizational Performance Achievements**

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

## RESOLUTION NO. 2022-06

### 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 Program – Provides incentive funding to all employees up to \$1,000.00 per employee per year that successfully perform safety inspections, safety presentations, develop corrective actions, demonstrate understanding of SEJPA's illness and Injury Prevention Plan, and safety online training as prescribed in the SEJPA Safety Program.

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 60 days of receiving award and providing proof of receipt of award.

- Local Award – 1<sup>st</sup> 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 provided they remain an employee on the date of the award. For example, an employee employed for only six (6) months of the award year will receive 50% of the applicable award bonus. Any single project or program may qualify for up to three industry awards in any one fiscal year period. For example, a capital project may achieve award recognition by four different organizations; however, the total award bonus will be limited to three.

### **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.

RESOLUTION NO. 2022-06

PASSED AND AMENDED this 21<sup>st</sup> day of June 2022, by the following vote:

|          |                |
|----------|----------------|
| AYES:    | Board Members: |
| NOES:    | Board Members: |
| ABSENT:  | Board Members: |
| ABSTAIN: | Board Members: |

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Kellie Hinze, Chairperson  
SEJPA Board of Directors

ATTEST:

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

**SAN ELIJO JOINT POWERS AUTHORITY**  
**FY 2022-23 CLASSIFICATION AND SALARY SCHEDULE**  
As of July 1, 2022

| Position  | Base Salary* |         |          |          |
|---|--------------|---------|----------|----------|
|   | Monthly      |         | Annual   |          |
|   | Minimum      | Maximum | Minimum  | Maximum  |
| <b>Accounting Series</b>                          |              |         |          |          |
| <i>Accounting Technician I</i>                    | \$3,798      | \$5,433 | \$45,574 | \$65,197 |
| <i>Accounting Technician II</i>                   | 4,396        | 6,289   | 52,748   | 75,460   |
| <i>Accounting Technician III</i>                  | 5,087        | 7,642   | 61,051   | 91,705   |
| <b>Administrative Series</b>                      |              |         |          |          |
| <i>Administrative Assistant I</i>                 | 2,815        | 4,084   | 33,785   | 49,010   |
| <i>Administrative Assistant II</i>                | 3,776        | 5,557   | 45,317   | 66,682   |
| <i>Administrative Assistant III</i>               | 4,540        | 6,320   | 54,489   | 75,844   |
| <i>Administrative Coordinator</i>                 | 6,092        | 8,657   | 73,094   | 103,885  |
| <b>Director of Operations</b>                     | 11,672       | 17,199  | 140,071  | 206,391  |
| <b>Director of Finance/Administration</b>         | 11,672       | 17,199  | 140,071  | 206,391  |
| <b>Financial Analyst Series</b>                   |              |         |          |          |
| <i>Financial Analyst-In-Training</i>              | 3,781        | 6,042   | 45,370   | 72,499   |
| <i>Financial Analyst I</i>                        | 5,207        | 7,188   | 62,487   | 86,251   |
| <i>Financial Analyst II</i>                       | 5,724        | 7,901   | 68,687   | 94,808   |
| <i>Financial Analyst III</i>                      | 6,189        | 8,970   | 74,271   | 107,642  |
| <b>General Manager (Board Approved Contract)</b>  | 20,311       | 20,920  | 243,737  | 251,049  |
| <b>Laboratory Series</b>                          |              |         |          |          |
| <i>Laboratory Analyst-In-Training</i>             | 3,781        | 6,042   | 45,370   | 72,499   |
| <i>Laboratory Analyst I</i>                       | 4,642        | 6,641   | 55,709   | 79,694   |
| <i>Laboratory Analyst II</i>                      | 5,555        | 7,947   | 66,659   | 95,359   |
| <i>Senior Laboratory Analyst</i>                  | 7,169        | 9,457   | 86,018   | 113,478  |
| <i>Laboratory Manager</i>                         | 7,681        | 12,536  | 92,166   | 150,432  |
| <b>Mechanic Series</b>                            |              |         |          |          |
| <i>Mechanic-In-Training</i>                       | 3,781        | 6,042   | 45,370   | 72,499   |
| <i>Mechanic I</i>                                 | 4,726        | 6,856   | 56,711   | 82,271   |
| <i>Mechanic II</i>                                | 5,464        | 7,926   | 65,568   | 95,119   |
| <i>Lead Mechanic</i>                              | 5,911        | 9,218   | 70,929   | 110,613  |
| <i>Mechanical Systems Manager</i>                 | 8,230        | 12,536  | 98,759   | 150,432  |
| <b>Project Management Series</b>                  |              |         |          |          |
| <i>Project Manager</i>                            | 7,681        | 11,537  | 92,166   | 138,439  |
| <i>Senior Project Manager</i>                     | 8,763        | 12,536  | 105,156  | 150,432  |
| <b>Systems Integration Series</b>                 |              |         |          |          |
| <i>Systems Integration Technician-In-Training</i> | 3,781        | 6,042   | 45,370   | 72,499   |
| <i>Systems Integration Technician I</i>           | 4,808        | 6,975   | 57,699   | 83,705   |
| <i>Systems Integration Technician II</i>          | 5,596        | 8,403   | 67,159   | 100,837  |
| <i>SCADA Manager</i>                              | 8,703        | 14,170  | 104,430  | 170,045  |
| <b>Wastewater Treatment Operator Series</b>       |              |         |          |          |
| <i>Operator-In-Training</i>                       | 3,781        | 6,042   | 45,370   | 72,499   |
| <i>Operator I</i>                                 | 4,755        | 6,850   | 57,054   | 82,190   |
| <i>Operator II</i>                                | 5,721        | 8,242   | 68,659   | 98,908   |
| <i>Lead Operator</i>                              | 6,519        | 9,457   | 78,223   | 113,479  |
| <i>Chief Plant Operator</i>                       | 8,230        | 12,536  | 98,759   | 150,432  |
| <b>Recycled Water Distribution Series</b>         |              |         |          |          |
| <i>Recycled Water Specialist</i>                  | 5,968        | 8,657   | 71,610   | 103,885  |
| <i>Recycled Water Supervisor</i>                  | 6,519        | 9,457   | 78,223   | 113,479  |
| <b>Intern (All Departments)</b>                   | 2,600        | 4,053   | 31,200   | 48,637   |

\* Base salary minimum and maximum are based on full-time employment. Intern positions are generally part-time.

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 21, 2022

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: ASSIGNMENT OF OWNERSHIP RIGHTS AND ACCESS AGREEMENTS FOR  
THE WANKET RESERVOIR TANK

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with the San Dieguito Water District (San Dieguito) and the Olivenhain Municipal Water District (Olivenhain) for assignment of ownership rights and for an access license agreement related to the Wanket Reservoir; and
2. Discuss and take action as appropriate.

BACKGROUND

On September 26, 1974, San Dieguito and Olivenhain entered into an agreement in regard to the J.C. Wanket Reservoir, an approximately 3 million gallon tank, inclusive of valves, pipes and other fixtures (the "Reservoir"), providing for joint use of the water storage reservoir. In addition, San Dieguito and Olivenhain jointly own the real property on which the Reservoir is located, APN 254-611-11 (the "Property"), as tenants-in-common, pursuant to the grant deed recorded May 16, 1974 as document no. 74-127670.

Pursuant to the Reservoir Agreement, San Dieguito is entitled to one-third of the capacity in the Reservoir and is obligated to pay for one-third of the maintenance costs of the Reservoir. While Olivenhain operated and used the Reservoir from 1975 until 2008, San Dieguito has never used its capacity in the Reservoir and neither entity has used the Reservoir for water storage since 2008.

San Elijo Joint Powers Authority (SEJPA) desires to rehabilitate the Reservoir to store recycled water and connect it to its nearby recycled water distribution system.

## DISCUSSION

Use of the Reservoir for recycled water storage by SEJPA would benefit customers of both Olivenhain and San Dieguito by increasing operational reliability and service capacity of SEJPA's recycled water system. In addition, the Reservoir would more than double the storage capacity of the existing recycled water system, which would improve the ability of SEJPA to provide recycled water service during times when the recycled water facility is offline for maintenance, as well as improve water pressure in the northern section of the service area. The location of the Reservoir is also advantageous for interconnecting to other recycled water districts that could allow for expanded service and regional storage and distribution.

Staff and attorneys for San Dieguito, Olivenhain, and SEJPA have reviewed the proposed agreements (attached) and support the assignment of San Dieguito's ownership of the Reservoir to SEJPA. Olivenhain will retain its ownership rights of the Reservoir and has supported SEJPA in its pursuits of grant funding towards the cost of converting the Reservoir to recycled water.

With the assignment of San Dieguito's ownership, SEJPA agrees to assume all rights, obligations, and liabilities of San Dieguito with respect to the Reservoir based on the terms and conditions in the proposed agreement, and Olivenhain consents to such assignment and assumption.

## FINANCIAL IMPACT

The proposed ownership assignment and license access agreement with the SDWD is for the total value of \$136,796.40, which is the amount owed by San Dieguito to SEJPA for annual minimum recycled water purchases for fiscal year 2019-20, as set forth in the SEJPA invoice dated August 11, 2020, titled "FY 2019-20 Reconciliation of Recycled Water Invoiced to SDWD." All such amounts owed by San Dieguito will be considered fully paid and no longer due.

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with the San Dieguito Water District and the Olivenhain Municipal Water District for assignment of ownership rights and for an access license agreement related to the Wanket Reservoir; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

Attachment 1: License Agreement



**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

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

**NO FEE REQUIRED PER  
GOVERNMENT CODE SECTION 6103**

**DEED TRANSFER TAX: \$ 0  
EXEMPT UNDER SEC. 11922 OF  
REVENUE TAXATION CODE**

This Space is for Recorder's Use

APN 254-611-11

**LICENSE AGREEMENT AND RIGHT OF ENTRY  
FOR J.C. WANKET RESERVOIR**

This License Agreement and Right of Entry ("License Agreement") is entered into and effective as of \_\_\_\_\_, 2022, by and between the Olivenhain Municipal Water District, a Municipal Water District ("Olivenhain"), and the San Dieguito Water District, a subsidiary district of the City of Encinitas organized and operating under the Irrigation District Law ("San Dieguito"), public agencies collectively referred to herein as "Licensors," and the SAN ELIJO JOINT POWERS AUTHORITY, a public agency organized as a Joint Powers Authority ("SEJPA" or "Licensee"), each referred to herein as a "Party" or collectively as the "Parties."

**RECITALS**

WHEREAS, Olivenhain and San Dieguito are the owners of record, as tenants in common, of that certain parcel of real property located in the City of Encinitas, County of San Diego, State of California, described on Exhibit B, attached hereto and incorporated herein by reference ("Property"); and

WHEREAS, on September 26, 1974, San Dieguito and Olivenhain entered into an agreement in regard to the J.C. Wanket Reservoir, an approximately 3 million gallon tank, inclusive of valves, pipes and other fixtures located on the Property (the "Reservoir"), providing for joint use of the Reservoir and defining the parties' rights and responsibilities with respect to capacity in and operation of the Reservoir (the "Reservoir Agreement"); and

WHEREAS, the Parties are entering into an Assignment and Assumption Agreement ("Assignment Agreement") for SEJPA to acquire San Dieguito's one-third interest in the Reservoir to allow for SEJPA to rehabilitate and operate the Reservoir for recycled water storage; and

WHEREAS, pursuant to Section 6 of the Assumption Agreement, Olivenhain and San Dieguito shall grant to SEJPA access rights to the Reservoir and across the Property for construction, maintenance, and operation of the Reservoir for recycled water storage; and

WHEREAS, the license and right of entry granted by this License Agreement consists of access across the Property and to, around and including the Reservoir, as depicted in Exhibit "C" (hereinafter the "License Area").

**NOW, THEREFORE**, in consideration of the foregoing and the mutual promises contained herein, the Parties agree as follows:

### **1. GRANT OF LICENSE**

Licensors grant to SEJPA, and to SEJPA's successors and assigns, a perpetual non-exclusive license and right-of-entry ("License") upon, in, across, over, and under the Property for the License Area, as depicted in Exhibit "C", under the terms and conditions herein stated.

### **2. AUTHORITY NOT EXCLUSIVE**

This License is non-exclusive. The Licensee shall respect the rights and property of Licensors and other authorized users of the Licensors' property.

### **3. LICENSE USE**

This License is granted for the purpose of and conveys to Licensee, as a joint user with capacity rights in the Reservoir pursuant to the Assignment Agreement attached hereto as Exhibit "A" and incorporated herein by reference, the right to restore, refurbish, rehabilitate, modify, repair, access, use (including for recycled or potable water), protect (including by erecting or constructing any fences or walls, in locations and with the consent of GRANTORS), inspect, and maintain the Reservoir within the License Area as Licensee may from time to time determine, and further conveys the right of ingress and egress to and along said License Area by practical route or routes, in, upon, over, and across the Property, together with the right to clear and keep clear said routes of ingress and egress. The term "Reservoir" as used herein includes all pipelines, pumps, valves, meters, fixtures and facilities necessary or convenient for Licensee's use and protection of the Reservoir.

### **4. LIMITATIONS ON USE**

Licensee shall comply with all applicable terms, conditions and requirements of Licensors' policies regarding the Property, and any ordinances, rules and regulations imposed by state or federal law. Licensee shall comply with all applicable laws and regulations of the federal, state, county, local government and all administrative agencies thereof which may have jurisdiction over the License Area.

- a. SEJPA will ensure that its exercise of any rights provided for by this License is consistent with the purpose of this License and will not interfere with Licensors' use of the Property.
- b. Within a reasonable time following completion of any work done by SEJPA to the Reservoir or within the License Area, SEJPA shall restore, or cause to be restored, the License Area surface as near as practicable to its pre-existing condition.
- c. SEJPA shall not cause or permit any Hazardous Material to be used, stored, transported, generated, or disposed in or about the License Area by SEJPA, SEJPA's agents, employees, contractors, or invitees. "Hazardous Material" means any hazardous, toxic, or infectious substance, material, or waste which is or becomes regulated by any local governmental entity, the State of California, or the United States Government under any law, regulation or ordinance regulating or controlling any Hazardous Material.

### **5. LICENSORS' RESERVED RIGHTS**

Licensors reserve to each of them, and to their successors and assigns, the right to cultivate, occupy or use the Property and the License Area for any purpose not conflicting, interfering, or inconsistent with the access rights and privileges granted to Licensee herein including, but not limited to, the right of ingress and egress across the License Area; erection and maintenance of cell towers and/or other

utilities; erection or construction of any building, fences, walls, or other permanent structures of any kind; planting or maintenance of any trees, shrubs or other plants or vegetation; changing the alignment or grading of the surface or of any road; increasing or decreasing the ground elevation existing at the time of this License; and/or drilling, digging or excavating past the surface of any portion of the License Area. Licensors shall provide Licensee with thirty (30) days' notice prior to exercising any such reserved rights which, in Licensors' reasonable discretion, could impact or potentially interfere with Licensee's use of the License Area. Licensors' use of the Property and exercise of reserved rights shall not interfere with Licensee's License, including Licensee's use of the Reservoir and any property interests therein.

## **6. MODIFICATIONS TO LICENSE AREA**

The Parties, upon mutual written agreement, shall have the right to make reasonable changes, whether temporary or in perpetuity, in the location, dimensions, or configuration of the License Area, provided that the relocation or modifications do not significantly reduce either the utility of the License or the Licensee's ability to enjoy and use the License, or frustrate the purposes for which the License was created.

## **7. CONSIDERATION**

As consideration for this License, SEJPA agrees to contribute to the maintenance of the Reservoir and operate and maintain the Reservoir in a safe condition. SEJPA further agrees, at its sole cost and expense (subject to separate agreement between SEJPA and Olivenhain), to be responsible for maintenance of the License Area and assume San Dieguito's maintenance obligations for the Property. Except as set forth in this section, SEJPA shall have the right to exercise the rights granted to it by this License without the payment of any compensation to Licensors. Nothing in this License Agreement shall prevent SEJPA from separately entering into cost-sharing or other agreements relating to the Reservoir with either or both Licensors or with any other person or entity.

## **8. CONSTRUCTION, MAINTENANCE AND REPAIR**

Any work performed or caused to be performed by SEJPA in the License Area shall be performed (a) in accordance with any and all applicable laws, rules and regulations (including the Licensors' rules and regulations); (b) in accordance with City of Encinitas' permitting process; and (c) in a manner that is satisfactory to Licensors and which meets or exceeds the then applicable standards of the industry for such work. Licensee shall notify Licensors prior to any commencement of work within the License Area. Additionally, Licensee shall be responsible for any citations issued by any agency having jurisdiction as a result of Licensee's failure to comply with any applicable law, regulation, ordinance, rule, or order.

## **9. INDEMNIFICATION**

Licensee agrees to protect, save, defend, and hold harmless Licensors and their respective Board of Directors ("Boards") and each member of the Boards (collectively, the "Indemnified Parties"), and the Indemnified Parties' respective officers, agents, contractors and employees, from any and all liability or claim of liability, loss or expense, including defense costs and legal fees and claims for damages of whatsoever character, nature and kind, whether directly or indirectly arising from or connected with an act or omission of Licensee, or any employee, agent, invitee, or contractor of Licensee, or other person acting by or on behalf of Licensee, arising from the License Area, including, but not limited to, liability, expense, and claims for bodily injury, death, personal injury, or property damage; provided, however, that (1) nothing herein shall relieve any party indemnified hereunder from liability to the extent that such

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liability arises from such party's sole established negligence or willful misconduct; (2) nothing herein shall relieve any Indemnified Parties from liability to the extent that such liability arises from such party's established negligence or willful misconduct for all other claims; and (3) nothing herein shall relieve Olivenhain from any obligation, including contribution, that may be required in its capacity as co-owner of the Reservoir or as agreed to between Olivenhain and Licensee.

The requirements as to insurance coverage to be maintained by Licensee as required by Section 12 are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Licensee pursuant to this License Agreement, including but not limited to the provisions concerning indemnification.

## **10. TERMINATION**

- a. Parties acknowledge that the License granted herein is necessary for Licensee to access, improve, and maintain the Reservoir. This License shall run with the land unless terminated as set forth in this section.
- b. If Licensee uses the License Area for any purpose not expressly authorized by this License Agreement or fails to act strictly in accordance with the terms and conditions of this License Agreement, Licensors shall provide written notice to Licensee of the default. Licensee shall correct the default within thirty (30) days; however, if the default is not able to be cured within thirty (30) days, Licensee shall provide notice to Licensors with evidence of Licensee's efforts to cure the default. The Parties shall make reasonable efforts to work together to cure the default, and should Licensee not be able to cure the default, Licensors may terminate this License Agreement and prevent Licensee from using or remaining upon the License Area.
- c. If Licensee abandons or ceases to maintain and operate the Reservoir for any consecutive period of seven (7) years or more, Licensors may terminate this License Agreement, specifying the effective date thereof at least one hundred eighty (180) days prior to the effective date.
- d. Upon termination of this License, all improvements shall be and remain a part of the License Area.

## **11. ACCEPTANCE OF LICENSE AREA**

Licensee accepts any License Area in its present physical "as-is" condition, and agrees to make no demands upon Licensors for any improvements or alterations. By signing this License Agreement, Licensee represents and warrants that Licensee will independently inspect any License Area and the area immediately surrounding and made all investigations, tests, and observations necessary to satisfy Licensee as to the condition of any License Area, zoning and land use laws, regulations, and ordinances affecting the License Area, and all of the conditions, restrictions, encumbrances, and other matters of record relating to the License Area. Licensee agrees that Licensee is relying solely on Licensee's independent inspection and that Licensors makes no warranty or representation with regard to any License Area. Licensors shall not be responsible for any latent defect or change in condition in any License Area and Licensee's obligations under this License Agreement shall not be diminished on account of any defect in any License Area, any change of condition, or any damages occurring on any License Area. Licensee hereby releases Licensors from all future claims, actions, or demands that Licensee may have or may hereinafter have, known and unknown, in any way relating to the quality, fitness, or condition of the License Area, and Licensee specifically waives all rights under California Civil Code section 1542, which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Initial: \_\_\_\_\_

## 12. INSURANCE

Without limiting Licensee's indemnification obligations to Licensors under this License Agreement, Licensee shall provide and maintain during the term of this License, at Licensee's sole expense, insurance in amounts sufficient to reasonably cover and protect from any and all Licensee operations in the License Area.

## 13. GENERAL

- a. All terms and conditions in this Easement shall inure to the benefit of and bind the parties, their successors and assigns.
- b. The benefits and burdens herein are intended, and shall, run with the land.
- c. This License shall not be modified except by a written instrument signed by the Parties and recorded.
- d. Licensors expressly warrant and represent that they have the power to grant this License in accordance with its terms.
- e. This License Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this License Agreement, the action shall be brought in a State or Federal court situated in the County of San Diego, State of California.
- f. Except as otherwise provided in this License Agreement, any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery or by certified or registered mail, and shall be deemed sufficiently given if delivered or addressed to:

SEJPA: San Elijo Joint Powers Authority  
2695 Manchester Avenue  
Cardiff by the Sea, CA 92007  
Attention: \_\_\_\_\_

San Dieguito: San Dieguito Water District  
160 Calle Magdalena  
Encinitas, CA 92024  
Attention: \_\_\_\_\_

Olivenhain: Olivenhain Municipal Water District  
1966 Olivenhain Road  
Encinitas, CA 92024  
Attention: \_\_\_\_\_

Mailed notices shall be deemed given upon actual receipt at the address required, or forty-eight (48) hours following deposit in the mail, postage prepaid, whichever first occurs. Any Party may by notice to the others specify a different address for notice purposes.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties executed this License Agreement effective as of this \_\_\_\_ day of \_\_\_\_\_, 2022.

**OLIVENHAIN MUNICIPAL WATER DISTRICT:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SAN DIEGUITO WATER DISTRICT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SAN ELIJO JOINT POWERS AUTHORITY**

By: \_\_\_\_\_  
Michael T. Thornton, General Manager

## ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement ("Agreement"), is made as of \_\_\_\_\_ by and among the San Dieguito Water District ("San Dieguito" or "SDWD") and the San Eljio Joint Powers Authority ("SEJPA" or "Assignee"), and consented to by the Olivenhain Municipal Water District ("Olivenhain").

### RECITALS

- A. On September 26, 1974, San Dieguito and Olivenhain entered into an agreement in regard to the J.C. Wanket Reservoir, an approximately 3 million gallon tank, inclusive of valves, pipes and other fixtures (the "Reservoir"), providing for joint use of the Reservoir and defining the parties' rights and responsibilities with respect to capacity in and operation of the Reservoir (the "Reservoir Agreement").
- B. In addition, San Dieguito and Olivenhain jointly own the real property on which the Reservoir is located, APN 254-611-11 (the "Property"), as tenants-in-common, pursuant to the grant deed recorded May 16, 1974 as document no. 74-127670.
- C. Pursuant to the Reservoir Agreement, San Dieguito is entitled to one-third of the capacity in the Reservoir and is obligated to pay for one-third of the maintenance costs of the Reservoir.
- D. While Olivenhain operated and used the Reservoir from 1975 until 2008, San Dieguito has never used its capacity in the Reservoir and neither entity has used the Reservoir for water service since 2008.
- E. SEJPA desires to rehabilitate the Reservoir to store recycled water and connect it to its nearby recycled water distribution system.
- F. Use of the Reservoir for recycled water storage by SEJPA would benefit customers of both Olivenhain and San Dieguito by increasing operational reliability and performance of SEJPA's recycled water system with cost-effective new storage.
- G. SEJPA desires to acquire San Dieguito's one-third interest in the Reservoir to allow for SEJPA's rehabilitation and operation of the Reservoir for recycled water storage.
- H. SDWD agrees to transfer and assign its interests in the Reservoir to SEJPA and SEJPA agrees to assume all rights, obligations and liabilities of SDWD with respect to the Reservoir based on the terms and conditions below, and Olivenhain consents to such assignment and assumption.

NOW THEREFORE, San Dieguito, SEJPA and Olivenhain agree as follows:

- 1. Effective Date. As used in this Agreement, the "Effective Date" shall be \_\_\_\_\_.
- 2. Assignment by San Dieguito. As of the Effective Date, San Dieguito assigns to SEJPA all rights, title, and interest to its capacity in the Reservoir pursuant to the Reservoir

Agreement including, but not limited to, its one-third storage capacity in the Reservoir and all corresponding rights and obligations. As consideration for said assignment, and in addition to the benefits to be received by San Dieguito customers from SEJPA's proposed operation of the Reservoir as recycled water storage, SEJPA agrees to fully and forever waive and discharge the \$136,796.40 owed by San Dieguito for annual minimum recycled water purchases for fiscal year 2019-20, as set forth in the SEJPA invoice dated August 11, 2020, titled "FY 2019-20 Reconciliation of Recycled Water Invoiced to SDWD." All such amounts owed by San Dieguito will be considered fully paid and no longer due.

3. San Dieguito Representations. San Dieguito represents that all costs and fees due from San Dieguito for the Reservoir are current and there are no outstanding amounts owed to Olivenhain or any other person or entity. San Dieguito further represents that it is not aware of any current liabilities, claims, or disputes with respect to its interests in the Reservoir, nor is it aware of any liens or encumbrances on the Reservoir.

4. SEJPA Assumption. SEJPA hereby assumes San Dieguito's rights and interests in the Reservoir and assumes all obligations with respect to future maintenance, repairs, improvements and liabilities. San Dieguito shall have no further responsibility or liability for the Reservoir.

5. Olivenhain Consent. Olivenhain hereby consents to the assignment and assumption between San Dieguito and SEJPA pursuant to this Agreement and agrees that, after the Effective Date of this Agreement, San Dieguito is relieved of all obligations under the Reservoir Agreement.

6. Real Property and Access Rights. The parties acknowledge and agree that the assignment by San Dieguito to SEJPA pursuant to this Agreement is limited to San Dieguito's interests in the Reservoir and expressly does not include San Dieguito or Olivenhain's rights, title, and interest in the real property on which the Reservoir is located except for the license rights set forth in this section. Fee title to the Property shall remain with Olivenhain and San Dieguito and will not be affected in any manner whatsoever by this Agreement. Notwithstanding the foregoing, San Dieguito and Olivenhain, as tenant-in-common co-owners of the Property, agree to provide SEJPA with access rights to the Reservoir, as set forth in License Agreement and Right of Entry, attached hereto as Exhibit "A" and incorporated by reference.

7. Indemnification.

a. SEJPA shall indemnify, hold harmless, and defend San Dieguito, its elected and appointed officials, directors, employees, agents, and volunteers and each of them from any and all claims, demands, causes of action, damages, costs, expenses or losses or liability in law or in equity arising out of or in connection with SEJPA's assumption of San Dieguito's rights and obligations in the Reservoir pursuant to this Agreement. SEJPA's indemnity obligations shall not apply to any claims, demands, causes of action, damages, costs, expenses or losses or liability in law or in equity arising prior to the Effective Date of this Agreement.

b. San Dieguito shall indemnify, hold harmless, and defend SEJPA, its elected and appointed officials, directors, employees, agents, and volunteers and each of them from any and all claims, demands, causes of action, damages, costs, expenses or losses or liability in law or in equity arising out of or in connection with San Dieguito's rights and obligations in the Reservoir existing prior to the Effective Date. San Dieguito's indemnity obligations shall



not apply to any claims, demands, causes of action, damages, costs, expenses or losses or liability in law or in equity arising after the Effective Date of this Agreement.

c. Acceptance of Reservoir "As Is" and Indemnity Limitation. Notwithstanding subsection b. above, San Dieguito shall not be required to indemnify, hold harmless, or defend SEJPA with respect to the physical condition of the Reservoir including, but not limited, costs, expenses or losses in connection with hazardous substances. Licensee accepts the capacity rights in the Reservoir in the Reservoir's present physical "as-is" condition, and agrees to make no demands upon San Dieguito for any improvements or alterations. By signing this Agreement, SEJPA represents and warrants that SEJPA will independently inspect the Reservoir and the area immediately surrounding and made all investigations, tests, and observations necessary to satisfy SEJPA as to the condition of the Reservoir, zoning and land use laws, regulations, and ordinances affecting the Reservoir, and all of the conditions, restrictions, encumbrances, and other matters of record relating to the Reservoir. SEJPA agrees that SEJPA is relying solely on SEJPA's independent inspection and that San Dieguito makes no warranty or representation with regard to the Reservoir. San Dieguito shall not be responsible for any latent defect or change in condition in the Reservoir and SEJPA's obligations under this Agreement shall not be diminished on account of any defect in the Reservoir, any change of condition, or any damages occurring on or in the Reservoir. SEJPA hereby releases San Dieguito from all future claims, actions, or demands that SEJPA may have or may hereinafter have, known and unknown, in any way relating to the quality, fitness, or condition of the Reservoir, and SEJPA specifically waives all rights under California Civil Code section 1542, which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Initial: \_\_\_\_\_

8. Revocation of Assignment. The assignment effectuated by this Agreement may be revoked by Olivenhain and San Dieguito if SEJPA abandons or ceases to maintain and operate the Reservoir for any consecutive period of seven (7) years or more, upon written notice to SEJPA specifying the effective date thereof at least one hundred eighty (180) days prior to the effective date. In the event of such a revocation, all rights, title, and interest to SEJPA's capacity in the Reservoir shall revert to San Dieguito and this Agreement shall be of no further force and effect.

9. Legal Effect. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of all the respective parties hereto.

10. Entire Agreement. This Agreement, including attachments, contains the entire agreement between San Dieguito, Olivenhain and SEJPA with respect to the subject matter hereof and supersedes all prior agreements, understandings, offers and negotiations, oral or written, with respect thereto.

11. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

13. Further Assurances. Each of the parties hereto covenants and agrees to, at its own expense, perform any further acts and execute and deliver any further instruments that may be reasonably necessary to carry out the provisions and intent of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first herein above written.

SAN DIEGUITO WATER DISTRICT

SAN ELIJO JOINT POWERS AUTHORITY

By: \_\_\_\_\_  
Its:

By: \_\_\_\_\_  
Its:

OLIVENHAIN MUNICIPAL WATER  
DISTRICT

By: \_\_\_\_\_  
Its:

## **Exhibit B**

### **Legal Description of Land**

Real property located in the City of Encinitas, County of San Diego, State of California, and more particularly described as follows:

#### **PARCEL 1**

All that portion of the Southeast Quarter of the Northeast Quarter of Section 3, Township 13 South, Range 4 West, San Bernardino Meridian in the County of San Diego, State of California, according to the United States Government survey approved April 19, 1881 described as follows:

Commencing at the Southeast corner of said Southeast Quarter of the Northeast Quarter; thence along the Southerly line thereof, North 89°11'20" West 177.34 feet to the TRUE POINT OF BEGINNING; thence continuing along said Southerly line of the Southeast Quarter of the Northeast Quarter of Section 3, North 89°11'20" West 253.81 feet; thence North 0°48'40" East 457.00 feet; thence South 89°11'20" East 253.81 feet; thence South 0°48'40" West 457.00 feet to the TRUE POINT OF BEGINNING.

#### **PARCEL 2**

An easement of right of way in, upon, over, under, and across the lands hereinafter described to erect, construct, reconstruct, replace, repair, maintain and use a pipeline or pipelines for any and all purposes, together with their necessary fixtures and appurtenances including but not limited to facilities for power transmission and communication purposes, at such locations and elevations, upon, along, over and under the hereinafter described right of way as Grantee may now or hereafter deem convenient and necessary from time to time, together with the right of ingress thereto and egress therefrom, to and along said right of way by a practical route or routes in, upon, over and across the hereinafter described lands, together with the right to use said right of way for access to Grantee's rights of way situated in adjacent lands.

The lands in which said easement of right of way is hereby granted are situated in the County of San Diego, State of California, and are particularly described as follows:

The Southeast Quarter of the Northeast Quarter of said Section 3.

Said easement of right of way in the aforesaid lands is more particularly described as follows:

All that portion of the Southeast Quarter of the Northeast Quarter of said Section 3 lying within a strip of land of varying width, the sidelines of said strip of land being 35.00 feet Southwesterly and 25.00 feet Northeasterly, measured at right angles, from the following described line between the TRUE POINT OF BEGINNING of said line and the point hereinafter designated as Point "A", and being 10.00 feet on each side of the following described line between said Point "A" and the Northerly terminus of said line, said line being described as follows:

Commencing at the Southeast corner of the Southeast Quarter of the Northeast Quarter; thence along the Easterly line thereof, North 1°47'58" West 85.75 feet to the TRUE POINT OF BEGINNING of the herein described line; thence North 60°05'33" West 187.24 feet to Point "B"; thence North 81°05'33" West 132.62 feet to Point "A"; thence North 10°20'33" West 156.21 feet; thence North 84°25'23" West 462.19 feet; thence North 2°51'23" West 847.65 feet; thence North 10°28'42" West 211.58 feet to a point on the Southerly line of Lot 1 of said Section 3, distant thereon North 89°23'03" West 819.47 feet from the Southeast corner of said Lot 1; thence continuing North 10°28'42" West 0.64 feet; thence South {Client Files/01104/1/K/S0689259.DOCX}

79°05'00" West 186.10 feet; thence North 15°25'47" West 694.28 feet to the South line of the North 880.00 feet of said Lot 1.

EXCEPTING from the easement described in Parcel 2 above, that portion thereof included within the boundaries of the property described in Parcel 1 above.

PARCEL 3:

An easement for drainage purposes over, under, upon, and across a strip of land 20.00 feet of even width situated within the Southeast Quarter of the Northeast Quarter of said Section 3, the center line of said 20.00 foot wide strip of land being described as follows:

Beginning at the point designated in Parcel 2 above as Point "B"; thence North 67°39'00" East 85.00 feet.

PARCEL 4:

An easement, right, and privilege to spill water into the existing natural drainage swale which drains in a general Easterly direction from the Northeasterly terminus of the 20.00 foot wide drainage easement described in Parcel 3 above.

Grantor and their successors in estate shall not erect or construct, or permit to be erected or constructed, any building or other structure, plant any tree or trees, or drill any well or wells within the limits of said right of way.

Grantee shall have the right to erect, maintain and use gates in all fences which now cross or shall hereafter cross said route or routes, and to trim and cut and clear away any trees and brush whenever in its judgment the same shall be necessary for the convenient and safe exercise of the rights hereby granted, the right to transfer and assign this easement in whole or in part being hereby granted to the Grantee.

Grantor agrees that no other easement or easements shall be granted on, under or over said strip of land by Grantor, without the previous written consent of Grantee.

It is also understood and agreed by the parties hereto that the Grantor and their successors or assigns, shall not increase or decrease, or permit to be increased or decreased, the existing ground elevations of the above described right of way, existing at the time this document is executed, without the previous written consent of the Grantee.





**SAN ELIJO JOINT POWERS AUTHORITY**

**FIGURE**

**DEPICTION OF LICENSE AREA**

**EXHIBIT C**



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 21, 2022

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: APPROVE SECOND AMENDMENT – WASTEWATER MAINTENANCE  
FACILITY LEASE WITH CITY OF ENCINITAS

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute the Second Amendment to the 1992 Wastewater Maintenance Facility Lease with the City of Encinitas ; and
2. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) owns property within the city limits of the City of Encinitas (Encinitas) where SEJPA operates and maintains the San Elijo Water Campus ("Water Campus"), which includes wastewater, recycled water, and stormwater facilities.

Encinitas provides sanitary sewer and wastewater collection facility maintenance services to Cardiff Sanitation District and the Encinitas Sanitary District pursuant to an agreement with each of those agencies. To support these services, Encinitas leases a small site at the Water Campus to house equipment, park service vehicles, store materials, and provide office space for approximately 12 city employees. The maintenance garages, storage buildings, and modular office space have been paid for by Encinitas and will become SEJPA property at the termination of the lease agreement.

The original lease agreement was entered into on April 11, 1991. Subsequently the Agreement was amended on November 20, 1991 to clarify CITY's interest in buildings and land at the SEJPA Water Campus. The lease expires in 2022 and the City has expressed interest in amending the lease for a second 30-year term, with options by both parties to terminate early. To date, Encinitas has been a beneficial tenant, as they provide assistance with sewer system cleaning at the Water Campus with the specialized equipment that they store onsite.

## DISCUSSION

Encinitas and SEJPA seek to Amend the Agreement to extend the lease terms for an additional thirty years, ending April 30, 2052. Encinitas will pay SEJPA annually for all operating, maintenance, and capital expenses necessary and associated with the maintenance facilities, modular office, and onsite operational activities. SEJPA will bill Encinitas for these amounts and provide reasonable documentation of these expenses. Encinitas will continue to provide quarterly debris removal and related services for the cleaning and operation of the SEJPA Water Campus.

## FINANCIAL IMPACT

The proposed second amendment to the 1992 Wastewater Maintenance Facility Lease is designed to be cost neutral to the SEJPA. The second amendment provides for a lease fee of \$1 annually, in addition to providing quarterly debris removal, and being responsible for operating, maintenance, and capital costs.

It is recommended that the Board of Directors:

1. Authorize General Manager to execute the Second Amendment to the 1992 Wastewater Maintenance Facility Lease with the City of Encinitas; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

Attachment 1: Amendment No. 2 to Agreement between City of Encinitas and San Elijo Joint Powers Authority for the Provision of Buildings and Land Areas at the San Elijo Water Pollution Control Facility to Accommodate Certain Maintenance Crews and Equipment

**AMENDMENT NO. 2  
TO AGREEMENT BETWEEN CITY OF ENCINITAS  
AND SAN ELIJO JOINT POWERS AUTHORITY  
FOR THE PROVISION OF BUILDINGS AND LAND AREAS AT THE SAN ELIJO  
WATER POLLUTION CONTROL FACILITY TO ACCOMMODATE CERTAIN  
MAINTENANCE CREWS AND EQUIPMENT**

This SECOND AMENDMENT ("SECOND AMENDMENT") is entered into effective as of \_\_\_\_\_, 2022, by and between the City of Encinitas ("CITY") and the San Elijo Joint Powers Authority ("JPA"), pursuant to the laws of the State of California.

**RECITALS**

A. JPA owns certain real property within the city limits of CITY and thereon owns, operates, and maintains the San Elijo Water Campus ("Water Campus"), which includes wastewater, recycled water, and stormwater facilities previously referred to as the San Elijo Water Pollution Control Facility ("WPCF").

B. CITY provides sanitary sewer and wastewater collection facility maintenance services to Cardiff Sanitation District and the Encinitas Sanitary District pursuant to an agreement with each of those agencies. In order to provide the sanitary sewer and wastewater collection facility maintenance services to those agencies, the CITY requires an area and buildings to house equipment and personnel performing the maintenance services and also a maintenance garage for the storage and repair of equipment necessary for the maintenance services provided by the CITY.

C. CITY provides quarterly debris removal and related services for the cleaning and proper operation of the JPA Water Campus facilities in addition to emergency services as required.

D. CITY and JPA have determined that it would be mutually beneficial to them for the buildings and areas housing the CITY's wastewater collection system maintenance equipment and personnel, including a maintenance garage facility, to be located on the WPCF property.

E. CITY and JPA previously determined that the most cost-effective means of providing the buildings and areas needed by the CITY was to have the buildings constructed as a part of the JPA's expansion and upgrade of the WPCF. In turn, CITY would be able to keep maintenance costs to the other agencies as low as possible.

F. CITY and JPA have previously entered into an agreement, dated April 11, 1991 ("Agreement"), to provide buildings and land at the WPCF to accommodate certain maintenance crews and equipment.

G. CITY and JPA subsequently amended the Agreement on November 20, 1991 to clarify CITY's interest in buildings and land at the WPCF (the "First Amendment").

H. CITY and JPA are currently desirous of amending the Agreement a second time to extend the terms of the leases under the Agreement and continue the mutual benefits obtained therefrom, as well as clarifying utilities and maintenance cost sharing.



I. Section 3.3 of the Agreement expressly allows for the lease to be renewed or the term extended.

NOW, THEREFORE, in consideration of the recitals and mutual covenants contained herein, CITY and JPA agree as follows:

1. The term of the lease under section 3.1 of the Agreement, as amended, for an area of the PROPERTY on which CITY may locate a modular office is hereby extended for an additional term of thirty (30) years, ending on April 30, 2052.

2. The term of the lease under section 3.2 of the Agreement, as amended, for lease of the MAINTENANCE FACILITY to CITY is hereby extended for an additional term of thirty (30) years, ending on April 30, 2052.

3. Section 1.5 of the Agreement, as amended, shall be amended to read as follows:

1.5 “WPCF” means the San Elijo Water Campus or “JPA Water Campus.”

4. The following Section 3.5 shall be added to the Agreement:

3.5 The property hereby leased to CITY pursuant to paragraphs 3.1 and 3.2 is set forth and more particularly described on the map attached and incorporated by reference as Attachment 1.

5. The following Sections 4.5 and 4.6 shall be added to the Agreement:

4.5 CITY shall pay JPA annually for all utilities servicing the MAINTENANCE FACILITY and modular office leased pursuant to paragraphs 3.1 and 3.2 of this AGREEMENT. CITY shall pay JPA annually for all operating, maintenance, and capital expenses necessary and associated with the MAINTENANCE FACILITY, modular office, and CITY’s onsite operational activities. JPA shall bill CITY for these amounts in writing and provide reasonable documentation of these expenses. CITY shall be responsible for all site improvements associated with its facilities and operations necessary for safe working conditions and for compliance with permits, ordinances, and laws required by local, state, and federal entities. Notwithstanding any other provision of this AGREEMENT, JPA shall be the lead agency for all onsite construction and have final approval for all capital improvement work, except as mutually agreed to in writing prior to the commencement of work. CITY shall make payment to JPA within thirty (30) days following JPA’s billing to CITY or in conjunction with quarterly payments as part of the annual JPA operating budget, as mutually agreed upon.

4.6 CITY shall provide, at its sole cost and expense, quarterly debris removal and related services for the cleaning and proper operation of the JPA Water Campus facilities in addition to emergency services as required.

6. Section 14.2 of the Agreement, as amended, shall be deleted in its entirety and replaced with the following:

14.2 If either party terminates this AGREEMENT before the end of the lease terms set forth in paragraphs 3.1 and 3.2, then payments required under Article 4, including for rent, utilities and maintenance, shall be required only up through the effective date of termination. Any payments previously made by CITY shall not be reimbursed.

7. Section 14.3 of the Agreement, as amended, shall be deleted in its entirety.

8. All covenants contained in the Agreement, as amended by the First Amendment, not in conflict with this SECOND AMENDMENT shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this SECOND AMENDMENT as of the date first above written.

**SAN ELIJO JOINT POWERS AUTHORITY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CITY OF ENCINITAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 21, 2022

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CONSIDERATION OF LEASING LABORATORY SPACE AT THE SAN  
ELIJO WATER CAMPUS FOR WATER RESEARCH AND EDUCATION

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) has received two unsolicited proposals for leasing laboratory, and potentially office space, at the San Elijo Water Campus. Both proposals are for conducting water related research/education to address issues of interest for the water/wastewater industry, as well as for the betterment of public health and the environment. The San Elijo Water Campus has space available for conducting research/education and staff supports having research conducted at the campus that advances the agency's mission and vision.

DISCUSSION

Staff has reviewed the proposals and concludes that both appear to meet the goals of the SEJPA either through contributing to the science that supports potable reuse (Proposal A) or reducing water pollution related to non-biodegradable plastics (Proposal B).

Proposal A was submitted by an established engineering company with 18 years in business, an office within our member agency service area, and experience operating a laboratory. Their proposed research is on constituents of emerging concern (CEC) that require monitoring by the California Recycled Water Policy (Policy). Specifically, the Policy requires CEC monitoring using bioassays, which are tests that use cells to detect a variety of CECs. Bioassays are common in other industries (e.g., pharmaceutical industry) but are new to the recycled water industry. Proposal A team has been actively working on the technical aspects of implementing these methods and is proposing to continue this research at the San Elijo Water Campus, with the research results being openly shared with regulators, public agencies, and others working to advance potable reuse.

Proposal B was submitted by a newly formed firm that is in its first year of business and has laboratory experience through research work at the university level. Proposal B is seeking to address biodegradability of plastics in the ocean and other environments. The proposed work at the San Elijo Water Campus will be performed in closed bioreactors located in dedicated workspace. Work results are intended to help provide guidance to future polymer designs so that manufacturers can improve the biodegradability of their products for the protection of the environment.

Proposal A is requesting approximately 700 square feet (SF) of laboratory and office space, with minor tenant improvements. Proposal B is requesting approximately 1,500 SF of laboratory and office space, with more extensive tenant improvements. Both firms propose to fund their research, reimburse SEJPA for any needed tenant improvements, and provide a monthly lease payment.

Based on the information provided, staff recommends pursuing the development of a lease agreement with Proposal A as the research has greater alignment with SEJPA's interest in potable reuse and is requesting a smaller footprint in the laboratory. The research will also benefit other public agencies and the state of California, and could lead to other research, education, and grant opportunities being developed at the Water Campus.

The Board of Directors has the following options:

- 1) Direct staff to pursue developing a laboratory lease agreement,
- 2) Direct staff not to pursue a laboratory lease at this time, or
- 3) Direct staff to take other action.

#### FINANCIAL IMPACT

The anticipated revenue generated is expected to be on the order of \$15,000 to \$25,000 annually, depending on agreed upon leased space and terms. Tenant improvements will be the responsibility of the lessee. More information will be provided if this concept develops further, and a lease agreement would be presented at a future meeting for the Board's approval consideration.

It is therefore, recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager