

**AGENDA
REGULAR BOARD MEETING OF THE
SAN ELIJO JOINT POWERS AUTHORITY
AUGUST 19 AT 8:30 A.M.
SAN ELIJO WATER CAMPUS – BOARD MEETING ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA**

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS/PUBLIC COMMENT PERIOD (NON-ACTION ITEM)
5. NEW HIRES, AWARDS AND RECOGNITION – None this month
6. * **CONSENT CALENDAR**
7. * [APPROVAL OF MINUTES FOR JUNE 17, 2025 MEETING](#)
- 8a. * [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS – JUNE 2025](#)
- 8b. * [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS – JULY 2025](#)
- 9a. * [WASTEWATER TREATMENT REPORT – MAY 2025](#)
- 9b. * [WASTEWATER TREATMENT REPORT – JUNE 2025](#)
- 10a.* [RECYCLED WATER REPORT – MAY 2025](#)
- 10b.* [RECYCLED WATER REPORT – JUNE 2025](#)
11. * [REPORTABLE MEETINGS](#)
12. * [CONTRACT FOR PROCUREMENT OF POLYMER FOR FISCAL YEAR 2025-26](#)

13. * CONSTRUCTION PHASE CONTRACT AMENDMENTS FOR THE BIOSOLIDS
DEWATERING FACILITY IMPROVEMENT PROJECT

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. DRAFT RECYCLED WATER COST OF SERVICE STUDY AND PROPOSED
WHOLESALE RATE INCREASE

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

16. GENERAL MANAGER'S REPORT

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

17. GENERAL COUNSEL'S REPORT

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

18. BOARD MEMBER COMMENTS

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

19. CLOSED SESSION

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".

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957 (b)(1), Title: General Manager

20. DISCUSSION AND POSSIBLE ACTION ON GENERAL MANAGER EMPLOYEMENT

1. Discussion and possible action to amend General Manager's Employment Contract;
and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

21. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Tuesday, September 16, 2025 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 are available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at www.sejpa.org. The 2025 SEJPA Board meetings schedule, adopted following the January 2025 SEJPA Board Meeting, is available at [SEJPA Board Meeting Dates](#).

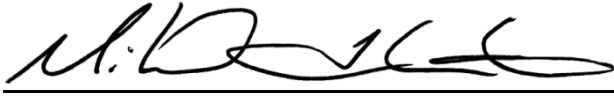
AFFIDAVIT OF POSTING

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, and in the following locations:

- San Elijo Water Campus (formerly known as San Elijo Water Reclamation Facility), 2695 Manchester Avenue, Encinitas, California
- City of Encinitas, 505 South Vulcan Avenue, Encinitas, California
- City of Solana Beach, 635 South Highway 101, Solana Beach, California

The original agenda was published on Thursday, August 14, 2025, at least 72 hours prior to the meeting, in accordance with Government Code Section 54954.2(a).

Date: August 19, 2025

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 JUNE 17, 2025
AT THE SAN ELIJO WATER CAMPUS

Kristi Becker, Chair

Luke Shaffer, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Tuesday, June 17, 2025, at 8:30 a.m., at the San Elijo Water Campus.

1. CALL TO ORDER

Board Chair Becker called the meeting to order at 8:31 a.m.

2. ROLL CALL

Directors Present:

Board Chair

Kristi Becker

Vice Chair

Luke Shaffer

Board Member

David Zito

Board Member

Jim O'Hara

Others Present:

General Manager

Michael Thornton

Director of Operations

Christopher Trees

Director of Infrastructure and Sustainability

Thomas Falk

Director of Finance and Administration

Kevin Lang

Senior Project Manager

Michael Konicke

Accounting Technician I

Maria Cruz

Mechanic II

Miguel Becerra

SEJPA Counsel:

Snell and Wilmer

Adriana Ochoa

City of Encinitas:

Senior Engineer

Daniel Nutter

City of Solana Beach:

City Engineer

Dan Goldberg

3. PLEDGE OF ALLEGIANCE

Board Chair Becker led the Pledge of Allegiance.

Board Action: Vote to include Agenda Item No.19 - NOTICE OF EMERGENCY SITUATION AND AWARD OF CONSTRUCTION CONTRACT FOR REPAIRS TO RECYCLED WATER PIPELINE ON THE SAN ELIJO WATER CAMPUS (SUBJECT TO TWO-THIRDS VOTE OF THE SAN ELIJO JOINT POWERS AUTHORITY BOARD) *

Upon request from the General Manager Michael T. Thornton, the Board voted to include a non-agendized item related to the declaration of an Emergency Situation and subsequent contract awards related to repairs needed to the SEJPA recycled water pipeline. To approve the inclusion of the non-agendized item a two-thirds vote is required.

Moved by Board Member Zito and seconded by Board Chair Becker to approve the addition of Agenda Item No. 19.

Motion carried with the following vote of approval:

AYES: Becker, Shaffer, O'Hara, Zito
NOES: None
ABSENT: None
ABSTAIN: None

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

Miguel Becerra – Associate of Science Degree – Air Conditioning, Heating, and Refrigeration

6. CONSENT CALENDAR

Agenda Item No. 7	Approval of Minutes for the May 20, 2025 Board Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report – May 2025
Agenda Item No. 9	Wastewater Treatment Report – April 2025
Agenda Item No. 10	Recycled Water Report – April 2025
Agenda Item No. 11	Reportable Meetings
Agenda Item No. 12	San Elijo Joint Powers Authority Contract for Procurement of Uniform Services and Safety Related Supplies for Fiscal Years 2025-26 through 2027-28
Agenda Item No. 13	Extension of Information Technology (IT) Services Agreement with the City of Encinitas
Agenda Item No. 14	Restructuring the Sale of Reclaimed Water to the City of Del Mar and 22 nd District Agricultural Association

Moved by Board Member Zito and seconded by Board Member O'Hara to approve the Consent Calendar.

Motion carried with the following vote of approval:

AYES: Becker, Shaffer, O'Hara, Zito
NOES: None
ABSENT: None
ABSTAIN: None

16. ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2025-26 BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF TREASURER

Director of Finance and Administration Kevin Lang presented an overview of FY 2025-26 Recommended Budget which was initially presented at the April 2025 board meeting. The total FY 2025–26 Budget is \$17,521,525, comprising \$11,204,651 in operating expenses, \$3,941,368 in capital appropriations, and \$2,375,506 in debt service payments. Director Lang highlighted that there were no changes received from Member Agencies or participating government agencies. Director Lang also provided an update on the revised recycled water rate assumptions to be included in the budget as follows, staff recommend to update a previously included recycled water rate increase of 12% effective July 1, 2025, to a more gradual 3.9% increase on July 1, 2025 and a 7.8% increase on January 1, 2026. Director Lang also discussed the annual adoption of San Elijo Joint Powers Authority's investment policy and guidelines. Director Lang reported that there would be no changes to the list of authorized investment instruments for the upcoming fiscal year. General Manager Mike Thornton then recommended the appointment of Director Kevin Lang as treasurer for FY 2025-26.

Moved by Board Member Zito and seconded by Board Member O'Hara to:

1. Adopt Resolution No. 2025-03, Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2025-26;
2. Adopt Resolution No. 2025-04, Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Kevin Lang as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

AYES: Becker, Shaffer, O'Hara , Zito
NOES: None
ABSENT: None
ABSTAIN: None

17. CAPITAL PROGRAM UPDATE

Director of Infrastructure and Sustainability Tom Falk presented an update on the San Elijo Joint Powers Authority Capital Program. Director Falk noted that the \$21 million 3-Year Capital Plan (2023-2025) is nearing completion and that attention will be focused on updating the 2025 Facility Plan which will prioritize capital needs over the next decade (2026-2035). As part of this effort, San Elijo JPA staff and the consultant team conducted condition assessments of remote pump station sites and the San Elijo Water Campus. Director Falk also reported that one capital project was completed over the past quarter, and three ongoing capital projects will be completing construction over the next six months. Director Falk also described the FY 2025-26 Capital Program priorities which will be prioritized for this fiscal year.

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

18. WANKET RESERVOIR ASSIGNMENT AND ASSUMPTION AGREEMENT

General Manager Michael Thornton presented the Wanket Reservoir assignment and assumption agreement. Under the current agreements, as presented by Mr. Thornton, Olivenhain (OMWD) retains ownership and asset liability for two-thirds of the Reservoir capacity although their recycled water distribution system does not physically connect to that site. Olivenhain has expressed interest in transferring their ownership share to San Elijo Joint Powers Authority (SEJPA). Mr. Thornton noted that this proposed action would benefit both agencies by providing the following: simplified governance, administrative efficiency, asset relief for OMWD and asset optimization and regional benefit. Mr. Thornton stated that there would be no immediate cost or purchase price to SEJPA, and the funding is already included in SEJPA's capital program budget. This item will be returned to the Board for approval later.

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

19. NOTICE OF EMERGENCY SITUATION AND AWARD OF CONSTRUCTION CONTRACT FOR REPAIRS TO RECYCLED WATER PIPELINE ON THE SAN ELIJO WATER CAMPUS (SUBJECT TO TWO-THIRDS VOTE OF THE SAN ELIJO JOINT POWERS AUTHORITY BOARD) *

Director of Infrastructure and Sustainability Thomas Falk presented to the Board regarding an emergency repair which happened on the recycled water pipeline at the San Elijo Water Campus. The recycled water pipeline failure happened on June 14, 2025. Following the commencement of emergency repairs after hours and on the weekend, the pipe was repaired and placed back into service on June 15, 2025. The agency acted on emergency authority which is granted when physical condition threatens public health or safety or the environment and requires immediate remedial action. Director Falk pointed out that San Elijo JPA Purchasing Policies and Procedures, Resolution 2022-01, allows for emergency contracts to be awarded without bids and allows the General Manager to declare

emergency conditions to deploy resources. The emergency repair cost estimate is up to \$60,000 and will be funded by recycled water operating reserves. The final paving will be completed via an existing, separate contract, with the cost to be determined.

Moved by Vice-Chairperson Shaffer and seconded by Board Member O'Hara to:

1. Review and Confirm this Emergency Condition pursuant to San Elijo Joint Power Authority's Resolution 2022-01 "Purchasing Policies and Procedures" and Public Contract Code 22050, and ratify the General Manager's execution of an emergency repair agreement with Burtech Pipeline for repairs to buried recycled water pipeline at the San Elijo Water Campus; and
2. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

AYES: Becker, Shaffer, O'Hara , Zito
NOES: None
ABSENT: None
ABSTAIN: None

20. GENERAL MANAGER'S REPORT

General Manager Michael Thornton reported that the agency is a part of the North San Diego Water Reuse Coalition that seeks funding for recycled water projects and recently the Bureau of Reclamation has awarded funding of \$23M. Previously the agency was seeking funding for the Biological Treatment Improvement Project however that has been postponed due to insufficient funding. Instead, General Manager Thornton stated that staff are now seeking \$2 million in grant funding for a Water Conservation Project which will save 18 million gallons of recycled water annually and make more water available for new customers. The grant application has been submitted.

21. GENERAL COUNSEL'S REPORT

None.

22. BOARD MEMBER COMMENTS

None.

23. CLOSED SESSION

A closed session was held per Government Code Section 54957 (b)(1), Public Employee Performance Evaluation, Title: General Manager

Closed session ended at 9:43 a.m.. No reportable actions taken.

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. Staff recommendation is to discuss and take action as appropriate.

Moved by Board Member Zito and seconded by Vice-Chairperson Shaffer to award the General Manager his full \$5,000 bonus per the General Manager's employment agreement.

Motion carried with the following vote of approval:

AYES: Becker, Shaffer, O'Hara , Zito

NOES: None

ABSENT: None

ABSTAIN: None

25. ADJOURNMENT

The meeting adjourned at 9:44 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, August 19, 2025 at 8:30 a.m.

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS

For the Month of JUNE 2025

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45283	Abila	Licenses	Accounting software	\$ 394.32
45284	Adam Kaye	Services - Professional	Public communication	150.00
45285	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling and reuse - May	18,658.08
45286	Ahrens Mechanical	Services - Contractors	Moonlight Beach Pump Station modifications - Apr	92,019.61
45287	Albireo Energy LLC	Services - Maintenance	Annual service agreement 2025	1,378.00
45288	Allied Storage Containers	Equipment Rental/Lease	20' and 40' storage containers - Jun Fees	359.89
45289	Ardurra Group, Inc	Services - Engineering	Wanket tank refurbish support for Apr	14,554.32
45290	At&T	Utilities - Internet	Internet service - May	2,175.16
45291	Black & Veatch	Services - Engineering	Dewatering facilities and Facility Plan update	50,448.75
45292	Brenntag Pacific, Inc	Supplies - Chem - Odor	Sodium hydroxide	1,786.93
45293	Corodata	Rent	Record storage - Apr and May	247.75
45294	County of San Diego	Fees - Permits	DEH2010 - LRWS - 2984 - Olivenhain Pump Station inspection	349.50
45295	Dixieline Lumber Company	Repair Parts Expense, Shop Tools & Equip, Vehicle Lease	Various supplies	883.51
45296	Dudek & Associates	Services - Engineering	Stormwater capture and reuse site water quality improvements	14,195.88
45297	DXP Enterprises, Inc	Repair Parts Expense	Pump parts	4,910.17
45298	Didra Felix	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45299	Casey Larsen	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45300	Cosby Oil Company, Inc	Fuel	Fuel- May	968.21
45301	Abigail Marina Schlenk	Other Personnel Cost	Employee reimbursement - Health and wellness	119.99
45302	Ryan C. Aguilar	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45303	Scott Best	Subsistence - Travel/Rm & Bd	Employee reimbursement - Mileage	42.70
45304	Westbound Solar 2, LLC	Utilities - Solar Power	Solar - Apr	28,719.30
45305	Equipment Solutions	Training - Safety	Bobcat and forklift training	1,350.00
45306	ERA	Supplies - Lab	Various lab supplies	386.99
45307	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	647.50
45308	Excel Landscape, Inc.	Services - Landscape	Grounds maintenance service - May	4,382.00
45309	Winston Friedly	Dues & Memberships	Employee reimbursement - CWEA membership renewal	239.00
45310	FRS Environmental	Services - Maintenance	Parts washer service	291.00
45311	Global Power Group Inc.	Services - Maintenance	As needed generator repair services - Solana Beach Fire Station	1,749.30
45312	Grainger, Inc.	Repair Parts Expense, Supplies - Shop & Field	Various supplies	903.10
45313	Unifirst First Aid Corp	Supplies - Safety	First aid supplies	185.55
45314	GSE Construction Company Inc.	Services - Contractors	Biosolids facilities improvements - Mar	536,123.00
45315	Void	(blank)	(blank)	-
45316	Hardy Diagnostics	Supplies - Lab	Various lab supplies	490.71
45317	Helix Environmental Planning	Services - Professional	Environmental consulting - Stormwater Capture and Reuse	494.26
45318	Lee Michael Konicke	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45319	LEUCADIA WASTE WATER DISTF	Employee Assistance Program	Employee assistance program premium	1,167.60
45320	McMaster-Carr Supply Co.	Repair Parts Expense, Shop Tools & Equip	Various supplies	3,213.01
45321	Nautilus Environmental, Inc	Services - Laboratory	Laboratory toxicity testing services	3,645.00
45322	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Procurement of Sodium Hypochlorite	11,231.20
45323	Olivenhain Municipal Water Dis	Rent	Pipeline rental payment - May	12,015.00
45324	OneSource Distributors, Inc.	Licenses	Product support renewal	2,426.00
45325	Otis Elevator Company	Services - Maintenance	Elevator maintenance for Jun	221.62

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS

For the Month of JUNE 2025

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45326	PE Instruments	Shop Tools and Equip.	Analog verification tool	950.00
45327	Javier G Perez	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45328	Polydyne Inc.	Supplies - Chem - Polymer	Clarifloc WE - 007	16,929.43
45329	RCK Controls, Inc.	Service - IT Support	Del Mar fairground cellular services	4,284.00
45330	Robert Half International, Inc	Services - Temp	Temporary staffing service	2,663.65
45331	RSF Security Systems	Services - Alarm	Security - Jun through Aug	1,836.00
45332	Rusty Wallis, Inc.	Supplies - Shop & Field	Water softener, tank service and salt bags	481.70
45333	Santa Fe Irrigation District	Utilities - Water, SFID Distribution Pipeline	Water and Pipeline purchase payment	8,794.59
45334	San Dieguito Water District	Utilities - Water	Water	3,993.12
45335	Sunbelt Rentals	Equipment Rental/Lease	Equipment rental	2,723.19
45336	Terminix Processing Center	Services - Maintenance	Pest control service	500.13
45337	Unifirst Corporation	Services - Uniforms	Uniform service	709.78
45338	UPS	Postage/Shipping	Shipping	33.01
45339	Underground Service Alert/SC	Services - Alarm	Dig alert and safe excavation board	115.51
45340	USA Bluebook	Supplies - Lab	Various lab supplies	1,862.78
45341	Verizon Wireless	Utilities - Telephone	Cell phone service and equipment	1,557.58
45342	Volt Management Corp	Services - Temp	Internship program and temp service	1,349.36
45343	VWR International, Inc.	Supplies - Lab	Test standard	1,060.75
45344	Aflac	EE Deduction Benefits Payable	Aflac - Jun	717.16
45345	Brax Process and Pump Equip.	Repair Parts Expense	Various supplies and Backwash pump	6,097.97
45346	CA. Office Cleaning, Inc.	Services - Janitorial	Office and window cleaning	6,376.00
45347	Canyon Springs Enterprises	Services - Contractors	Stormwater Capture and Reuse - May	241,917.50
45348	Columbia Analytical Instr. Inc	Supplies - Lab	Test standard	596.55
45349	CWEA	Dues & Memberships	Membership renewal - D. Verdon	239.00
45350	Devin McGinness	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45351	City of Encinitas	Service - IT Support	Admin network - June	6,653.00
45352	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	1,312.50
45353	Excel Landscape, Inc.	Services - Contractors	Irrigation repair	1,071.80
45354	Evan E Fox	Seminars/Education	Employee reimbursement - Tuition	377.00
45355	gafcon	Services - Professional, Contractors	Labor compliance for SW Capture & Wanket Tank - May	1,260.50
45356	Gierlich Mitchell, Inc.	Repair Parts Expense	Pump	5,385.81
45357	Grainger, Inc.	Supplies - Lab, Shop Tools and Equip.	Various supplies	1,873.79
45358	GSE Construction Company Inc.	Services - Contractors	Biosolids facilities improvements - Apr	382,008.30
45359	America Y. Hernandez Guillen	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45360	Cosby Oil Company, Inc	Fuel	Fuel - Jun	666.29
45361	Benefits Coordinators Corp.	Dental/Vision	Vision - Jun	466.90
45362	Erica Alexander Zito	Subsistence - Travel/Rm & Bd	Employee reimbursement - Mileage, health and wellness	303.00
45363	J.R. Filanc Construction Co.	Services - Contractors	Wanket Tank refurbishment - Apr	527,971.06
45364	Hardy Diagnostics	Supplies - Lab	Various lab supplies	831.96
45365	Michael Henke	Other Personnel Cost	Employee reimbursement - Health and wellness	119.07
45366	Idexx Distribution, Inc.	Supplies - Lab	Various lab supplies	1,601.19
45367	Integrity Municipal Systems	Services - Maintenance	Odor scrubber pad installation	4,848.75
45368	King Lee Technologies	Repair Parts Expense	RO filter cartridges	1,508.20

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS

For the Month of JUNE 2025

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45369	Kevin R. Lang	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45370	Liquid Environmental Solution	Services - Grease & Scum	Pumping service	4,180.00
45371	McMaster-Carr Supply Co.	Repair Parts Expense, Shop Tools and Equip., Supplies	Various supplies	1,558.24
45372	Nautilus Environmental, Inc	Services - Laboratory	Laboratory toxicity testing services for Apr	1,215.00
45373	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Procurement of Sodium Hypochlorite	11,134.85
45374	Olivenhain Municipal Water Dis	Services - Professional	Rincon NSDWRC support services	2,108.84
45375	Pacific Pipeline Supply	Repair Parts Expense	Bypass pumping reducer	924.77
45376	PlanetBids, Inc.	Prepaid - Other	Vendor bid management module - FY 25/26	4,189.33
45377	Radwell International, Inc.	Repair Parts Expense	PLC card repair	216.17
45378	Robert Half International, Inc	Services - Temp	Temporary staffing service	5,092.76
45379	San Dieguito Water District	Utilities - Water (Suppl.)	Water	2,489.43
45380	Snell & Wilmer L.L.P	Services - Legal	General counsel through May	4,321.58
45381	Terminix Processing Center	Services - Maintenance	Pest control service	115.11
45382	Winston Friedly	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45383	USA Bluebook	Supplies - Lab	Various lab supplies	42.89
45384	Valley CM, Inc.	Services - Professional	Management and inspection services - May	86,909.35
45385	Verizon Wireless	Utilities - Telephone	Telephone	567.84
45386	VWR International, Inc.	Supplies - Lab	Various supplies	1,387.18
45387	WageWorks	Payroll Processing Fees	Admin fee - Jun	170.75
45388	Z&M Enterprises, LLC	Repair Parts Expense	Quartz sleeves	554.77
On-line 1083	Mission Square	ICMA Retirement	ICMA - 401 a	7,539.08
On-line 1084	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	8,728.67
On-line 1085	Public Employees- Retirement	Retirement Plan - PERS	Retirement - May	25,388.53
On-line 1086	WM Corporate Services, Inc.	Services - Sediment Disposal	Roll off bins - May	3,879.45
On-line 1087	BankCard Center	Supplies - Safety	Various supplies	8,218.69
On-line 1088	Calpers	Accrued Liabilities	1959 Survivor - rate plan identifier 1932	212.40
On-line 1089	Calpers	Accrued Liabilities	1959 Survivor - rate plan identifier 26431	1,000.05
On-line 1090	MetLife - Group Benefits	Dental/Vision	Dental - Jun	3,220.87
On-line 1091	Mission Square	ICMA Retirement	ICMA - 401 a	7,695.84
On-line 1092	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	11,778.77
On-line 1093	Public Employees- Retirement	Retirement Plan - PERS	Retirement - Jun Pay Period	25,048.53
On-line 1094	Public Employees- Retirement	Retirement Plan - PERS	Retirement - Jun Pay Period	24,892.79
On-line 1095	Blue Triton Brands Inc	Supplies - Lab	Kitchen and lab supplies	906.04
On-line 1096	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - May	47,415.14
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 06/12/2025	126,722.44
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 06/27/2025	127,080.76
				<u>\$ 2,615,558.70</u>

**SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS SUMMARY**

**For the Month of JUNE 2025
As of JUNE 30, 2025**

PAYMENT OF WARRANTS

\$ 2,615,558.70

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 SEJPA, including the Member Agency commitment in their operating budgets to support the operations of SEJPA, are expected to be adequate to meet SEJPA's obligations over the next six months. I also certify that SEJPA's investment portfolio complies with the SEJPA's investment policy.



Kevin Lang
Director of Finance and Administration

SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION

As of JUNE 30, 2025

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND <i>(JUNE 2025 YIELD 4.269%)</i>	\$ 3,711,084.62
CALIFORNIA BANK AND TRUST <i>(JUNE 2025 YIELD 0.01%)</i>	4,932,071.24
U.S. Bank <i>(JUNE 2025 YIELD 4.40%)</i>	12,907,682.62
PARS <i>(JUNE 2025 YIELD 3.04%)</i>	1,097,622.04
TOTAL RESOURCES	<u>\$ 22,648,460.52</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS

For the Month of JULY 2025

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45389	MetLife - Group Benefits	Dental/Vision	Dental - Jul	\$ 3,319.40
45390	Abila	Licenses	Accounting software support and subscription	394.32
45391	Adam Kaye	Services - Professional	Public communications	300.00
45392	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling and reuse - Jun	20,696.01
45393	Allied Storage Containers	Equipment Rental/Lease	20' and 40' storage containers - Jul	359.89
45394	AT&T	Utilities - Internet	Internet service - Jun	2,175.16
45395	AT&T	Utilities - Telephone	Phone service - May	769.76
45396	Black & Veatch	Services - Engineering	Dewatering facilities upgrades and Facility plan update	43,636.25
45397	Boot World, Inc.	Uniforms - Boots	Safety boots - J. Perez	203.60
45398	Brenntag Pacific, Inc	Supplies - Chemicals, Chem-Odor	Citric acid and Sodium hydroxide	5,325.42
45399	CA. Office Cleaning, Inc.	Services - Janitorial	Office and window cleaning	3,909.00
45400	California State Lands Commiss	Fees - Permits	Staff project charges - May	139.59
45401	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride solution	11,901.70
45402	Canyon Springs Enterprises	Services - Contractors	Stormwater Capture and Reuse - Jun	300,081.67
45403	City of Solana Beach	Board Expense	Board meeting reimbursements - Jul 2024 - May 2025	3,200.00
45404	County of San Diego	Fees - Permits	Cardiff P.S., Eden Garden P.S., Solana Beach P.S and San Elijo Hills P.S	2,592.00
45405	D & R Crane, Inc.	Services - Maintenance	Pump room crane repair	700.00
45406	Dale Kreinbring	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45407	City of Encinitas	Board Expense	Board meeting reimbursements - Apr - Jun	960.00
45408	Cosby Oil Company, Inc	Fuel	Fuel - Jun	550.96
45409	Benefits Coordinators Corp.	Dental/Vision	Vision - Jul	451.70
45410	Dixieline Lumber Company	Repair Parts Expense, Shop Tools and Equip.	Various supplies	692.15
45411	Dudek & Associates	Services - Engineering	Stormwater capture and reuse site water quality improvements	3,556.65
45412	EDCO Waste & Recycling Service	Utilities - Trash	Jun	503.15
45413	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	1,403.00
45414	Evoqua Water Technologies	Supplies - Chem - Odor	Bioxide	8,994.39
45415	Excel Landscape, Inc.	Services - Landscape	Irrigation repair	708.84
45416	Didra Felix	Postage/Shipping	Employee reimbursement - Shipping	379.41
45417	Gilmore & Bell, A Pro. Corp.	Services - Legal	RW Webster Loan Amendment #1	2,000.00
45418	Global Power Group Inc.	Services - Maintenance	As needed generator repair service - SEJPA Plant	2,247.50
45419	Grainger, Inc.	Repair Parts Expense, Supplies - Safety	Various supplies	1,724.28
45420	GSE Construction Company Inc.	Services - Contractors	Biosolids facilities improvements - May	736,829.20
45421	Hoch Consulting, APC	Services - Professional	Prop 1 Rd Project 7 and Project 6 N.C RW - Jan through May	11,835.00
45422	Idexx Distribution, Inc.	Supplies - Lab	Various lab supplies	4,731.66
45423	IWater, Inc.	Services - Maintenance	RW valve exercising services	13,335.00
45424	Hudson Safe-T-Lite Rentals	Services - Contractors	Traffic control services	4,540.00
45425	Daniel Verdon	Supplies - Lab	Employee reimbursement - Lab supplies	99.35
45426	Liquid Environmental Solution	Services - Grit & Screenings, Grease & Scum	Roll off box and pumping service	2,095.00
45427	McMaster-Carr Supply Co.	Repair Parts Expense, Shop Tools and Equip., Supplies - Safety	Various supplies	5,819.37
45428	Multi W Systems, Inc.	Services - Contractors	Biosolids start up service	1,830.00
45429	Napa Auto Parts	Repair Parts Expense, Vehicle Maintenance	Various supplies	1,387.49
45430	Nautilus Environmental, Inc	Services - Laboratory	Laboratory toxicity testing services - May	1,215.00
45431	Oasis Palm Nursery, Inc.	Services - Maintenance	Summer service - Palm maintenance	600.00
45432	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Procurement of Sodium Hypochlorite	11,157.79
45433	Olivenhain Municipal Water Dis	Rent	Pipeline rental payment - Jun	15,255.00

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS

For the Month of JULY 2025

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45434	Polydyne Inc.	Supplies - Chem - Polymer	Clarifloc WE - 007, WE - 2942 and C - 378	22,626.44
45435	RingCentral, Inc	Utilities - Telephone	Phone service	526.87
45436	Robert Half International, Inc	Services - Temp	Temporary staffing service	4,355.65
45437	Rusty Wallis, Inc.	Supplies - Shop & Field	Water softener, tank service and salt bags	481.70
45438	McMaster-Carr Supply Co.	Repair Parts Expense	Various supplies	1,142.11
45439	RSF Security Systems	Services - Alarm	Alarm panel installation and code change service	915.00
45440	San Dieguito Water District	Utilities - Water	Water	2,014.17
45441	Southern Contracting Comp.	Services - Contractors	Moonlight Beach Pump Station Cell Repeater	5,181.00
45442	Sunbelt Rentals	Services - Maintenance	Pump rental	7,266.45
45443	Tesco Controls	Services - Professional	SCADA support services	4,660.00
45444	Trussell Technologies, Inc	Services - Professional	T1 - Operational support May	1,253.50
45445	Unifirst Corporation	Services - Uniforms	Uniform services	243.17
45446	UPS	Equipment Rental/Lease	Shipping	123.81
45447	Underground Service Alert/SC	Services - Alarm	Dig alert and safe excavation board	113.66
45448	USA Bluebook	Repair Parts Expense	Pressure gauge	541.19
45449	Valley CM, Inc.	Services - Professional	Management and inspection services - Jun	875.00
45450	Volt Management Corp	Services - Temp	Internship program and temp service	805.14
45451	Westbound Solar 2, LLC	Utilities - Solar Power	Solar - May	14,859.65
45452	VWR International, Inc.	Supplies - Lab	Various lab supplies	673.42
45453	Alliant Insurance Services, Inc	Insurance - Auto	Equipment floater - AMVP - Physical - FY 25/26	2,700.00
45454	Aflac	EE Deduction Benefits Payable	Aflac - Jul	717.16
45455	Akeso Occupation Health	Services - Medical	New hire, Covid-19 test and physical	818.00
45456	AT&T	Utilities - Telephone	Phone service - Jun	771.14
45457	Boot World, Inc.	Uniforms - Boots	Safety boots - E. Fox	223.97
45458	Brenntag Pacific, Inc	Supplies - Chem - Odor	Citric acid and Sodium hydroxide	1,353.55
45459	Burtech Pipeline, Inc.	Services - Contractors	Emergency repair services for RW pipeline	58,152.53
45460	Corodata	Rent	Record storage - Jun	121.93
45461	CA Sanitation Risk Mgmt Auth.	Insurance - Property	Property insurance premium - FY 25/26	129,141.24
45462	CA Sanitation Risk Mgmt Auth.	Workers Comp. Insurance	Work Comp insurance - FY 25/26	63,853.00
45463	CA Sanitation Risk Mgmt Auth.	Workers Comp. Insurance	WC final premium FY 24/25	4,491.00
45464	CWEA	Dues & Memberships	Membership & certificate renewal - T. Cook, D. Verdon, M. Haney	489.00
45465	Dudek & Associates	Services - Engineering	GIS mapping and graphics development	9,822.50
45466	Westbound Solar 2, LLC	Utilities - Solar Power	Solar - Jun	13,561.60
45467	Encina Wastewater Authority	Services - Laboratory	Heterotrophic plate count analysis	170.46
45468	City of Encinitas	Service - IT Support	Admin network - Jul	6,860.00
45469	Evan E Fox	Subsistence - Travel/Rm & Bd	Employee reimbursement - Mileage	44.38
45470	gafcon	Services - Contractors, Professional	Labor compliance for SW Capture and Wanket Tank - Jun	1,475.75
45471	Global Power Group Inc.	Services - Maintenance	Generator rental - Olivenhain Pump Station	14,056.97
45472	Grainger, Inc.	Repair Parts Expense	Daft #2 recycled pump coupling	57.88
45473	GSE Construction Company Inc.	Services - Contractors	Biosolids facilities improvements - Jun	288,351.22
45474	Hardy Diagnostics	Supplies - Lab	Various lab supplies	3,471.34
45475	Leaf & Cole, LLP	Services - Accounting	Audit services - FY 24/25	2,650.00
45476	LiftOff, LLC	Licenses	Licenses - Office 365, Exchange, Project 3, Azure	15,775.20
45477	McMaster-Carr Supply Co.	Repair Parts Expense, Supplies - Safety	Various supplies	444.36
45478	MetLife - Group Benefits	Dental/Vision	Dental - Aug	3,122.34

SAN ELIJO JOINT POWERS AUTHORITY **PAYMENT OF WARRANTS** **For the Month of JULY 2025**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45479	Michael R. Welch, Ph.D., P.E.	Services - Professional	As needed regulatory support services through Jun	10,725.00
45480	Napa Auto Parts	Supplies - Shop & Field	Heavy duty lubricant	7.17
45481	Cosby Oil Company, Inc	Fuel	Fuel - Jul	563.40
45482	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Procurement of Sodium Hypochlorite	11,130.26
45483	OneSource Distributors, Inc.	Repair Parts Expense	Heavy duty safety switch	1,852.88
45484	Otis Elevator Company	Services - Maintenance	Elevator maintenance - Jul	221.62
45485	RingCentral, Inc	Utilities - Telephone	Phone service	526.59
45486	Robert Half International, Inc	Services - Temp	Temporary staffing service	5,955.55
45487	Safe Hearing America	Services - Professional	Hearing testing	1,332.30
45488	Santa Fe Irrigation District	Utilities - Water	Water	638.49
45489	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment	3,150.83
45490	Snell & Wilmer L.L.P	Services - Legal	General counsel through Jun	5,353.00
45491	Terminix Processing Center	Services - Maintenance	Pest control service	625.39
45492	Tesco Controls	Services - Professional	SCADA support services	450.00
45493	Trussell Technologies, Inc	Services - Professional	T1 - Operational support Jun	659.50
45494	Unifirst Corporation	Services - Uniforms	Uniform services	326.97
45495	UPS	Equipment Rental/Lease	Shipping	30.00
45496	USA Bluebook	Repair Parts Expense, Supplies - Lab & Safety	Various supplies	5,527.15
45497	Vaughn Irrigation Services, In	Repair Parts Expense	Various supplies	1,442.77
45498	Verizon Wireless	Utilities - Telephone	Telephone	567.00
45499	Verizon Wireless	Utilities - Telephone	Cell phone service	863.17
45500	VWR International, Inc.	Supplies - Lab	Various lab supplies	60.26
On-line 1097	P.E.R.S.	Medical Insurance - Pers	Health - Jul	53,217.09
On-line 1098	Sun Life Financial	Life Insurance/Disability	Life and disability - Jul	3,133.95
On-line 1099	BankCard Center	Supplies - Office, Lab, Safety	Various supplies	8,804.52
On-line 1100	Mission Square	ICMA Retirement	ICMA - 401 a	7,534.13
On-line 1101	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	10,241.52
On-line 1102	Alliant Insurance Services, Inc	Insurance - Liability	Government crime - FY 25/26	895.00
On-line 1103	Calpers	Retirement Plan - PERS	FY 25/26 CalPERS UAL - plan identifier 1932	415,705.00
On-line 1104	Calpers	Retirement Plan - PERS	FY 25/26 CalPERS UAL - plan identifier 23261	4,684.00
On-line 1105	Calpers	Retirement Plan - PERS	FY 25/26 CalPERS UAL - plan identifier 26431	8,725.00
On-line 1106	Home Depot Credit Services	Supplies - Shop & Field	Various supplies	2,946.34
On-line 1107	Mission Square	ICMA Retirement	ICMA - 401 a	7,728.72
On-line 1108	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	9,051.37
On-line 1109	Public Employees- Retirement	Retirement Plan - PERS	Retirement - Jul Pay Period	25,016.24
On-line 1110	Sun Life Financial	Life Insurance/Disability	Life and disability - Aug	3,146.66
On-line 1111	WM Corporate Services, Inc.	Services - Sediment Disposal	Roll off bins - Jun	450.00
On-line 1112	Void			-
On-line 1113	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - Jun	49,460.02
On-line 1114	CA. Dept. of Tax & Fee Admin.	Accrued Sales Tax Payable	Use Tax - 2025 Q2	135.00
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 07/11/2025	120,651.18
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 07/25/2025	127,295.95
				<u><u>\$ 2,836,911.10</u></u>

**SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS SUMMARY**

**For the Month of JULY 2025
As of JULY 31, 2025**

PAYMENT OF WARRANTS

\$ 2,836,911.10

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



Kevin Lang
Director of Finance and Administration

SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION

As of JULY 31, 2025

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND <i>(JULY 2025 YIELD 4.258%)</i>	\$ 5,389,363.33
CALIFORNIA BANK AND TRUST <i>(JULY 2025 YIELD 0.01%)</i>	1,246,086.63
U.S. Bank <i>(JULY 2025 YIELD 4.40%)</i>	12,951,633.20
PARS <i>(JUNE 2025 YIELD 3.04%)</i>	1,097,622.04
TOTAL RESOURCES	<u>\$ 20,684,705.20</u>

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

August 19, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WASTEWATER TREATMENT REPORT – MAY 2025

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Facility Performance and Evaluation

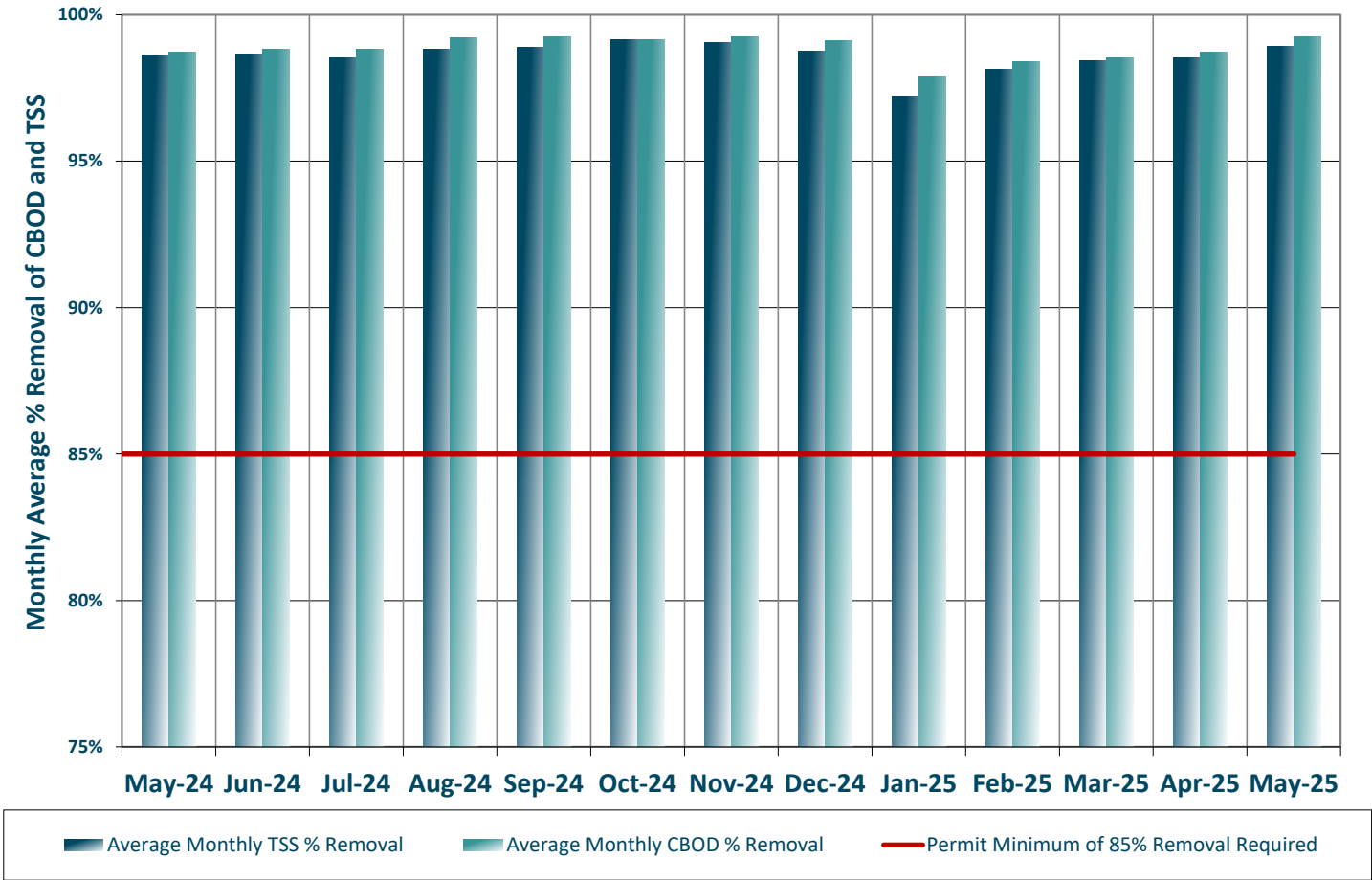
Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of May 2025. The primary indicators of treatment performance include the removal of Total Suspended Solids (TSS) and Carbonaceous Biochemical Oxygen Demand (CBOD). The SEJPA is required to remove a minimum of 85 percent of the TSS and CBOD from the wastewater. Treatment levels for **TSS** and **CBOD** were **98.9** and **99.3** percent removal, respectively, during the month of May.

Exceptional Water Treatment



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

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



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

FIGURE 2: TREATED EFFLUENT FLOWS REMOVAL OF TSS

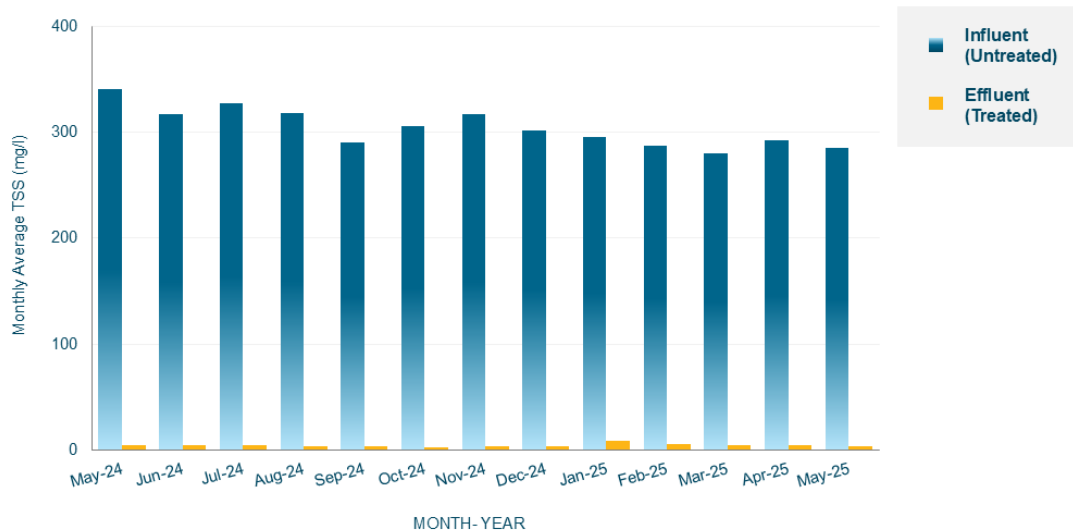
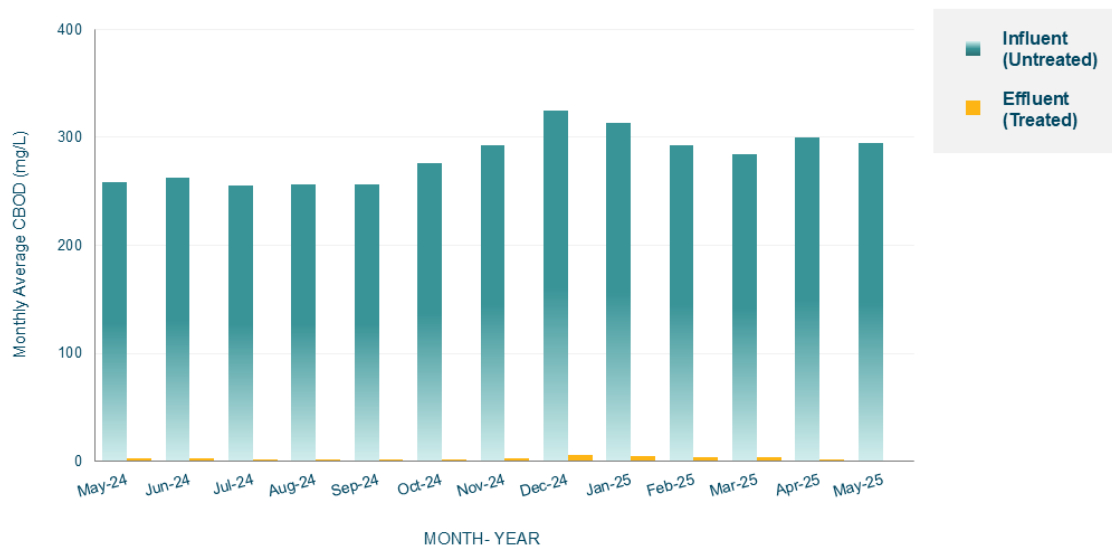


FIGURE 3: TREATED EFFLUENT FLOWS REMOVAL OF CBOD



Member Agency Flows

Table 1(below) summarizes the influent and effluent flows for the month of May. Average daily influent flows were measured for each contributing agency. During this period, approximately 69% of the incoming flow was treated and reused as recycled water, while the remainder was discharged to the ocean.

TABLE 1 – INFLUENT AND EFFLUENT FLOWS IN MAY

	Influent (mad)	Recycled Water (mad)	Effluent (mad)*
Cardiff Sanitaru Division	1.220	0.842	0.378
City of Solana Beach	1.071	0.739	0.332
Rancho Santa Fe SID	0.202	0.139	0.063
City of Del Mar	0.371	0.256	0.115
Total San Elijo Water Campus Flow	2.864	1.976	0.888

* 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 contributing agencies during the past 3 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each agency during this same time.

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

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)				
	CSD	RSF	SB	DM	TOTAL DESIGN	CSD	RSF	SB	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
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
May-22	1.146	0.140	0.877	0.301	2.464	8,557	582	8,124	2,616	19,879	134	241	108	123	124
Jun-22	1.133	0.138	0.921	0.452	2.644	8,557	583	8,124	2,616	19,880	132	237	113	184	133
Jul-22	1.124	0.129	0.948	0.438	2.639	8,557	583	8,142	2,616	19,898	131	221	116	179	133
Aug-22	1.163	0.133	0.929	0.448	2.673	8,557	583	8,142	2,616	19,898	136	228	114	185	134
Sep-22	1.139	0.125	0.904	0.381	2.549	8,557	584	8,142	2,616	19,899	133	214	111	158	128
Oct-22	1.083	0.128	0.890	0.295	2.396	8,557	584	8,142	2,616	19,899	127	219	109	122	120
Nov-22	1.205	0.124	0.879	0.336	2.544	8,557	585	8,142	2,616	19,900	141	212	108	138	128
Dec-22	1.186	0.133	0.906	0.374	2.599	8,557	585	8,142	2,616	19,900	139	228	111	151	131
Jan-23	1.630	0.200	0.979	0.379	3.188	8,557	585	8,142	2,616	19,900	190	342	120	153	160
Feb-23	1.323	0.167	0.930	0.371	2.791	8,557	585	8,142	2,616	19,900	155	286	114	149	140
Mar-23	1.892	0.255	1.044	0.392	3.583	8,557	585	8,142	2,616	19,900	221	436	128	154	180
Apr-23	1.244	0.187	0.915	0.303	2.649	8,557	586	8,142	2,616	19,901	145	319	112	123	133
May-23	1.184	0.167	0.879	0.295	2.525	8,557	586	8,142	2,616	19,901	138	285	108	120	127
Jun-23	1.185	0.144	0.891	0.413	2.633	8,557	586	8,142	2,616	19,901	136	282	109	171	132
Jul-23	1.160	0.146	0.949	0.446	2.701	8,557	586	8,166	2,616	19,925	136	249	116	182	136
Aug-23	1.242	0.177	0.954	0.494	2.867	8,559	586	8,166	2,622	19,933	145	302	117	200	144
Sep-23	1.161	0.161	0.885	0.371	2.578	8,559	586	8,166	2,622	19,933	136	275	108	152	129
Oct-23	1.125	0.163	0.870	0.308	2.466	8,559	587	8,166	2,622	19,934	131	278	107	125	124
Nov-23	1.246	0.186	0.961	0.409	2.802	8,559	588	8,166	2,622	19,935	146	317	118	149	141
Dec-23	1.313	0.173	1.011	0.377	2.874	8,559	588	8,166	2,622	19,935	153	294	124	133	144
Jan-24	1.416	0.190	1.055	0.380	3.041	8,569	588	8,166	2,622	19,945	165	323	129	134	152
Feb-24	1.788	0.256	1.099	0.422	3.565	8,569	588	8,166	2,622	19,945	209	436	135	151	179
Mar-24	1.395	0.200	1.061	0.352	3.008	8,616	588	8,166	2,639	20,009	162	340	130	125	150
Apr-24	1.313	0.216	1.036	0.368	2.933	8,620	588	8,166	2,639	20,013	152	368	127	130	147
May-24	1.294	0.196	1.017	0.349	2.856	8,620	588	8,166	2,639	20,013	150	334	125	125	143
Jun-24	1.275	0.191	1.058	0.508	3.032	8,620	588	8,166	2,639	20,013	148	325	130	184	152
Jul-24	1.310	0.185	1.076	0.494	3.065	8,620	588	8,166	2,639	20,013	152	315	132	182	153
Aug-24	1.279	0.166	1.090	0.512	3.047	8,621	588	8,178	2,639	20,025	148	283	133	188	152
Sep-24	1.278	0.165	1.034	0.399	2.876	8,621	588	8,178	2,657	20,043	148	281	126	147	143
Oct-24	1.296	0.160	1.019	0.340	2.815	8,621	591	8,178	2,657	20,046	150	271	125	122	140
Nov-24	1.250	0.184	0.967	0.482	2.883	8,621	591	8,178	2,657	20,046	145	312	118	165	144
Dec-24	1.231	0.182	1.079	0.408	2.900	8,621	593	8,178	2,657	20,048	143	307	132	134	145
Jan-25	1.242	0.187	1.105	0.381	2.915	8,621	593	8,178	2,657	20,048	144	316	135	124	145
Feb-25	1.321	0.186	1.120	0.408	3.035	8,621	593	8,178	2,657	20,048	153	314	137	134	151
Mar-25	1.374	0.214	1.133	0.390	3.111	8,621	593	8,178	2,657	20,048	159	361	139	129	155
Apr-25	1.221	0.210	1.084	0.367	2.882	8,621	593	8,178	2,657	20,048	142	354	133	122	144
May-25	1.220	0.202	1.071	0.371	2.864	8,621	593	8,178	2,657	20,048	142	341	131	123	143

CSD: Cardiff Sanitary Division

RSF: Ranch Santa Fe Community Service District

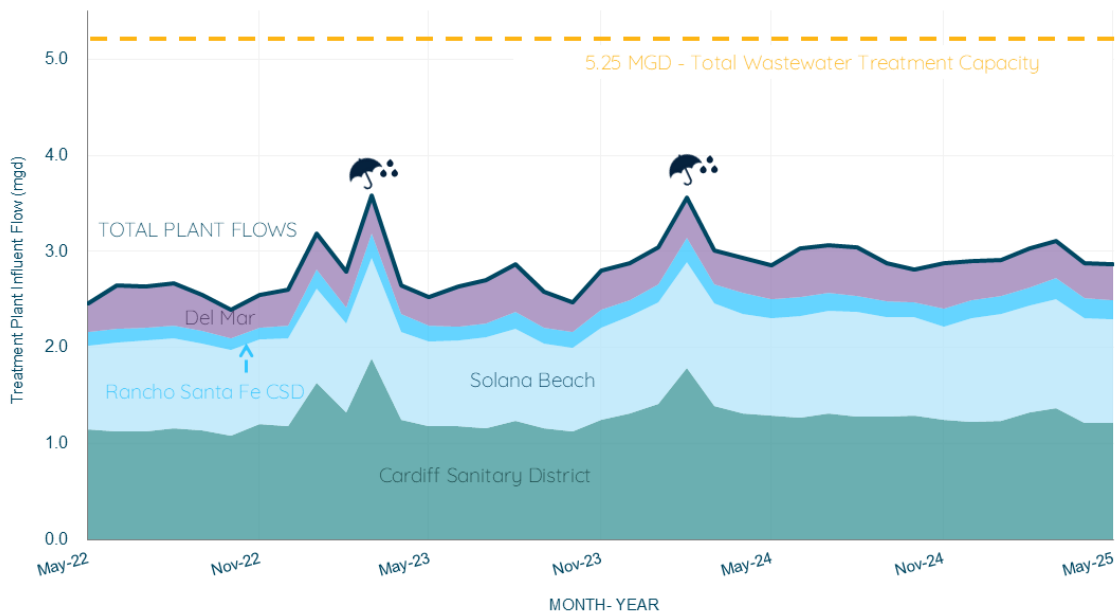
SB: Solana Beach

DM: City of Del Mar

EDU: Equivalent Dwelling Unit

Figure 4 (below) presents the 3-year historical average daily flows per month for each contributing 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 the Cities of Encinitas and Solana Beach 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 May 2025 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)	9.4
Escondido (Peak flow rate)	18.5

Connected Equivalent Dwelling Units

The City of Solana Beach updated the number of connected EDUs that are reported to the SEJPA in August 2024. The number of connected EDUs for City of Del Mar was updated in September 2024. 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	8,621
Rancho Santa Fe SID	593
City of Solana Beach	7,840
San Diego (to Solana Beach)	337
City of Del Mar	2,657
Total EDUs to System	20,048

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

August 19, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WASTEWATER TREATMENT REPORT – JUNE 2025

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Facility Performance and Evaluation

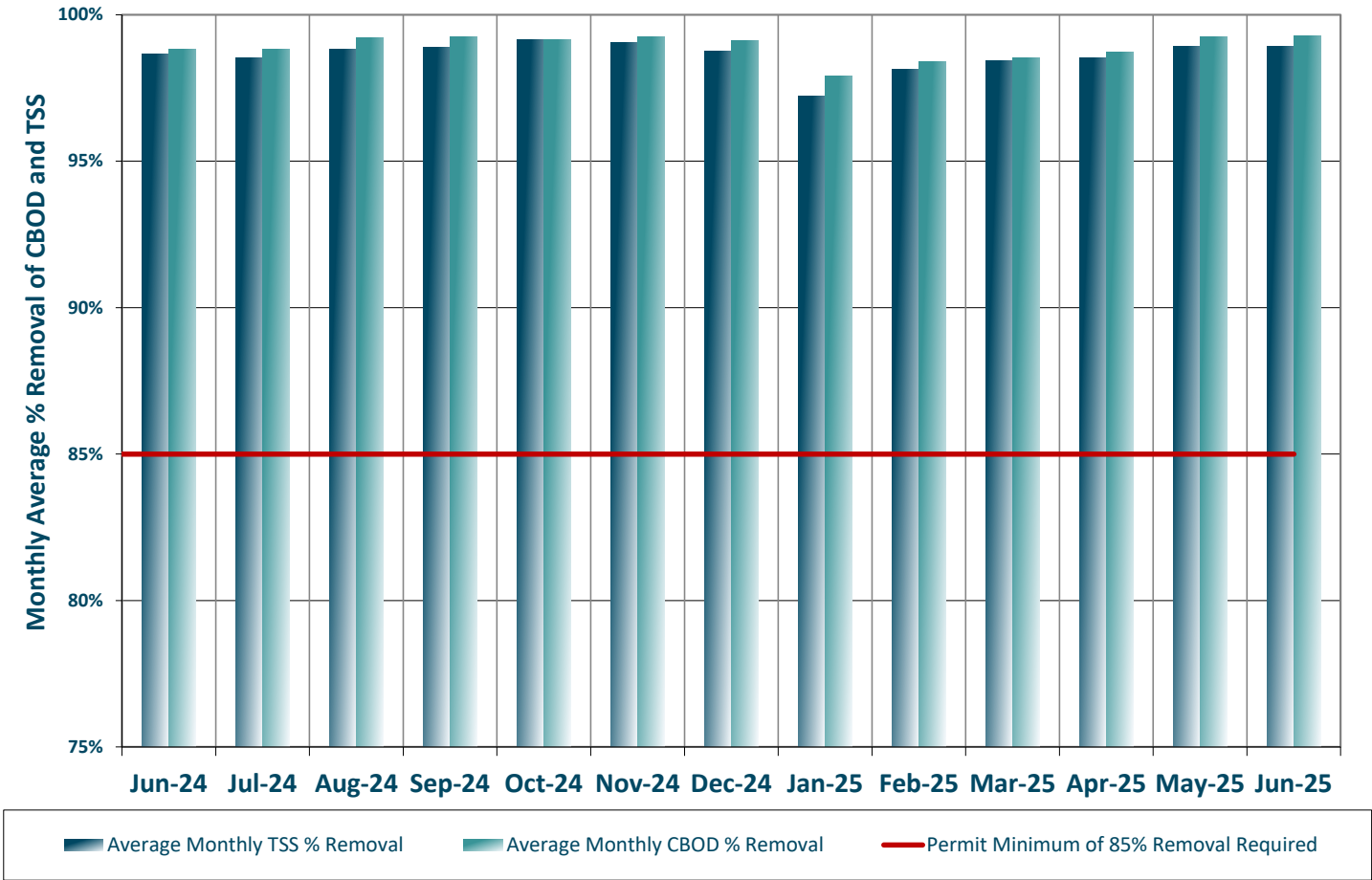
Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of June 2025. The primary indicators of treatment performance include the removal of Total Suspended Solids (TSS) and Carbonaceous Biochemical Oxygen Demand (CBOD). The SEJPA is required to remove a minimum of 85 percent of the TSS and CBOD from the wastewater. Treatment levels for **TSS** and **CBOD** were **98.9** and **99.3** percent removal, respectively, during the month of June.

Exceptional Water Treatment

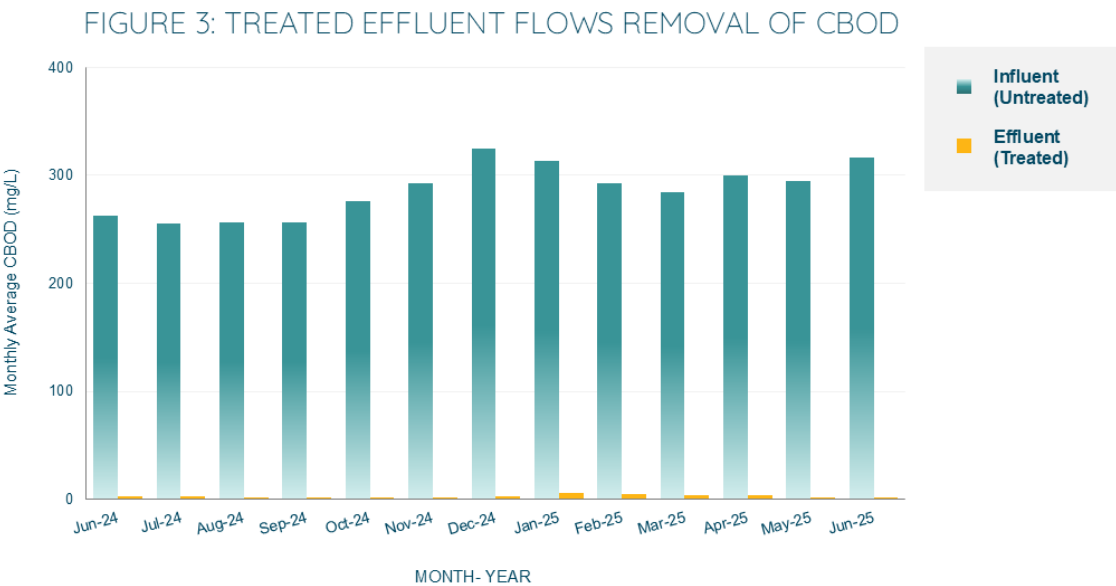
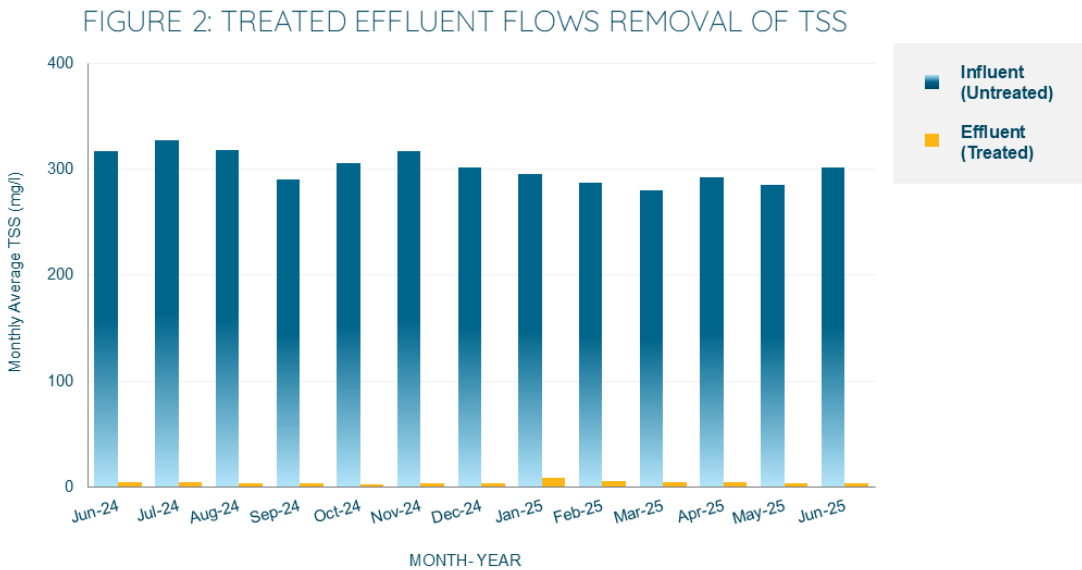


Figure 1 (below) shows historic treatment performance trends for the removal of TSS and CBOD over the last 13 months compared to the permit minimum removal requirement of 85%.

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



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



Member Agency Flows

Table 1(below) summarizes the influent and effluent flows for the month of June. Average daily influent flows were measured for each contributing agency. During this period, approximately 67% of the incoming flow was treated and reused as recycled water, while the remainder was discharged to the ocean.

TABLE 1 – INFLUENT AND EFFLUENT FLOWS IN JUNE

	Influent (mad)	Recycled Water (mad)	Effluent (mad)*
Cardiff Sanitaru Division	1.204	0.811	0.393
City of Solana Beach	1.071	0.721	0.350
Rancho Santa Fe SID	0.190	0.129	0.061
City of Del Mar	0.524	0.353	0.171
Total San Elijo Water Campus Flow	2.989	2.014	0.975

* 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 contributing agencies during the past 3 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each agency during this same time.

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

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)				
	CSD	RSF	SB	DM	TOTAL DESIGN	CSD	RSF	SB	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
Jul-22	1.124	0.129	0.948	0.438	2.639	8,557	583	8,142	2,616	19,898	131	221	116	179	133
Aug-22	1.163	0.133	0.929	0.448	2.673	8,557	583	8,142	2,616	19,898	136	228	114	185	134
Sep-22	1.139	0.125	0.904	0.381	2.549	8,557	584	8,142	2,616	19,899	133	214	111	158	128
Oct-22	1.083	0.128	0.890	0.295	2.396	8,557	584	8,142	2,616	19,899	127	219	109	122	120
Nov-22	1.205	0.124	0.879	0.336	2.544	8,557	585	8,142	2,616	19,900	141	212	108	138	128
Dec-22	1.186	0.133	0.906	0.374	2.599	8,557	585	8,142	2,616	19,900	139	228	111	151	131
Jan-23	1.630	0.200	0.979	0.379	3.188	8,557	585	8,142	2,616	19,900	190	342	120	153	160
Feb-23	1.323	0.167	0.930	0.371	2.791	8,557	585	8,142	2,616	19,900	155	286	114	149	140
Mar-23	1.892	0.255	1.044	0.392	3.583	8,557	585	8,142	2,616	19,900	221	436	128	154	180
Apr-23	1.244	0.187	0.915	0.303	2.649	8,557	586	8,142	2,616	19,901	145	319	112	123	133
May-23	1.184	0.167	0.879	0.295	2.525	8,557	586	8,142	2,616	19,901	138	285	108	120	127
Jun-23	1.185	0.144	0.891	0.413	2.633	8,557	586	8,142	2,616	19,901	136	282	109	171	132
Jul-23	1.160	0.146	0.949	0.446	2.701	8,557	586	8,166	2,616	19,925	136	249	116	182	136
Aug-23	1.242	0.177	0.954	0.494	2.867	8,559	586	8,166	2,622	19,933	145	302	117	200	144
Sep-23	1.161	0.161	0.885	0.371	2.578	8,559	586	8,166	2,622	19,933	136	275	108	152	129
Oct-23	1.125	0.163	0.870	0.308	2.466	8,559	587	8,166	2,622	19,934	131	278	107	125	124
Nov-23	1.246	0.186	0.961	0.409	2.802	8,559	588	8,166	2,622	19,935	146	317	118	149	141
Dec-23	1.313	0.173	1.011	0.377	2.874	8,559	588	8,166	2,622	19,935	153	294	124	133	144
Jan-24	1.416	0.190	1.055	0.380	3.041	8,569	588	8,166	2,622	19,945	165	323	129	134	152
Feb-24	1.788	0.256	1.099	0.422	3.565	8,569	588	8,166	2,622	19,945	209	436	135	151	179
Mar-24	1.395	0.200	1.061	0.352	3.008	8,616	588	8,166	2,639	20,009	162	340	130	125	150
Apr-24	1.313	0.216	1.036	0.368	2.933	8,620	588	8,166	2,639	20,013	152	368	127	130	147
May-24	1.294	0.196	1.017	0.349	2.856	8,620	588	8,166	2,639	20,013	150	334	125	125	143
Jun-24	1.275	0.191	1.058	0.508	3.032	8,620	588	8,166	2,639	20,013	148	325	130	184	152
Jul-24	1.310	0.185	1.076	0.494	3.065	8,620	588	8,166	2,639	20,013	152	315	132	182	153
Aug-24	1.279	0.166	1.090	0.512	3.047	8,621	588	8,178	2,639	20,025	148	283	133	188	152
Sep-24	1.278	0.165	1.034	0.399	2.876	8,621	588	8,178	2,657	20,043	148	281	126	147	143
Oct-24	1.296	0.160	1.019	0.340	2.815	8,621	591	8,178	2,657	20,046	150	271	125	122	140
Nov-24	1.250	0.184	0.967	0.482	2.883	8,621	591	8,178	2,657	20,046	145	312	118	165	144
Dec-24	1.231	0.182	1.079	0.408	2.900	8,621	593	8,178	2,657	20,048	143	307	132	134	145
Jan-25	1.242	0.187	1.105	0.381	2.915	8,621	593	8,178	2,657	20,048	144	316	135	124	145
Feb-25	1.321	0.186	1.120	0.408	3.035	8,621	593	8,178	2,657	20,048	153	314	137	134	151
Mar-25	1.374	0.214	1.133	0.390	3.111	8,621	593	8,178	2,657	20,048	159	361	139	129	155
Apr-25	1.221	0.210	1.084	0.367	2.882	8,621	593	8,178	2,657	20,048	142	354	133	122	144
May-25	1.220	0.202	1.071	0.371	2.864	8,621	593	8,178	2,657	20,048	142	341	131	123	143
Jun-25	1.204	0.190	1.071	0.524	2.989	8,621	593	8,178	2,657	20,048	140	321	131	175	149

CSD: Cardiff Sanitary Division

RSF: Ranch Santa Fe Community Service District

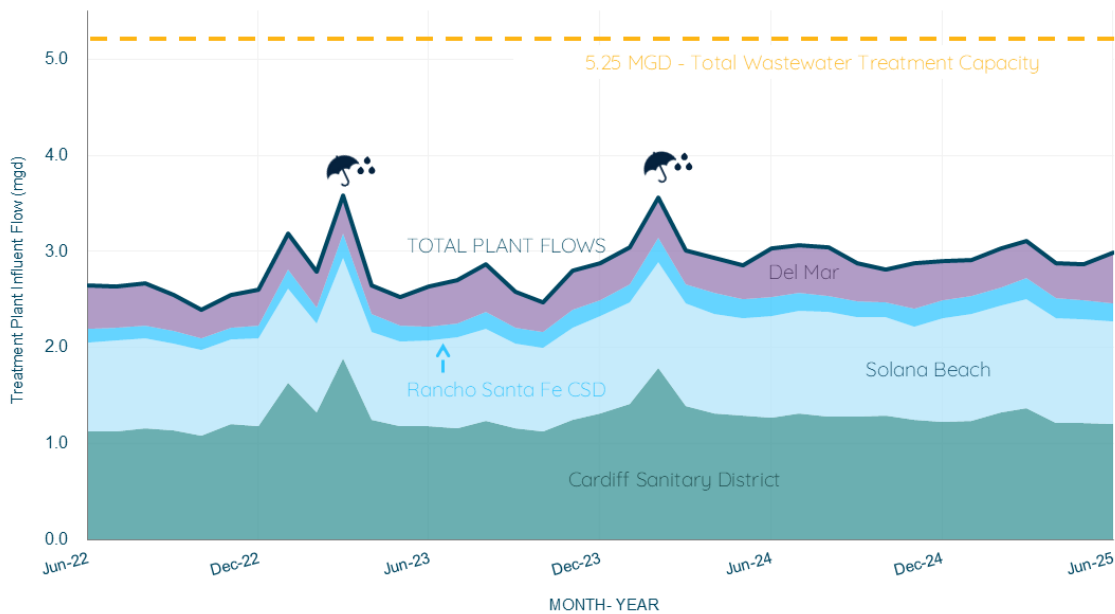
SB: Solana Beach

DM: City of Del Mar

EDU: Equivalent Dwelling Unit

Figure 4 (below) presents the 3-year historical average daily flows per month for each contributing 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 the Cities of Encinitas and Solana Beach 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 June 2025 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)	8.8
Escondido (Peak flow rate)	18.0

Connected Equivalent Dwelling Units

The City of Solana Beach updated the number of connected EDUs that are reported to the SEJPA in August 2024. The number of connected EDUs for the City of Del Mar was updated in September 2024. 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	8,621
Rancho Santa Fe SID	593
City of Solana Beach	7,840
San Diego (to Solana Beach)	337
City of Del Mar	2,657
Total EDUs to System	20,048

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

August 19, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER REPORT – MAY 2025

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of May 2025, recycled water demand was 158.5 acre-feet (AF), which was 157.6 AF of recycled water and 0.9 AF of supplemental water. May demand was 15% below budget expectations of 186 AF. Demand for the first 11 months of the fiscal year is 14.6% ahead of budget.

During May 2025, SEJPA experienced a 7-day period where the geometric mean of coliform levels in our recycled water (effluent) exceeded the permit limit of 2.2 MPN/100mL. Specifically, coliform levels were above this limit on six out of those seven days. Staff increased chemical treatment for clarification and disinfection, successfully eliminating coliform detection for the last 16 days of the month. Our investigation indicated the exceedance may have been related to onsite construction affecting biology or septicity in our secondary treatment, which reduced the effectiveness of our sand filters and hindered proper disinfection. This incident reinforces the continued importance of our planned Biological Improvements Project to enhance treatment robustness and ensure reliable sand filter performance.

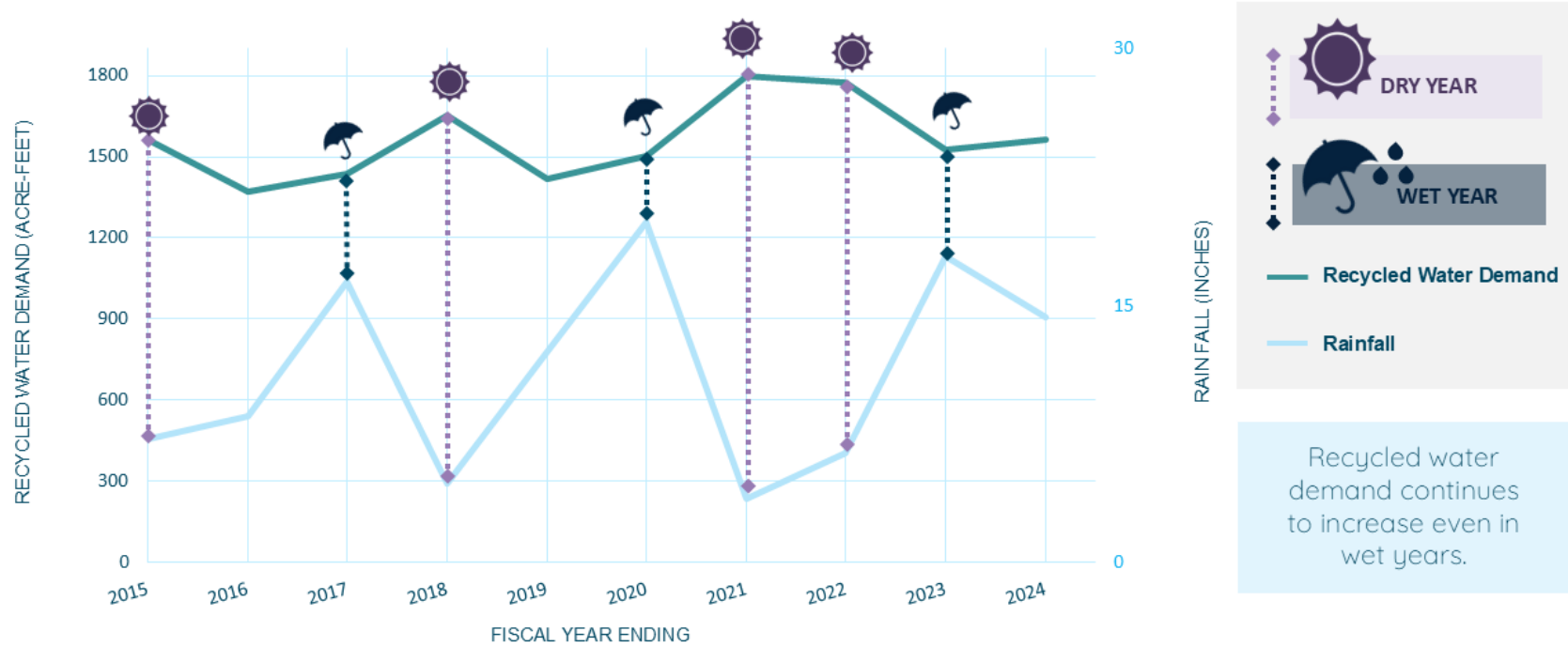
Figure 1 (attached) provides a graphical view of annual recycled water demand spanning the last 10 fiscal years, with the overlay of annual rainfall. Since the recycled water program primarily serves outdoor irrigation, annual demand is reduced during wet periods and increases during times of drought. Figure 2 (attached) shows the monthly recycled water demand for each May for the last ten years to provide a year-over-year comparison. Figure 3 (attached) compares budget versus actual recycled water sales for FY 2024-25.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

FIGURE 1: RECYCLED WATER DEMAND AND RAINFALL COMPARISON



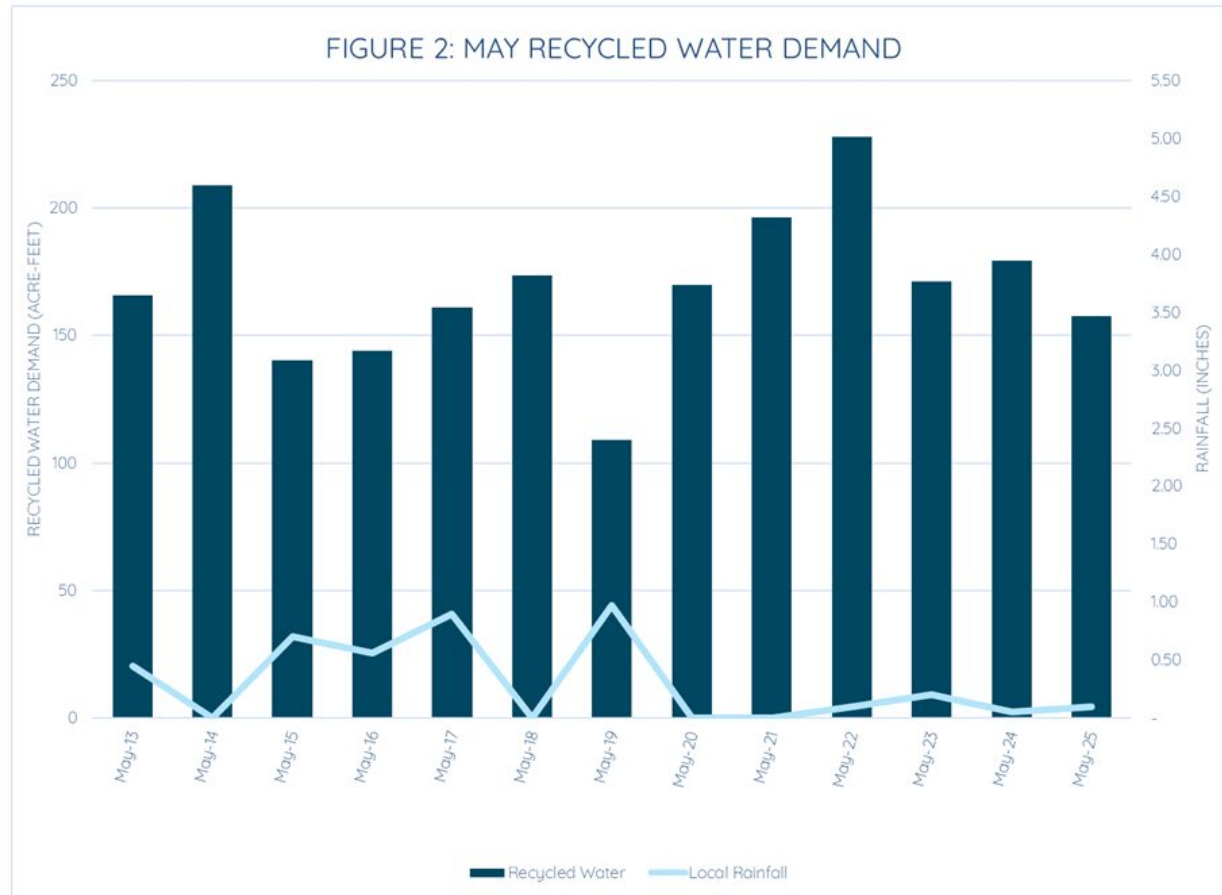
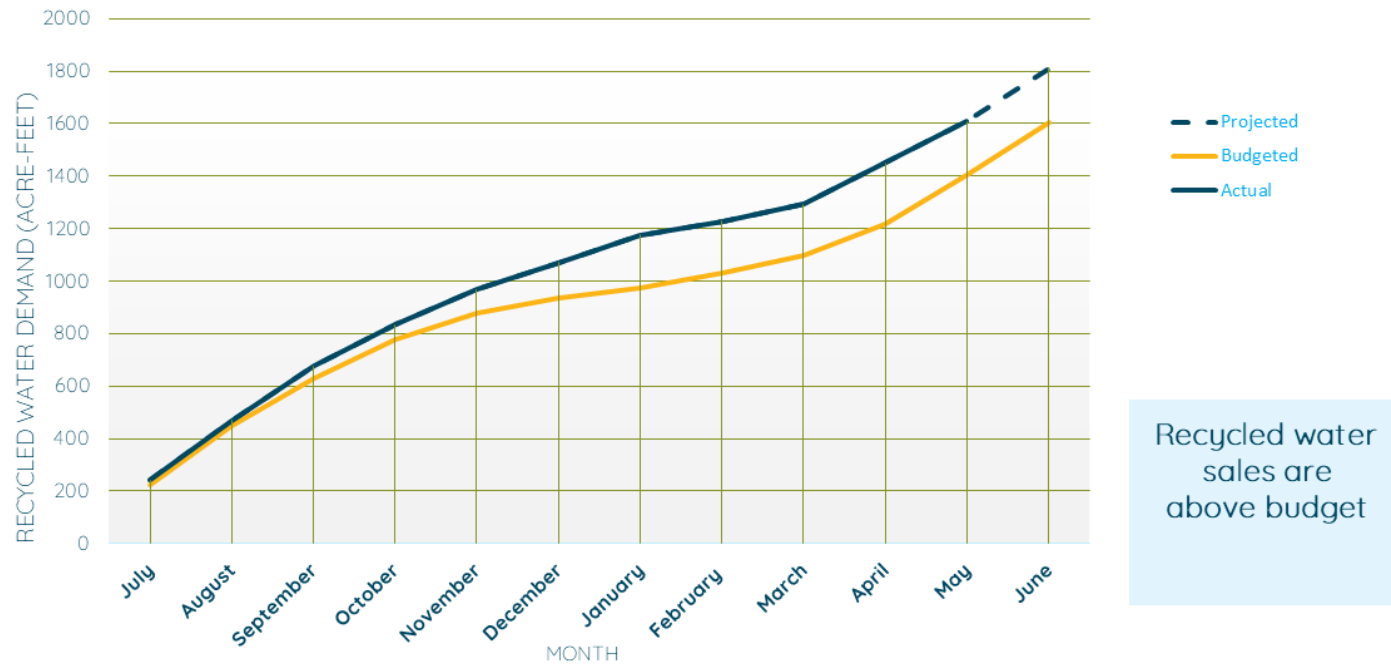


FIGURE 3: FY2024/25 CUMULATIVE DEMAND VS BUDGET



SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

August 19, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER REPORT – JUNE 2025

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of June 2025, recycled water demand was 186.3 acre-feet (AF), which was 184.0 AF of recycled water and 2.3 AF of supplemental water. June demand was 7.7% below budget expectations of 202 AF. Demand for the fiscal year ended 11.8% ahead of budget.

During June 2025, SEJPA experienced an 8-day period where the geometric mean of coliform levels in our recycled water (effluent) exceeded the permit limit of 2.2 MPN/100mL (with MPN defined as most probable number). Additionally, coliform levels were above 23 MPN/100mL for two of those days which also exceeds the permit. Staff increased chemical treatment for clarification and disinfection, and made other biological treatment adjustments to successfully reduce coliform detection for the last nine days of the month. Our investigation indicated the exceedance may have been related to the startup of new centrifuge equipment affecting biology combined with a new polymer associated with the centrifuges, which reduced the effectiveness of our sand filters and hindered proper disinfection. This incident reinforces the continued importance of our planned Biological Improvements Project to enhance treatment robustness or the replacement of our existing sand filter system with membrane treatment similar to our exiting microfiltration and reverse osmosis treatment. During this treatment episode, staff sampled filtered water immediately after sand filtration and membrane treatment but before disinfection. The sand filtration effluent had a pre-disinfection coliform concentration of 100,000 MPN/100mL and the membrane treatment had a coliform concentration of <1 MPN/100mL, illustrating the challenges of pairing non-nitrified activated sludge effluent with sand filtration and chloramine disinfection. Staff is evaluating capital improvement options to address this situation in the most reliable and cost-effective manner. Recommendations from this work will be presented at a future meeting of the Board of Directors and included in the 2025 Facility Plan.

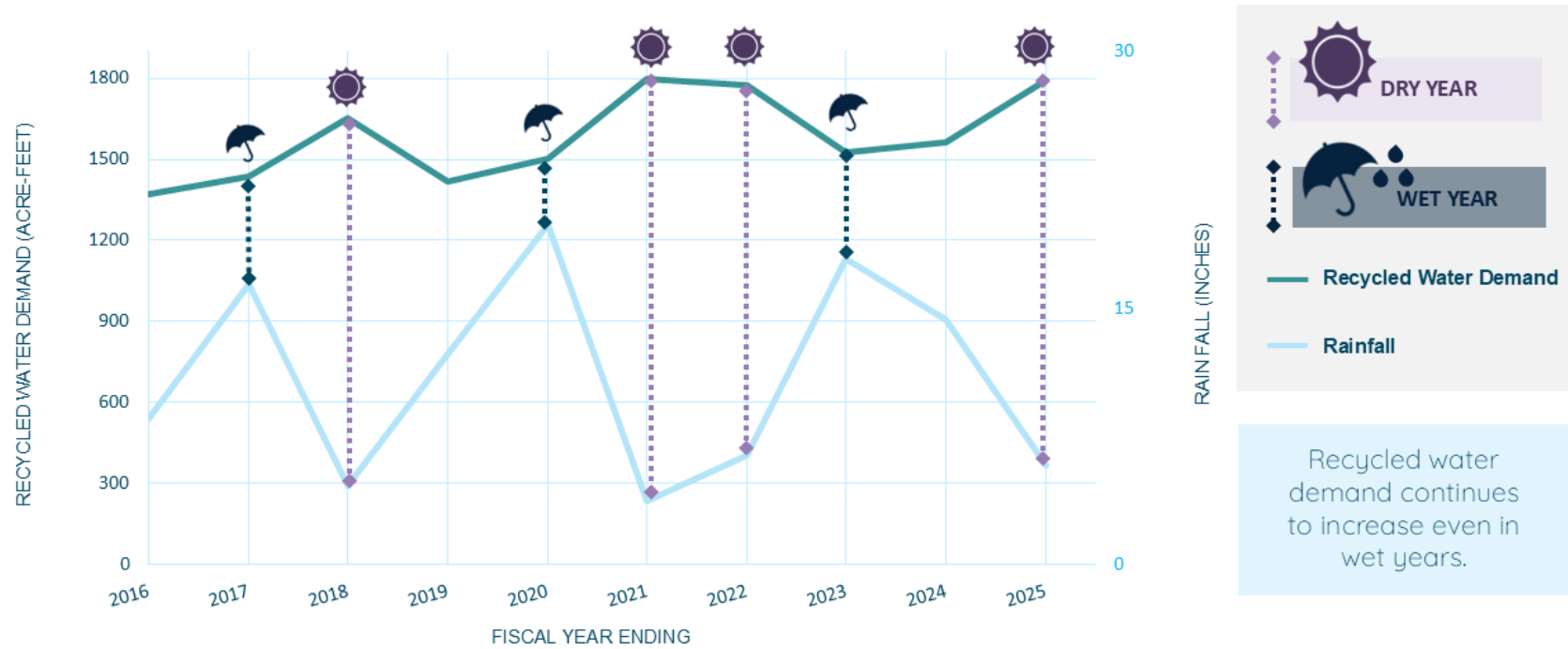
Figure 1 (attached) provides a graphical view of annual recycled water demand spanning the last 10 fiscal years, with the overlay of annual rainfall. Since the recycled water program primarily serves outdoor irrigation, annual demand is reduced during wet periods and increases during times of drought. Figure 2 (attached) shows the monthly recycled water demand for each June for the last ten years to provide a year-over-year comparison. Figure 3 (attached) compares budget versus actual recycled water sales for FY 2024-25.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Thornton', with a stylized flourish at the end.

Michael T. Thornton, P.E.
General Manager

FIGURE 1: RECYCLED WATER DEMAND AND RAINFALL COMPARISON



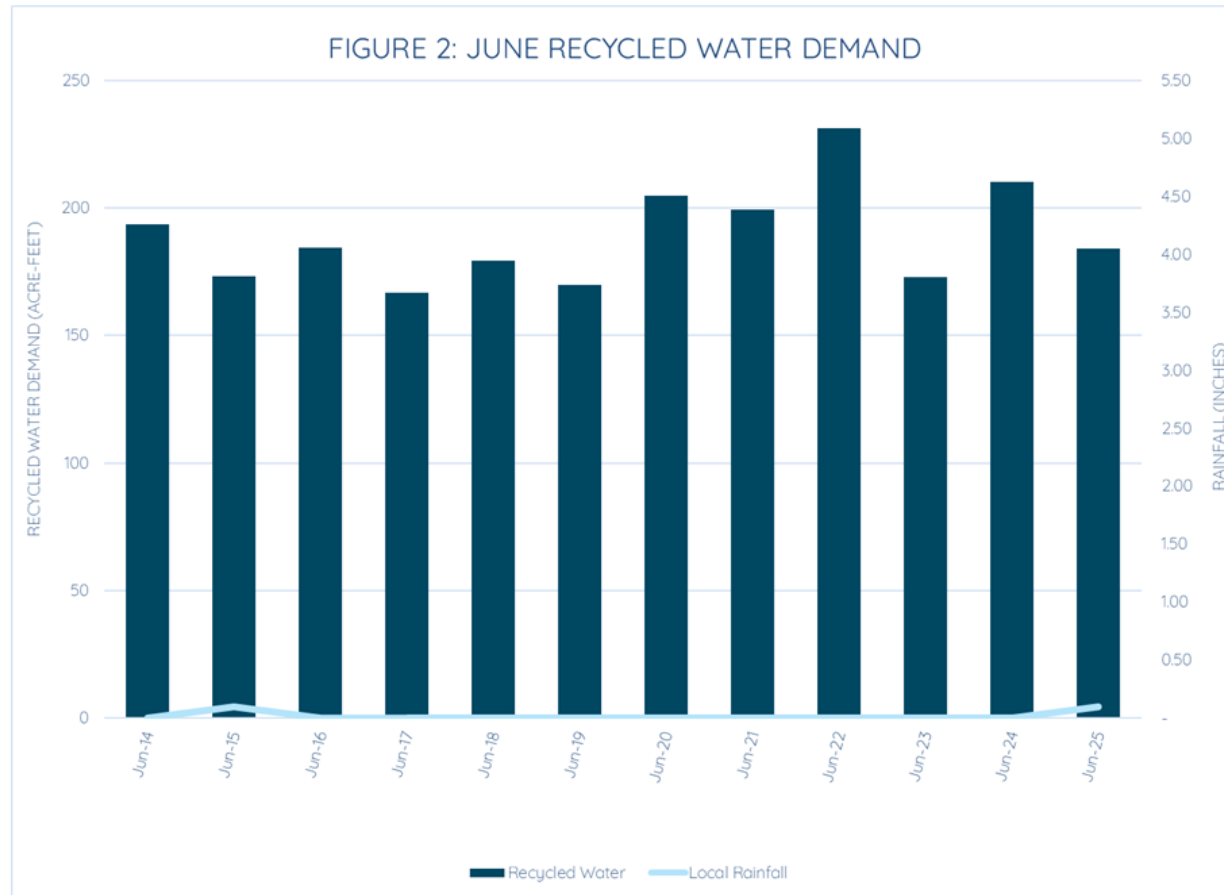
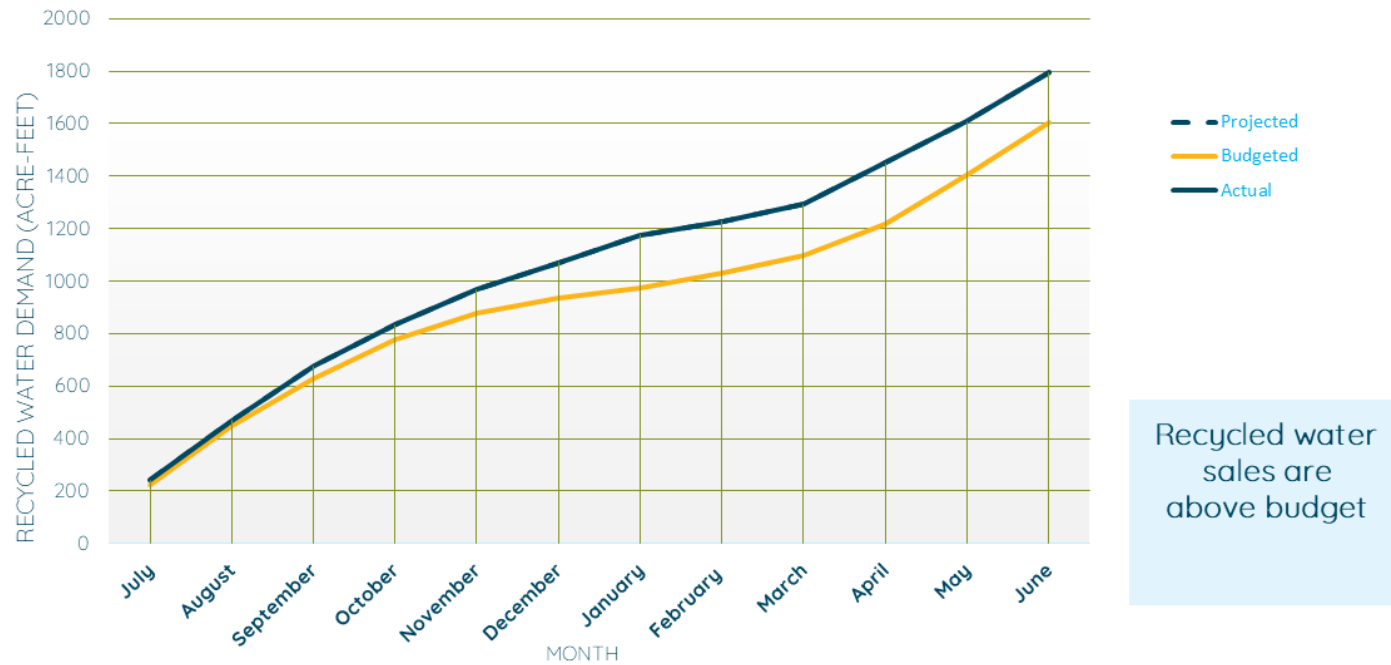


FIGURE 3: FY2024/25 CUMULATIVE DEMAND VS BUDGET



*

AGENDA ITEM NO. 11

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

August 19, 2025

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 previously reported:

1. Meeting to review Board Meeting Agenda with Chairperson Becker on June 13, 2025.

FINANCIAL IMPACT

Per the SEJPA Restatement Agreement, SEJPA offers the Board Member \$160 for each reportable meeting, which the Board Member may choose to accept or reject. These meetings are accounted for in our annual budget.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

August 19, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CONTRACT FOR PROCUREMENT OF POLYMER FOR FISCAL YEAR 2025-26

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve an exception to the Agency's competitive bidding policy for the procurement of polymer in FY 2025-26 due to operational and technical considerations described in this report; and
2. Authorize the General Manager to amend the Agreement with Polydyne, Inc. for the procurement of polymer for an amount not-to-exceed \$129,300; and
3. Discuss and take action as appropriate.

BACKGROUND

SEJPA's purchasing policy requires competitive bidding for procurements exceeding \$50,000 to ensure fiscal prudence and fair competition. The current agreement for polymer is expiring, and SEJPA is in the startup and commissioning phase of its new centrifuge dewatering equipment. A competitive bid process at this stage would not be beneficial, adding months of testing and risk disrupting system optimization.

To maintain treatment stability during commissioning, staff recommends continuing with Polydyne, Inc. until the new system is stabilized. Once optimization is complete, SEJPA will initiate a competitive bid process supported by performance testing of polymers from multiple vendors, with the intent to secure a multi-year polymer supply contract.

DISCUSSION

Polymer performance varies widely by manufacturer and is highly dependent on SEJPA's equipment and process conditions. Selecting the best polymer typically requires 4–6 months of lab and full-scale testing.

During such evaluations, SEJPA does not focus solely on unit price. A lower-cost polymer may lead to increased moisture in dewatered biosolids, significantly raising hauling and energy costs. For example, one trial polymer resulted in biosolids with 2% higher moisture content than the current product. This difference translated to approximately two additional truckloads per month—costing an estimated \$1,800 per month or over \$20,000 annually—eliminating any perceived savings.

Polydyne has consistently met SEJPA's operational needs, and the centrifuge manufacturer (Flottweg) recommended their polymer products for compatibility with the new equipment. Early-stage testing confirmed this recommendation: one polymer supported stable operations, while the other disrupted the treatment process—underscoring the importance of careful polymer selection and its significant influence on system performance.

Optimization of the new dewatering system and polymer integration is expected to continue for several more months. Maintaining polymer continuity during this phase ensures treatment stability and cost control while positioning SEJPA to conduct an open, competitive bid process once system performance is fully stabilized.

FISCAL IMPACT

Polymer usage is expected to result in an annual expenditure of approximately \$130,000, based on current pricing and consumption rates. Funds for this expense are included in the FY 2025-26 adopted operating budget. Continuing with the current vendor during the evaluation period will maintain cost predictability and avoid potential instability during the early stages of centrifuge operation.

RECOMMENDATION

It is therefore recommended that the Board of Directors:

1. Approve an exception to the Agency's competitive bidding policy for the procurement of polymer in FY 2025-26 due to operational and technical considerations described in this report; and
2. Authorize the General Manager to amend the Agreement with Polydyne, Inc. for the procurement of polymer for an amount not-to-exceed \$129,300; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

August 19, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Infrastructure and Sustainability

SUBJECT: CONSTRUCTION PHASE CONTRACT AMENDMENTS FOR THE BIOSOLIDS
DEWATERING FACILITY IMPROVEMENT PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute Contract Change Order No. 15 in an amount of \$95,747 for additional construction services related to the Biosolids Dewatering Facility Improvements project; and
2. Discuss and take action as appropriate.

BACKGROUND

The Biosolids Dewatering Facilities Improvements Project (Biosolids Project) consists of two major components – (1) replacement of the aging biosolids dewatering equipment, polymer system, electrical systems, and biosolids handling systems, and rehabilitation of the dewatering building and ancillary systems and structures; and (2) replacement of Main Switchboard No. 2 (MS-2) which feeds secondary, tertiary, Advanced Water Purification (AWP), and solids treatment processes. The biosolids facility and MS-2 were originally constructed in 1991 and are approaching the end of their service life and the building is exhibiting deterioration that requires remediation.

The project was publicly bid and SEJPA awarded a contract to GSE Construction, Inc. (GSE) in January 2023 in the amount of \$8,687,200. SEJPA has executed Contract Change Order (CCO) Nos. 1 through 14 to date totaling \$711,365 and granted time extension of 139 calendar days, bringing the construction contract value to \$9,398,565.

DISCUSSION

Project Status:

The construction phase is 95% complete, and the project is on track to finish under the Board-approved budget for all currently contracted work. The dewatering facilities are fully operational and are currently in the startup and commissioning phase.

Remaining work includes minor mechanical tasks, completion of punch-list items, and final project closeout. Administrative activities supporting SEJPA's pursuit of potential grant funding are expected to continue through the end of the calendar year.

Authorization of CCO No. 15: This change order consolidates 13 discrete extra work items directed by SEJPA to coordinate new work with existing facilities, resolve unforeseen conditions encountered in the field, and to incorporate improvements that enhance operational safety and reliability. CCO No. 15 results in additional costs of \$95,747. The contract changes are summarized as follows:

- In June 2025, SEJPA directed the repair and replacement of a recycled water pipe break at the entrance to the San Elijo Water Campus under an emergency contract with Burtech Pipeline (Reference June 2025 Board Agenda Item No. 19). The emergency work was completed in June 2025 and SEJPA directed Burtech to leave temporary trench patch, anticipating final paving to be completed in conjunction with upcoming paving work. The Biosolids Dewatering Project included a competitively-bid unit price for paving and SEJPA negotiated with the contractor to complete final paving of the recycled water pipe replacement trench in conjunction with site restoration work at the completion of the dewatering project construction. This approach leverages economy of scale and competitive bid pricing for work that needs to be completed onsite in the near future. This work will be charged against the Recycled Water Program.
- Through the testing and commissioning phase of the project, enhancements to routing of small diameter polymer piping, foul air ducting, conveyor drains, and potable waterlines to eyewash showers were directed by SEJPA to improve O&M accessibility to equipment.
- When the contractor pressure tested the existing sludge force mains, a portion of the existing piping entering the building through the existing foundation slab was found to be badly corroded. This unforeseen condition required re-routing of the force mains into the building above grade resulting in additional piping components, core-drilling, and painting.
- Part of the contract work required the contractor to pull new wire through an existing ductbank embedded in the existing building foundation. The embedded conduit was determined to be crushed or badly corroded and could not be reused. This unforeseen condition required abandonment of the existing conduit and SEJPA directed the contractor to route new conduits overhead through the building and to install a new ductbank from the building to the sludge cake hopper structure.
- SEJPA directed the contractor to remove and replace conduits and electrical control components away from new equipment and motors to improve O&M accessibility.

FISCAL IMPACT

The Biosolids Project is fully funded through the Wastewater Capital Program, with a cost-sharing contribution from the Recycled Water Program for the MS2 Replacement, which benefits both programs. The total project budget is \$11.2 million, including a \$1.02 million contingency.

Included in CCO#15 is the pavement restoration work for the recycled water pipeline valued at \$19,380 that will be charged to the Recycled Water Program and will not be drawn from the Biosolids Dewatering Project contingency that is funded by the Wastewater Program.

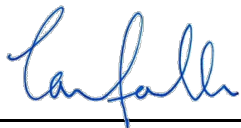
Following the execution of Contract Change Order No. 15, in the amount of \$95,747 (\$76,367 to Wastewater Program and \$19,380 to Recycled Water Program), approximately \$131,523 in unencumbered contingency funds will remain. The project is currently 95% complete, with roughly 10% of the contingency budget still available. Additionally, SEJPA will be working with the contractor to retroactively qualify the project for funding eligibility through the Title XVI federal grant, with administrative activities continuing through the end of the calendar year.

RECOMMENDATION

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to execute Contract Change Order No. 15 in an amount of \$95,747 for additional construction services related to the Biosolids Dewatering Facility Improvements project; and
2. Discuss and take action as appropriate.


Respectfully submitted,



Thomas C. Falk, P.E., PMP
Director of Infrastructure and Sustainability

Attachment: Construction Contract Change Order No. 15

No. 13 Attachment

 <p>SAN ELIJO JOINT POWERS AUTHORITY 2695 Manchester Avenue Cardiff by the Sea, CA 92007</p>	Contract Change 15 Order (CCO) No.
	Contract Name: Biosolids Dewatering Facility Improvement
	Contract No.: 2023-026 SC Program Code: 13019
Contractor: GSE Construction Construction	Created By: George Foote
Date: July 31, 2025	Reviewed By: Tom Falk
Status:	Accepted By: Tom Falk
Revision:	Approved By: Michael Thornton
Time Change (Days) Zero	CCO Amount: \$95,747.04
Summary PCO #36, 48, 68, 74, 76, 77, 78, 79, 81, 82, 83, 84, 87.	
Attachments: PCO's #36, 48, 68, 74, 76, 77, 78, 79, 81, 82, 83, 84, 87.	
<i>To Contractor: You are hereby directed to make the herein described changes from the Contract Documents. Note: This CCO is not effective until approved by San Elijo Joint Power Authority's General Manager.</i>	
CCO SCOPE OF WORK DESCRIPTION	
<p>The scope of this work includes all the work described in:</p> <ol style="list-style-type: none"> 1. PCO #36 (add)-The project, as bid, intended to reuse existing sludge feed pipes entering the dewatering building through the foundation slab; the pipes were found to be badly corroded and needed to be replaced resulting in additional piping work outside and inside the building (reference RFI #70). Add \$14,927.00. 2. PCO #48 (deduct)-The project, as-bid, included a tempered water system for the eye wash stations; the tempered water system was deleted in CCO7 for a credit to the contract; during installation additional related waterline was determined to be unnecessary based on final routing of potable water piping in the building. The simplified potable water pipe routing was addressed in RFI #98. Deduct -\$3,468.00. 3. PCO #68- (add)-The configuration of the 2" foul airline inside the dewatering building presented an obstruction for O&M access and a potential tripping hazard so the ductwork was rerouted by field directive, incurring additional part and labor costs. Add \$2,214.00. 4. PCO #74 (add)- When pressure testing the new potable water piping, the existing underground piping outside the building was discovered to be corroded and a portion of the existing line was replaced along with a new valve box in the road. Add \$2,894.00. 5. PCO #76 (add)- The existing ductbank from MCC-H to the existing hopper structure passing through the existing building foundation slab didn't allow for wire to be pulled through it; a field directive was given to abandon inaccessible damaged conduit and install overhead conduit and new buried ductbank to complete this electrical wiring work. Add \$25,585.00. 6. PCO #77 (add)-Direction was given via RFI#139, #106, and #115.1 to clarified design intent and resolved discrepancies in drawings with respect to polymer pipe routing between equipment; changes resulted in additional piping components and labor. Add \$856.00. 7. PCO #78 (add)-Prior CCO#5 added work to install dewatering feed pump drives; During installation, additional work was identified (RFI #132) and field directive was issued to modify 	

the local control panel (BIO PLC-02) and run additional signal wires to integrate field devices (LOS & PSH). Add \$10,183.04.		
8.	PCO #79 (add)-During startup, the centrifuge manufacturer recommended that dedicated polymer injection points be provided to each centrifuge and field directive was given to furnish and install additional polymer piping and supports. Add \$2,032.00.	
9.	PCO #81 (add)- Field directive was given to remove and replace conduits and electrical control components away from new equipment and motors to improve access for maintenance of conveyor equipment. Add \$15,099.00.	
10.	PCO #82 (add)- Field directive was given to modify drains and add valves at the bottom of conveyors. Add \$2,418.00.	
11.	PCO #83 (add)-Field directive was given to install a new non-potable water (NPW) line to existing odor control tower to improve operability and allow abandonment of old buried pipe. Add \$1,620.00.	
12.	PCO #84 (add)-In June 2025, SEJPA encountered a break in the existing buried 12” recycled water (RW) pipe at the main gate entrance; the pipe break repair was completed by others and trench backfilled and capped with temporary asphalt. Contractor was authorized to complete final asphalt replacement (950 sqft) via this contract in conjunction with paving other areas associated with the Biosolids project; asphalt removal and replacement cost based on contract unit price. Add \$19,380.00. <i>Note, this cost will be charged to SEJPA’s Recycled Water Program.</i>	
13.	PCO #87 (add)-The project, as-bid, included a general fault alarm from polymer skid to SCADA; during commissioning it was determined that specific polymer unit LCP fault statuses (3 per skid, 4 skids) should be sent to BIO-PLC-02 to allow proper troubleshooting and operational response; contractor was given field direction to complete this additional wiring. Add \$2,007.00.	
CCO COST (ADD/DEDUCT/NET) DESCRIPTION		
CONTRACT SUMMARY		
Original Contract Amount.....	\$	8,687,200.00
Net Change from Previous CCOs (1-14)	\$	711,364.64
Contract Amount Prior to this CO CCO (1-14).....	\$	9,398,564.64
Contract Amount Change by this CCO (15).....	\$	95,747.04
New Contract Amount (1-15).....	\$	9,494,311.68
In Words: Nine Million, Four Hundred Ninety-Four Thousand, Three Hundred Eleven Dollars and 68/100ths		
Notice to Proceed Date.....		March 15, 2023
Original Contract Time.....		700 Calendar Days
Original Contract Completion Date.....		February 11, 2025
Contract Time Change from Previous CCOs.....		139 Days
Contract Completion Date Prior to this CCO.....		July 1, 2025
Contract Time Change by this CCO.....		0 Calendar Days
New Contract Completion Date.....		July 1, 2025

APPROVALS	
Contractor	By:  Date: 7/31/2025
	Steven Villanueva, PM, GSE Construction
Construction Manager	By:  Date: 7/31/25
	George Foote Construction Manager, Valley CM
SEJPA	By:  Date: 7/31/2025
	Thomas Falk, Director of Infrastructure and Sustainability, San Elijo Joint Powers Authority
SEJPA	By: _____ Date: _____
	Michael Thornton, General Manager, *Signature Pending Board Approval San Elijo Joint Powers Authority
Notes: <ol style="list-style-type: none"> 1. It is understood and agreed that the above adjustments constitute compensation in full on behalf of the Contractor, its Subcontractors and Suppliers, for all costs and markups directly or indirectly attributed to the change ordered, for all time impacts and work sequencing related thereto and all extended overhead costs, and for performance of all remaining and change order Work within the Contract Time stated. 2. All other Contract Work and Terms and Conditions of the Contract remain unchanged. 3. If the Contractor does not sign acceptance of this CCO, attention is directed to the requirements of the Contract Documents as to proceeding with the ordered Work and filing a written protest within the time stipulated. 	

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

August 19, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

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

RECOMMENDATION

No action required. The presentation of the Draft Recycled Water Cost of Service Study and recommended wholesale rate increase is for informational purposes only.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) operates a recycled water utility serving four water purveyors—Santa Fe Irrigation District (SFID), San Dieguito Water District (SDWD), Olivenhain Municipal Water District (OMWD), and the City of Del Mar—under separate wholesale agreements, as well as providing interruptible service to the Encinitas Ranch Golf Authority (ERGA).

Originally launched in October 2000 with rates set at 85% of potable water prices (“Indexed Pricing”), SEJPA transitioned to a cost-of-service methodology in FY 2012-13, retaining the 85% figure as an internal benchmark for competitiveness. Since inception, SEJPA has also received annual incentive payments from the San Diego County Water Authority (SDCWA) and Metropolitan Water District (MWD), averaging \$720,000 — nearly 29% of the FY 2023-24 operating budget. These incentives are scheduled to expire at the end of August 2025. Adding to the financial pressure, expense inflation and reduced sales during two unusually wet years (FY 2023 and FY 2024) have further strained program resources.

To address these challenges, SEJPA has engaged Carollo Engineers to conduct the 2025 Recycled Water Rate Study, which will assess wholesale rate structures, long-term financial stability, and projected demand through FY 2029. The study includes revenue sufficiency modeling across varying demand scenarios and a review of reserve levels.

As part of the rate-setting process, SEJPA held cost-of-service workshops during its March and May 2025 board meetings and conducted smaller stakeholder meetings to gather input from purveyors, their customers, and the public.

DISCUSSION

Recommended Rate Scenario

Carollo has completed its cost-of-service study for FYEs 2026–2029 and recommended a rate schedule that best supports SEJPA’s goals for affordability, reserve funding, and capital investment. After evaluating multiple scenarios, the recommended approach includes:

- A 3.9% rate increase from July 1 to December 31, 2025
- 10% annual increases in 2026 and 2027, effective January 1 each year
- 8% annual increases in 2028 and 2029, effective January 1 each year

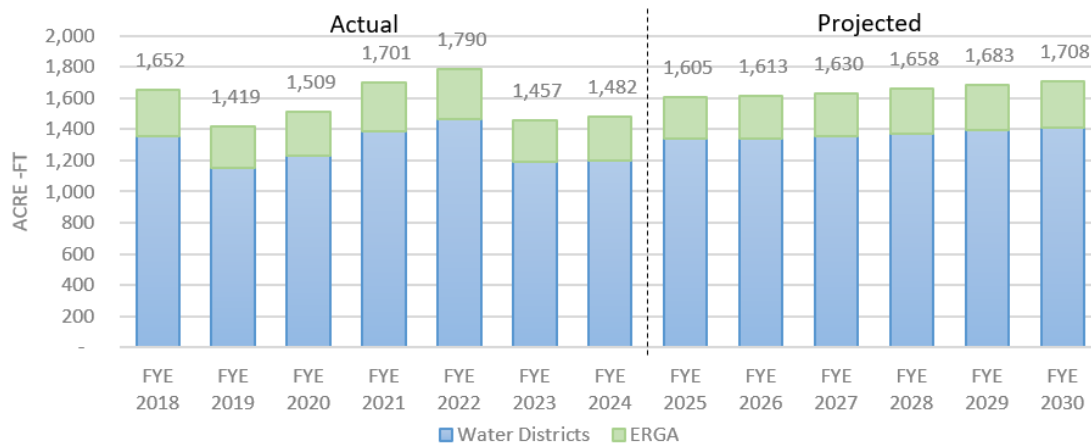
This rate path is projected to immediately replace a portion of ending incentive revenues, generate sufficient revenue to fund capital expenditures through FYE 2030, build financial resiliency against revenue fluctuations, and maintain reserve balances over time. Key benefits from the recommended rate alternative are the following:

- **Offsets Loss of Incentive Revenues:** The rate adjustments help compensate SEJPA for a large portion, but not all, of the forthcoming sunset of \$720,000 annually in incentives from the SDCWA and MWD, preventing revenue shortfalls.
- **Financial Stability and Debt Coverage:** The recommended rate increases maintain San Elijo JPA’s required debt service coverage ratio above the minimum 1.15x threshold throughout the study period, providing a sufficient, but not excessive buffer to support existing and future debt obligations through recurring, non-discretionary revenue sources.
- **Supporting Adequate Reserve Levels:** The scenario maintains reserve fund balances above the minimum policy targets over the study period, allowing the agency to manage revenue volatility, unforeseen expenses, and ongoing capital needs without compromising fiscal health.
- **Funds Required Capital Investments and Inflationary Costs:** The increased revenues provide necessary funding for capital projects to maintain and enhance the recycled water system, while addressing rising operating expenses driven by inflation, ensuring sustained service levels.
- **Long-term Capital Investments:** The plan also provides a down-payment for the recycled water utility’s share of a future Treatment Improvement project to address Coliform exceedances and other process enhancements expected to be identified in the 2025 Facility Plan. Potential improvements—such as biological treatment via Nitrification/De-Nitrification or microfiltration—are still under review. These upgrades will support permit compliance and help SEJPA deliver best-in-class recycled water to its wholesale customers.

Key measures as reported in the Carollo report include the following:

Forecasted Demand

As presented in the May 2025 Workshop, San Elijo has the infrastructure and capacity to support increased recycled water use by our purveyors and their customers. We continue to engage in active discussions to expand access to the environmental and cost-saving benefits of recycled water. However, our demand forecast remains intentionally conservative to account for weather variability and adoption rates. We’ve projected modest demand growth—0.5% in FY26–27 and 1.5% in FY28–30—reflecting our commitment to realistic planning while continuing to pursue expanded use.



Revenue Projections

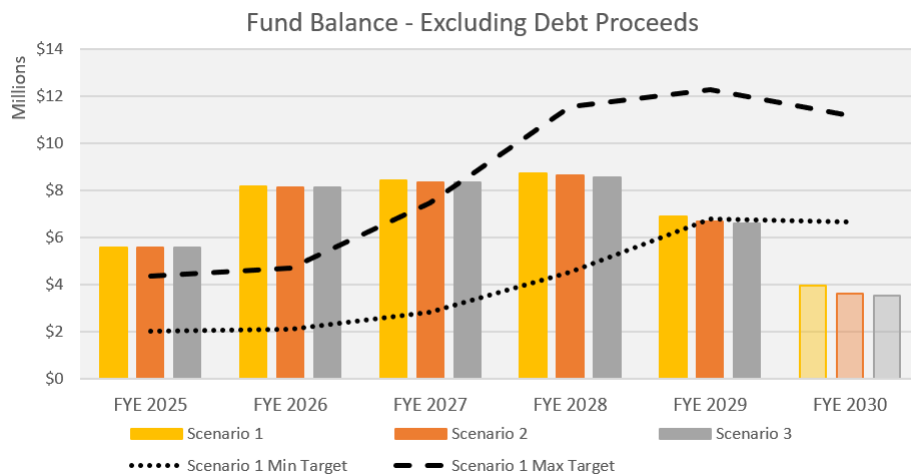
The most critical driver behind this rate update is the expiration of incentive revenues at the end of August 2025. In addition, discretionary grant funding from the IWRM program will conclude after FY26. San Elijo continues to actively advance projects under the Federal Title XVI WIIN program, however inclusion of any potential awards would be premature. These revenue sources are vital to the utility's cash flow and its ability to meet regulatory compliance requirements. Their phaseout significantly impacts financial planning and underscores the urgency of adjusting rates to maintain reliable service and environmental performance.

Revenue Item	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection
Total Water District Revenues	\$2,559	\$2,565	\$2,587	\$2,626	\$2,662	\$2,700
MWD/SDCWA Incentives	720	202	0	0	0	0
State/Federal Grants – Capital	1,702	2,303	0	0	0	0
Encinitas Ranch Golf Authority	413	442	472	510	547	584
Interest Earnings	1,138	527	456	368	281	235
Total Other Revenues	\$3,974	\$3,475	\$929	\$878	\$828	\$819
Total Revenues – Prior to New Increases	\$6,532	\$6,039	\$3,516	\$3,504	\$3,490	\$3,519

Fund Balance and Reserves

The recycled water utility's fund balance is the money left over after all annual expenses are paid. Think of it as the agency's savings account — essential for responding to unexpected repairs, urgent capital needs, revenue shortfalls during wet weather, or other unforeseen costs.

Based on the findings in the study, Scenario 1 enables San Elijo to meet its minimum reserve targets. Maintaining healthy but not excessive reserves is a key risk-management strategy. We believe the fund balance and reserve levels projected under Scenario 1 are sufficient to meet the agency's day-to-day needs and long-term stability. San Elijo continues to regularly evaluate the adequacy of our reserves and is actively exploring ways to strengthen and refine our reserve policy.



Alternative Scenarios

As detailed further in Carollo's report in Attachment 1, Appendices A & B, two alternative scenarios were also evaluated; however, they were determined to provide insufficient margins above established debt compliance requirements and limited flexibility to accommodate potential revenue shortfalls or increased operating expenses.

CONCLUSION

Staff concurs with Carollo's recommendation to increase recycled water rates over the next four years, as outlined in the table below. The rate for Fiscal Year Ending 2030 includes a 4.5% placeholder, pending an updated study in FYE 2028 or FYE 2029. Staff requests the Board's feedback on the study and its recommendations, with potential adoption of the proposed rate schedule at SEJPA's September 2025 Board Meeting.

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
	Jul 1	Jan 1	Jan 1	Jan 1	Jan 1
Rate Increase	3.90%	10.00%	10.00%	8.00%	4.5%
Rate per Acre-ft	\$1,986	\$2,184	\$2,402	\$2,595	\$2,928

FINANCIAL IMPACT

Based on budgeted and projected water sales, the proposed rate schedule above coupled with PAYGO and existing debt financing will result in adequate funding for the recycled water utility for the 4-year period, FYE 2026 through FYE 2029. The basis for this rate increase is supported by the cost-of-service evaluation conducted by Carollo (see Attachment 1) to fund operating expenses, debt, and capital projects while maintaining reserve funds consistent with industry best practices and SEJPA's own reserve policy to protect from and respond to unforeseen circumstances that impact revenues or costs.

This is an informational item only and as such, no specific actions are requested of the Board.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'K. Lang', is positioned above a horizontal line.

Kevin Lang, CPA
Director of Finance and Administration

Attachment: Carollo Engineers 2025 Recycled Water Rate Study Draft



2025 RECYCLED WATER RATE STUDY DRAFT

San Elijo Joint Powers Authority

JULY 2025



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Section 1

INTRODUCTION

1.1 Background

1.1.1 About San Elijo Joint Powers Authority

The San Elijo Joint Powers Authority (San Elijo JPA) owns and operates a recycled water utility within San Diego County, California with deliveries beginning in late 2000. At that time, San Elijo JPA initiated recycled water service to Santa Fe irrigation District (SFID), the San Dieguito Water District (SDWD), and the City of Del Mar. Starting in 2011, San Elijo JPA began providing interruptible recycled water service to the Encinitas Ranch Golf Authority (ERGA) as part of an agreement with SDWD and ERGA. Recycled water service to Olivenhain Municipal Water District (OMWD) began in 2012. Service is provided to the purveyors and to ERGA through contract agreements with San Elijo JPA that include specifications for water quality, annual consumption volume, pricing, and other terms and conditions.

San Elijo JPA's recycled water system includes tertiary treatment, transmission, storage, distribution, and advanced water treatment (AWT, i.e., microfiltration and reverse osmosis for salinity control) facilities. The recycled water system has the capacity to produce just over three million gallons per day (mgd). San Elijo JPA's recycled water program creates a locally produced and drought resistant water supply for irrigation and industrial uses, thereby improving water reliability regionally. The San Diego region currently relies on imported water for the majority of its water supply.

San Elijo JPA actively collaborates with the water purveyors to expand the use of recycled water by facilitating customer conversions and connections, expanding distribution and storage infrastructure, and incentivizing infrastructure expansion by the purveyors through pipeline lease and purchase agreements.

1.1.2 Study Purpose

San Elijo JPA retained Carollo Engineers (Carollo) to conduct this 2025 Recycled Water Rate Study (Study) as an update to the Study previously completed in 2021. The purpose of this Study is to assess San Elijo JPA's current recycled water wholesale rates, financial metrics, and recycled water demands and provide rate recommendations starting with fiscal year ending (FYE) 2026 and through FYE 2030.

The tables presented in this report include 5 years of projections through FYE 2030. These projections are important to provide context and guidance to the recommendations for the shorter term. At this time, the Board anticipates adopting rates for only the next four years, FYE 2026 through FYE 2029.

San Elijo JPA's recycled water program has matured over the past 25 years of operation into an established utility and its cost to operate, maintain, and produce recycled water has evolved with the following notable observations:

- The customer base is well established with some identified opportunities for expansion which adds a level of certainty to expected demands.
- Weather patterns, exacerbated by climate change influences demand fluctuation and can create revenue volatility.

- System components are approaching the end of their expected useful life and will require rehabilitation or replacement in the near term to ensure the system's reliability.
- Recent O&M costs have generally increased from historical records, attributed to supply chain interruptions and inflationary pressure on expendables, chemicals, electricity, and labor resources.
- The incentives that San Elijo JPA receives from the Metropolitan Water District of Southern California (MWD) and from the San Diego County Water Authority (SDCWA) will sunset in September 2025, decreasing annual revenues by approximately \$720,000, which had been received for the last 25 years.

Given these factors, it is important that the rate plan provides fiscal stability by providing sufficient reserves to protect from demand fluctuations, generating the necessary revenues to meet San Elijo JPA debt coverage requirements, and allowing for continued investment in the system through capital projects.

1.1.3 Forward-Looking Statement

The calculations and forecasts of this analysis are based on a reasonable projection of existing service costs, recycled water demands, and system operations with information available, and on existing legal requirements. These projections are based upon operational and financial data provided by San Elijo JPA. San Elijo JPA may need to revisit the financial plan and rate setting analysis if significant changes occur in the assumed inputs for this analysis, such as unexpected changes to San Elijo JPA's recycled water agreements, changes occurring in specific California law governing water agencies, or further regulatory actions by the Governor of California or the California State Water Resources Control Board (SWRCB) regarding water.

1.2 Overview of Rate-Setting Process

Carollo's rate-setting methodology is consistent with industry guidelines established by the M1 Manual – Principles of Water Rates, Fees, and Charges, which is published by the American Water Works Association (AWWA), a national industry trade group that makes recommendations on generally accepted practices in the water industry. An overview of this approach is outlined in Figure 1.

1.2.1 Revenue Requirement Analysis

The revenue requirement analysis compares the forecasted revenues of San Elijo JPA (under existing rates and forecasted recycled water demands) to its forecasted operating and capital costs. This step tests the adequacy of the existing rates to recover San Elijo JPA's forecasted costs. If there are shortfalls, rate revenue increases are recommended until the tests are passed.

1.2.2 Recycled Water Demand Analysis

Forecasting recycled water sales is a critical component in the rate setting process. As part of the budget process, San Elijo JPA forecasts the expected recycled water demand based on historical

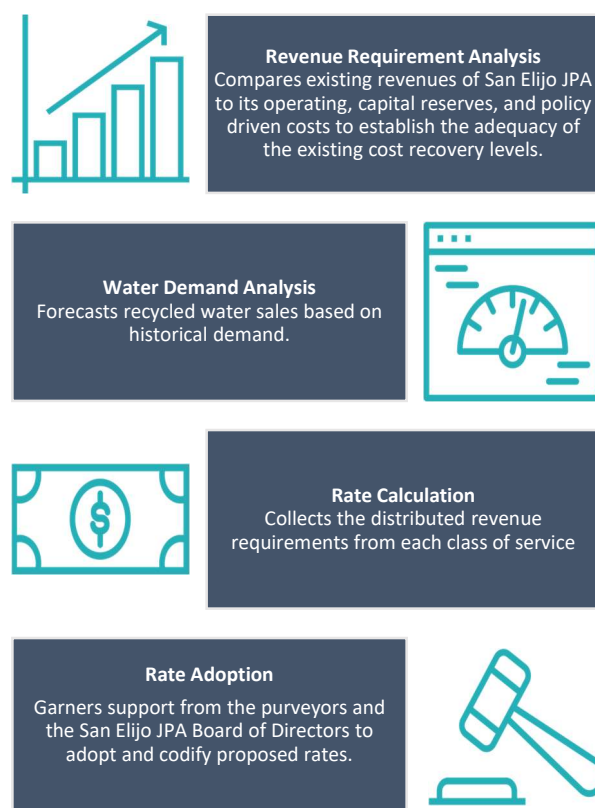


Figure 1 Conceptual Overview of the Rate-Setting Process

demand, weather, and other variables. Future demands are based on historic sales and escalated for projected growth. These forecasted recycled water demands are then compared against forecasted revenue requirements and various rates scenarios were reviewed to recover costs, fund capital projects, and meet reserve fund goals.

1.2.3 Rate Calculation

The rate calculation provides the final nexus between the revenue requirements and the final rates that purveyors are charged. This process connects planned expenditures to the designed rates by establishing rates to match the estimated revenue generation with expenditures and to account for adequate program reserves.

1.2.4 Rate Adoption

As a wholesaler providing service under contract agreements, San Elijo JPA avoids the procedural requirements for rate adoption under California Proposition 218, as well as its strict rate setting requirements. Nonetheless, it is important that the recycled water rates are set in a manner that reflects the true revenue requirements of providing recycled water service and proportionally recover those costs from the purveyors based on their usage of the system. San Elijo JPA also proactively engages with the purveyors during the rate setting process to garner support for the rates prior to presenting them to the Board of Directors for consideration and adoption.

1.3 Existing Rate Structure

San Elijo JPA's agreements with SFID, SDWD, OMWD, and the City of Del Mar include minimum annual purchase volumes. San Elijo JPA's interruptible service agreement with ERGA includes a minimum annual delivery volume. All these minimum volume agreements allow the San Elijo JPA to establish a minimum annual revenue stream for the programs, which helps support the San Elijo JPA's AA/AA+ financial rating as well as to help reduce future rate volatility that can result from dramatic swings in annual water purchases from the program participants.

Table 1 Minimum Purchase Volumes

Purveyor	Minimum Purchase Volume (AFY)					
	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Santa Fe Irrigation District	375	375	375	375	375	375
San Dieguito Water District	300	300	300	300	300	300
City of Del Mar	85	75	75	75	75	75
Encinitas Ranch Golf Authority	266	271	276	284	290	295
Olivenhain Municipal Water District	225	225	225	225	225	225
Total Minimum Purchase Volume, All Purveyors	1,246	1,251	1,259	1,265	1,270	1,246

Rate volatility is also limited by terms and conditions within the existing purveyor agreements, which have a floor and ceiling provision that limits rate increases between 2 and 5 percent annually. Following the San Elijo JPA's previous 2021 Recycled Water Rate Study, San Elijo JPA implemented annual 3.9-percent rate increases from FYE 2022 through FYE 2026. Each recycled water purveyor, with the exception of ERGA, has a non-interruptible service agreement with the San Elijo JPA and each is charged the same recycled water rate on a \$/AF basis as shown in Table 2 below. ERGA pays pre-determined rates as set forth in the agreement with the San Elijo JPA, as this is an interruptible service agreement, which includes ERGA-provided water storage and

booster station that they operate and maintain at their own cost. As of the latest agreement, adopted in August 2023, ERGA be charged at \$1,552.40 per AF for FYE 2025 and will receive annual increases of 5-percent for FYE 2026 through FYE 2032.

Table 2 Existing Recycled Water Rates

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Recycled Water Rate (\$/AF)	\$1,640	\$1,704	\$1,770	\$1,839	\$1,911

Section 2

ASSUMPTIONS

The San Elijo JPA's recycled water revenues and expenses analyzed in this Study are forecasted based on actual and budgeted revenues, expenses, and demands by customer. Actual and budgeted revenues and expense data were provided by San Elijo JPA. Recycled water demands and cost escalation factors were forecasted based on discussion with San Elijo JPA staff, industry data, and historical trends.

2.1 Recycled Water Demand

Recycled water sold by San Elijo JPA via the purveyors is used almost exclusively for outdoor irrigation, with a minor demand component for industrial uses such as cooling towers and wash-water. Annual demands are influenced heavily by weather variation year-over-year. As shown in Figure 2, recycled water demands have fluctuated historically, with a general upward trend. Demands decreased in FYE 2019 due to above average rainfall. Demands then rebounded through FYE 2022 before decreasing again in FYE 2023 due to another abnormally wet year.

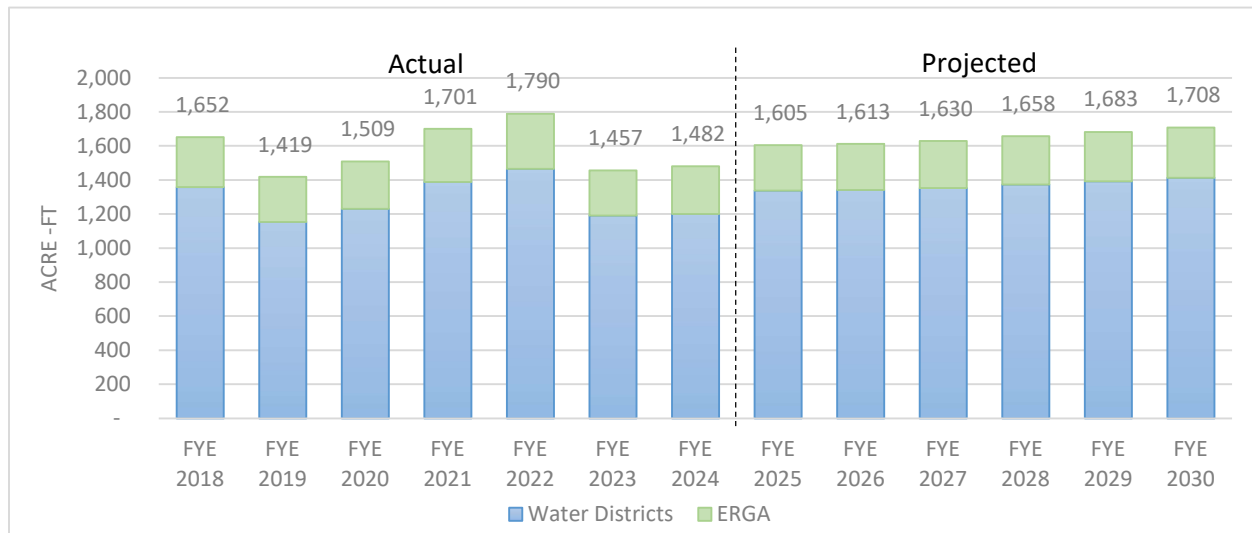


Figure 2 Historical and Projected Recycled Water Demands

Projected demands are based on the approximate average sales for the last three years (FYE 2022 through FYE 202) with annual increases to reflect expected connections to the system. The growth assumptions are specific to each purveyor and result in an average overall sales growth of approximately 1.25% per year for FYE 2025 through FYE 2030. In total, sales are expected to increase from 1,605 AF in FYE 2025 to 1,708 AF in FYE 2030.

The San Elijo JPA, its member agencies (City of Encinitas and Solana Beach), and the water purveyors have supported the continued investment and growth of recycled water use within their area of influence. Projects completed in the last five years include Village Park, Encinitas Ranch, and Via de la Valle expansion projects. It should be noted that the connection of new customers to these projects has been slower than originally forecasted.

The projected increase in demands reflects the expectation that new customers will continue to connect to the system via the recently constructed pipelines in Solana Beach and Encinitas, coupled with infill connections and retrofits to San Elijo JPA's existing distribution system, as well as with the return of Caltrans landscape irrigation within the I-5 corridor.

The recycled water revenues analyzed in this Study are forecasted based on the expected demands from each purveyor. Table 3 summarizes the forecasted recycled water demands by purveyor used for the Study.

Table 3 Forecasted Recycled Water Demands (AF)

Customer	Budget FYE 2025	Forecast FYE 2026	Forecast FYE 2027	Forecast FYE 2028	Forecast FYE 2029	Forecast FYE 2030
SFID	580	583	586	595	604	613
SDWD	424	426	428	435	441	448
City of Del Mar	85	75	75	75	75	75
ERGA	266	271	276	284	290	295
OMWD	250	258	265	269	273	277
Total Customer Usage	1,605	1,613	1,630	1,658	1,683	1,708
<i>(Less): ERGA</i>	<i>(266)</i>	<i>(271)</i>	<i>(276)</i>	<i>(284)</i>	<i>(290)</i>	<i>(295)</i>
Total Usage for Rate Calculation	1,339	1,342	1,354	1,374	1,393	1,413

2.2 Operating Revenues

San Elijo JPA collects the majority of its revenue through recycled water sales. San Elijo JPA's other operating revenues include grants and annual incentives provided by MWD and SDCWA, which provides an incentive for up to 1,600 AFY in total annual sales. MWD provides \$250/AF, and SDCWA provides \$200/AF. The incentive program will sunset in September 2025. Historically, full-year incentive payments have been as high as \$720,000 per year, with approximately \$200,000 expected in FYE 2026 prior to the end of payments in September 2025.

Table 4 shows operating revenues from FYE 2025 budget to FYE 2030 projections. Each revenue item was calculated based on the projected recycled water demands. ERGA revenue was escalated at 5-percent per year, based on the existing agreement with the San Elijo JPA.

Table 4 Projected Revenues with Current Rates (\$1,000s)

Revenue Item	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection
Santa Fe Irrigation District	\$1,108	\$1,114	\$1,120	\$1,137	\$1,154	\$1,171
San Dieguito Water District	810	814	818	831	843	856
City of Del Mar	162	143	143	143	143	143
Olivenhain Municipal Water District	478	493	506	514	522	529

Revenue Item	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection
Total Water District Revenues	\$2,559	\$2,565	\$2,587	\$2,626	\$2,662	\$2,700
MWD/SDCWA Incentives	720	202	0	0	0	0
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Encinitas Ranch Golf Authority	413	442	472	510	547	584
Interest Earnings	1,138	527	456	368	281	235
Total Other Revenues	\$3,974	\$3,475	\$929	\$878	\$828	\$819
Total Revenues – Prior to New Increases	\$6,532	\$6,039	\$3,516	\$3,504	\$3,490	\$3,519

Notes:

- (1) FYE 2026 MWD/SDCA subsidy revenue reflects a partial year of funding, as the program sunsets in September 2025.
- (2) All monetary values in thousands of dollars.
- (3) Totals may not tie due to rounding.

2.3 Operating Expenses

Operating expenses are the costs that San Elijo JPA incurs on an ongoing basis to provide recycled water service to its customers. These costs include items such as personnel expenses, supplies and services, utilities, rent, retrofit expenses, and capital outlay. Costs for most operating line items are projected using San Elijo JPA's FYE 2025 budget as a basis and applying annual escalation factors. Retrofit expenses will be included in the CIPs as part of the Misc. System Repairs and Retrofits item. Capital outlay is budgeted at \$40,000 for FYE 2025 but is set to zero thereafter as costs above San Elijo JPA's capitalization threshold will be accounted for in the CIP, while items under the threshold will be included in repair parts.

2.3.1 Cost Escalators

The assumed cost escalation factors for operating and maintenance (O&M) expenses are summarized Table 5 below.

Table 5 O&M Cost Escalation Factors

Cost Escalator	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Operations	4.0%	3.8%	3.8%	3.5%	3.5%
Labor	5.0%	5.0%	5.0%	5.0%	5.0%
Energy	4.0%	4.0%	4.0%	4.0%	4.0%
Chemicals	4.5%	4.5%	4.0%	4.0%	4.0%
Water Cost	4.0%	4.0%	4.0%	4.0%	4.0%
Construction/Capital	4.0%	4.0%	4.0%	4.0%	4.0%

2.3.2 Projected Operating Expenses

Projected operating expenses are summarized in Table 6. As shown, total operating expenses are expected to increase from approximately \$2.56 million in FYE 2025 to approximately \$3.12 million in FYE 2029. This

increase is driven solely by expected cost inflation as San Elijo JPA does not anticipate any changes to recycled water operations that would impact costs over the study timeframe.

Table 6 Projected Operating Expenses

Expense Category/Item	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection
Personnel Costs	\$1,053	\$1,106	\$1,161	\$1,219	\$1,280	\$1,344
Supplies and Services	851	931	961	995	1,023	1,050
Rent	114	116	119	121	123	125
Utilities	506	524	543	563	584	605
Capital Outlay	40	0	0	0	0	0
Total Operating Expenses	\$2,564	\$2,677	\$2,785	\$2,899	\$3,010	\$3,124

Notes:

(1) All monetary values in thousands of dollars.

(2) Totals may not be tied due to rounding.

2.4 Existing Debt Service

The San Elijo JPA has two outstanding debt service obligations and three pipeline cost reimbursement commitments. Debt service associated with each of the existing debt service obligations is presented below in Table 7.

2.4.1 Outside Debt Obligations

Existing debt service includes a 2012 Municipal Finance Corporation Loan, which funded the San Elijo JPA's AWT facility, and the 2023 loan through Webster Bank. The 2023 loan provided \$10,120,000 of proceeds which will be used over the next few years to fund improvements to the recycled water system. The specific projects are discussed further in the Capital Expenditures section.

2.4.2 Pipeline Cost Reimbursements

San Elijo JPA has promoted the expansion of recycled water service within the purveyors' service areas by offsetting the costs of local recycled water transmission and distribution systems through pipeline reimbursement agreements. Existing pipeline cost reimbursement obligations include agreements with SFID, OMWD, and Solana Beach.

SFID Pipeline Transfer and Cost Reimbursement. The SFID Pipeline Transfer and Cost Reimbursement is designed to reimburse SFID for pipeline infrastructure that was constructed to expand its recycled water service. Based on the agreement, San Elijo JPA pays SFID \$450 per AF delivered via the subject pipeline, as well as interest payments on the outstanding principal balance. As of the end of FYE 2025, the projected outstanding principal was \$200,707. For this analysis, future payments are projected assuming that 80.86 AF are delivered via the pipeline each year. Interest payments are calculated assuming a 2.5 percent interest rate through FYE 2028 and 2.0 percent thereafter. An additional \$100,000 towards the principal was paid in FYE 2023.

Solana Beach Pipeline Transfer and Cost Reimbursement. The Solana Beach Pipeline Transfer and Cost Reimbursement Agreement is designed to reimburse the City of Solana Beach for pipeline infrastructure that was constructed to expand its recycled water service. Based on the agreement, San Elijo JPA pays Solana Beach \$450 per AF delivered via the subject pipeline and payments will continue until the full construction cost of the pipeline is reimbursed to Solana Beach. As of the end of FYE 2025, the outstanding balance is

anticipated to be \$406,544. The payment for this pipeline is calculated based on actual deliveries made via the pipeline, which is projected to be 20 AF in FYE 2025, with annual deliveries expected to increase as new customers connect to the pipeline (approximate average increase of 2 AF annually until the ultimate pipeline demand of 32 AFY is reached in FYE 2032).

OMWD Pipeline Cost Reimbursement. San Elijo JPA and OMWD entered the OMWD Pipeline Cost Reimbursement to provide a means for San Elijo JPA to compensate OMWD for the use of OMWD's local distribution infrastructure, which is self-funded by OMWD. Based on the agreement, San Elijo JPA pays OMWD \$450 per AF delivered to OMWD customers. The projected payments are based on the forecasted demands shown above in Table 3. Based on the specific agreement with OMWD, these payments are included in the "Rent" line item of Table 6 and are not considered as debt service.

Table 7 Existing Debt Service

Debt Item	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
AWP Loan	\$148	\$148	\$148	\$148	\$148
SFID Pipeline Transfer & Cost Reimbursement	\$41	\$40	\$39	\$38	\$37
Solana Beach Pipeline Transfer & Cost Reimbursement	\$10	\$11	\$12	\$13	\$14
2023 Loan Webster Bank, National Association	\$779	\$779	\$779	\$778	\$779
Total Debt Service	\$978	\$978	\$978	\$977	\$978

Notes:

(1) All monetary values in thousands of dollars.

(2) Totals may not be tied due to rounding.

2.5 Capital Expenditures

San Elijo JPA provided Carollo with its planned recycled water capital improvement plan (CIP) for the rate-setting period. The CIP includes a total of \$11.0 million in capital expenditures for FYE 2026 through FYE 2030 (2025 dollars).

The CIP consists of prioritized projects designed to improve operational resiliency and reliability, increase access to recycled water, improve water quality, and maintain the existing recycled water systems. Specific projects contemplated in this planning period include:

- The Wanket Tank Refurbishment (and Wanket Recycled Water Pipeline), that will rehabilitate and convert an existing 3 million gallon potable water tank to recycled water, connected to the north distribution system to improve operational storage and system pressures throughout the system.
- Enhancements to recycled water treatment processes through the integration of advanced biological treatment methods and microfiltration technologies. These approaches are aimed to improve system performance and permit compliance.
- Improvements within the San Elijo Water Campus to increase supply sources to the recycled water system including stormwater capture diversions onsite and from the adjacent regional storm channel, and modifications to secondary effluent diversions from Escondido's land outfall.
- Incidental facility improvements including addition of pump control valves on recycled water pumps, addition of a fourth recycled water pump, and repurposing existing tankage for onsite storage to alleviate operational constraints on recycled water deliveries and to improve system reliability.

- Rehabilitation and replacement of critical assets including distribution system valves, membranes, electrical and control components, and aging pumps.

Grants have been awarded to San Elijo JPA to fund a portion of several of the capital projects. Over the course of the study period, San Elijo JPA expects to receive a total of \$2.30 million in grant funds. Approved Proposition 1 grants total \$1.16 million for the Wanket Tank and stormwater projects. Approved US Bureau of Reclamation grants total \$1.14 million for the Wanket Tank and stormwater diversion.

Capital costs for defined projects were derived from the budgetary estimates that were provided in FYE 2025 dollars. Costs in future years are escalated at 4.0-percent per year to account for expected inflation in construction costs. With the escalation factor applied, the analysis includes approximately \$12.4 million in capital expenditures from FYE 2026 to FYE 2030.

Table 8 **Planned Capital Improvement Plan⁽²⁾**

CIP Project	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Wanket Tank Refurbishment	\$1,223	\$0	\$0	\$0	\$0
Stormwater Capture & Reuse	\$510	\$0	\$0	\$0	\$0
Treatment Improvement (Biological or MF Expansion)	\$195	\$285	\$1,145	\$870	\$2,769
SCADA 3.0 (26% RW Contrib.)	\$416	\$0	\$0	\$0	\$0
RO Membrane Replacement	\$0	\$150	\$0	\$0	\$0
MS-2 Capital Portion	\$500	\$0	\$0	\$0	\$0
MF Feed Pump Upgrades (Pump 3/4)	\$100	\$0	\$0	\$0	\$0
RW Valve Replacements	\$120	\$60	\$60	\$60	\$123
Lomas SF Booster Pump Station Rehab	\$75	\$675	\$0	\$0	\$0
Laboratory Refurbishment (RW Allocation)	\$0	\$0	\$50	\$450	\$0
Mechanics Shop Upgrades (RW Allocation)	\$0	\$0	\$60	\$540	\$0
Miscellaneous Capital Projects	\$50	\$50	\$150	\$150	\$150
Total Planned CIP (2025 Dollars)	\$3,189	\$1,220	\$1,465	\$2,070	\$3,042
Escalated CIP⁽¹⁾	\$3,317	\$1,320	\$1,648	\$2,422	\$3,701

Notes:

- (1) Escalated from FYE 2025 dollars.
- (2) All monetary values in thousands of dollars.
- (3) Totals may not tie due to rounding.

Figure 3 shows the projected sources of funding for CIP projects. For FYE 2026 through FYE 2030, approximately \$6.2 million will be funded with loan proceeds, and the remaining \$6.2 million will be funded with cash from rates and reserves.

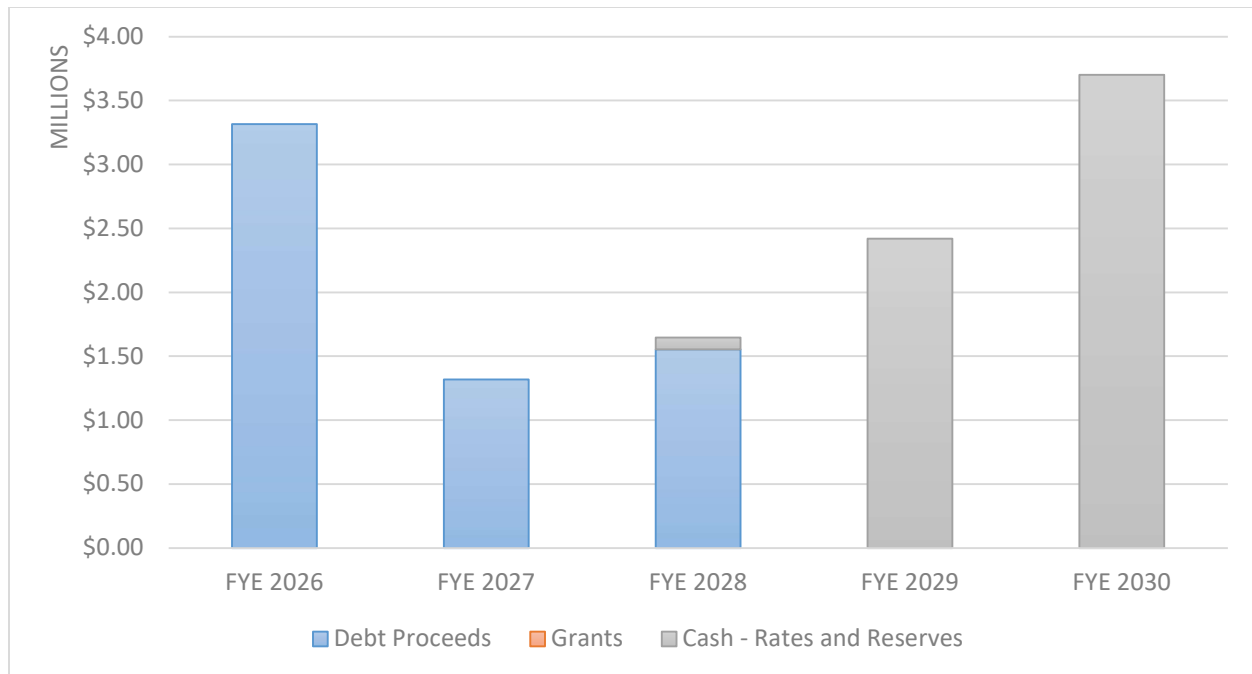


Figure 3 CIP Funding Sources

2.6 Reserve Fund Targets

As a component of the previous Recycled Water Rate Study (2021), San Elijo JPA developed a detailed set of reserve component targets to be used in rate planning. The reserve strategy is similar to the policies of the individual water purveyors, with modifications and refinements to reflect the San Elijo JPA's unique needs. The overall reserve target includes three main components: an operating reserve, a rate stabilization reserve, and a capital improvement and replacement reserve. Each component of the operational reserve provides its own unique set of funding and expense criteria and as such, each has varying target balances based on those defined criteria.

The reserve components and associated targets are described in Table 9 and The capital component is determined based on the portion of the CIP that is funded with cash from revenues, reserves, and grants. This To recognize that loan funding has been secured for the much of the CIP, and the associated debt service is included in the rate stabilization reserve component.

Table 10, respectively.

Table 9 Reserve Components

Reserve Fund Component	Function
Operating Reserve	Provides funds to ensure continuity of operations during short-term fluctuations in cash flows due to demand volatility, unanticipated costs, or other factors.
Rate Stabilization Reserve	Provides funding to: <ul style="list-style-type: none"> • Avoid unacceptable rate increases in combination with a cost-of-service study • Accommodate a temporary reduction in revenues or increase in expenses • Maintain compliance with any indebtedness obligations

Capital Improvement and Replacement Reserve	Provides funds for: <ul style="list-style-type: none"> • Unplanned or accelerated capital projects • Smooth budgetary and rate impacts of capital expenses • Fund replacement of equipment with short service life • Fund asset management activities
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The capital component is determined based on the portion of the CIP that is funded with cash from revenues, reserves, and grants. This To recognize that loan funding has been secured for the much of the CIP, and the associated debt service is included in the rate stabilization reserve component.

Table 10 Reserve Component Targets

Reserve Fund Component	Minimum Target	Maximum Target
Operating Reserve	60 Days of Operating Expenses	120 Days of Operating Expenses
Rate Stabilization Reserve	One year of debt service payments <i>Plus</i> 25-percent of the current fiscal year's budgeted sales revenue	One year of debt service payments <i>Plus</i> 100-percent of the current fiscal year's budgeted sales revenue
Capital Improvement and Replacement Reserve	100-percent current year cash CIP, 50% second year cash CIP, and 25% third year cash CIP	100-percent of current, second, and third year cash CIP

Table 11 shows the minimum and maximum reserve targets for FYE 2026. Because the reserve targets are tied to specific costs within the projections, the targets vary depending upon the value of those specific costs. The targets presented in Table 11 are based on the operating cost projected above, the CIP with the planned project implementation timing, and assume that no additional debt is issued. If additional debt were to be issued, the reserve target would be adjusted accordingly based on the associated annual debt service (rate stabilization component) and the use of additional debt proceeds for capital funding (capital component). Targets are recalculated each year based on the costs projected at that time. The increased capital costs over the next three years drive higher reserve targets for the Capital Improvement and Replacement Reserve. Once the projects are completed, this component of the reserve target will be reduced.

Table 11 FYE 2026 Reserve Targets

Reserve Fund	Minimum Target	Maximum Target
Operating Reserve	\$440	\$880
<i>Rate Stabilization Reserve - Debt Service</i>	978	978
<i>Rate Stabilization Reserve - Budgeted Revenues⁽¹⁾</i>	694	2,776
Subtotal: Rate Stabilization Reserve	\$2,112	\$4,634
Capital Improvement and Replacement Reserve	\$23	\$93
Total Reserve Target	\$2,135	\$4,727

Notes:

- (1) Based on rate revenues, assuming that the scenario 1 rate increases discussed in the next section are implemented for FYE 2026.
- (2) All monetary values in thousands of dollars.
- (3) Totals may not tie due to rounding.

Section 3

REVENUE REQUIREMENTS AND RATES

The revenue requirement analysis is a test of a utility's fiscal health, scrutinizing the adequacy of current revenues against funding needs. This test sets the basis for rate planning and reviews the viability of the utility's revenues against operating and capital expenses, debt service, and reserve policy targets. Where cash flows and balances are insufficient, the revenue requirement analysis recommends the needed additional cash flows to meet all funding goals.

Carollo collected actual and budgeted revenues and expenditures, recycled water production costs, reserve fund balances and policies, planned capital improvement plan expenditures, existing and future annual debt service, and other relevant financial data to forecast funding needs. Once this forecast is established, three tests define the annual revenues necessary.

1. The **Cash Flow Sufficiency Test** looks for a net positive cash flow at the end of each fiscal year. This test looks at whether revenues exceed expenses. When they do not, this test recommends additional revenue.
2. The **Debt Service Coverage Test** assesses the ability of the utility to cover debt service payments. Utility debt issuances regularly include a stipulation that the agency maintain enough cash flows to cover the planned debt service plus an additional percentage of that debt service. San Elijo JPA's current outstanding debt obligations require a coverage ratio of 1.15x. A higher target is used in rate planning efforts so that the required ratio can still be met in the event that revenues decrease or unforeseen costs are incurred. Further, the higher multiple can provide credit rating agencies with additional evidence of San Elijo JPA's strong financial health and support San Elijo JPA's credit rating to reduce long-term borrowing costs. For rate planning purposes, coverage is targeted at a minimum of 1.5x, though that goal may not be achieved in all years.
3. The **Reserve Sufficiency Test** assesses the ability of the utility to meet the minimum reserve target through the Study period. If projected year end reserve balances fall below the minimum target, this test recommends additional revenue.

The study looks at all three tests over the study period to identify years where revenue adjustments are necessary. Carollo also considers the impact of the projected financial plan on San Elijo JPA's reserve balances and looks at operating, capital, and other funds' performance against San Elijo JPA policy minimums.

While the tests are calculated on a year-by-year basis, responsible rate planning should consider rate impacts and financial results over multiple years. The legally required 1.15x coverage ratio must be met in all years, however, the other tests may fall short in some years to allow for rate smoothing or to avoid planning for requirements that will decrease in coming years. For example, the plan developed for this Study anticipates drawing down on reserves to fund capital projects after the remaining loan proceeds have been spent. While this is indicated by negative cash flows in years where reserves are used, rates can still be kept lower due to the planned use of reserves, to avoid rate shock.

3.1 Rate Increase Drivers

The San Elijo JPA has strived to minimize rate increases by pursuing grant funding for capital projects, implementing cost controls on internal costs, and using debt to fund capital improvements. However, several factors outside of San Elijo JPA's direct control have contributed to the need for recycled water rate increases.

1. Subsidy revenues from SDCWA and MWD will decrease from \$720,000 per year to just over \$200,000 per year in FYE 2026 and will cease entirely starting in FYE 2027 as the Local Resource Program agreement sunsets. Increases in rate revenues are required to make up for the associated shortfalls.
2. Unpredictable weather patterns have led to decreased usage in recent years leading to revenue shortfalls and placing pressure on reserves.
3. Capital improvements are needed to maintain the high level of service for recycled water users and enhance recycled water availability. Uptake of recycled water service by future users will increase demands and ultimately lead to lower rates for all users in the long-term as the majority of San Elijo JPA's recycled water costs are fixed.
4. Inflationary pressure on operating costs has caused increases in operating costs to outrun previous rate increases. From FYE 2020 to FYE 2024 (the most recent year where actual costs are available) annual operating costs increased by approximately \$920,000 due to increases in materials and supply costs, utilities, and labor costs.

3.2 Revenue Requirements Comparison

Several rate increase scenarios were developed and evaluated to identify the recommended rate adjustments. These scenarios were presented and discussed at two public workshops held in March and May 2025 at the San Elijo Water Campus. Feedback from the public and water district staff emphasized the importance of minimizing future rate increases to the extent practical. The scenarios outlined herein reflect Board direction provided during the May 2025 workshop.

In alignment with the Board's guidance, each scenario includes an initial 3.9% rate increase effective July 1, 2025, followed by a second increase on January 1, 2026, for Fiscal Year Ending (FYE) 2026. This phased approach is intended to provide ratepayers with some relief during the high-demand summer months and allow additional time to prepare for the full increase. For all subsequent years, rate increases would take effect in full on January 1 of each year. Table 12 presents the rate adjustments and projected rates for each scenario.

Table 12 Rate Increase Scenarios

	FYE 2026		FYE 2027	FYE 2028	FYE 2029	FYE 2030
	Jul. 1	Jan. 1	Jan.1	Jan.1	Jan.1	Jan.1
Scenario 1 - Recommended						
Rate Increase	3.9%	10.0%	10.0%	8.0%	8.0%	4.5%
Rate per Acre-ft	\$1,986	\$2,184	\$2,402	\$2,595	\$2,802	\$2,928
Scenario 2						
Rate Increase	3.9%	7.8%	12.0%	6.5%	6.0%	4.5%
Rate per Acre-ft	\$1,986	\$2,140	\$2,397	\$2,553	\$2,706	\$2,828
Scenario 3						
Rate Increase	3.9%	7.8%	9.8%	7.8%	6.9%	4.5%
Rate per Acre-ft	\$1,986	\$2,140	\$2,350	\$2,533	\$2,708	\$2,830

Debt Coverage

Meeting the required debt service coverage ratio is the primary driver of rate increases in the short term. Figure 4 shows the projected debt service coverage ratio for each of the analyzed rate increase strategies as well as the required coverage of 1.15x. The sunsetting of incentive payments will place shift the burden of the

coverage obligation almost entirely to rates. For all scenarios, the projected coverage factor falls to its lowest point in FYE 2027. With Scenario 1 rate increases projected coverage in that year would be 1.25x, a buffer of only approximately \$98,000 for that year. With Scenarios 2 and 3, projected coverage in FYE 2027 would be 1.21x and 1.19x, respectively.

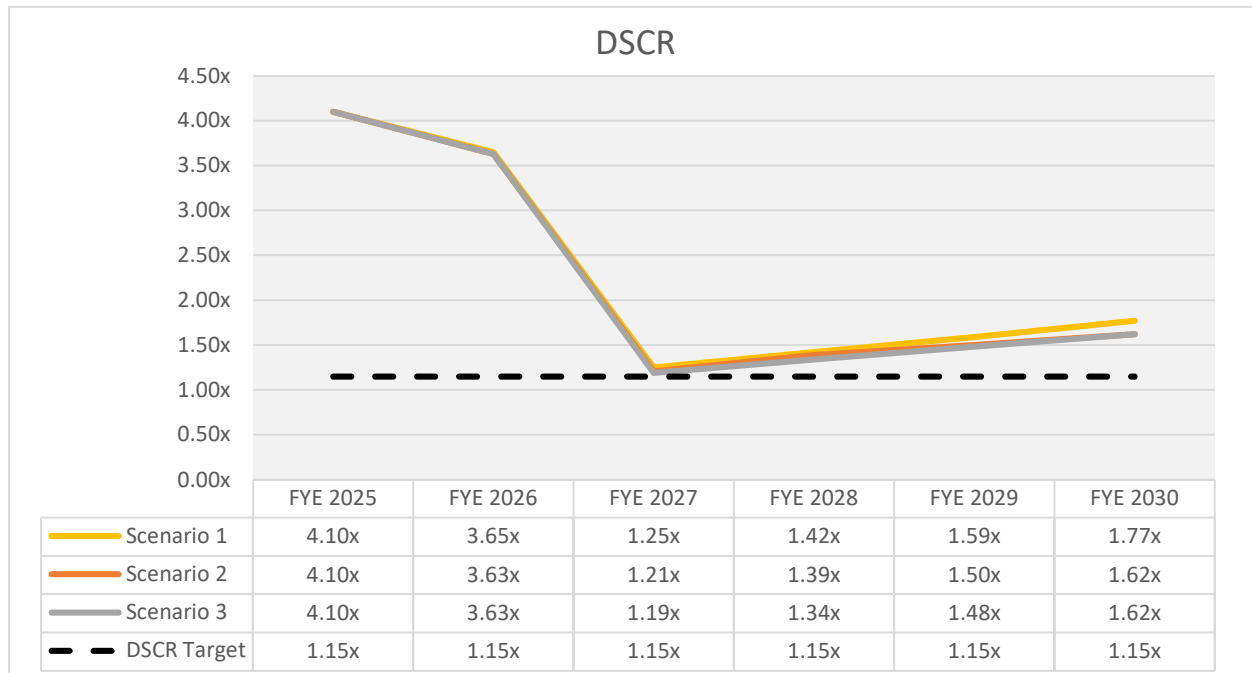


Figure 4 Projected Debt Coverage Comparison

Figure 5 shows the projected reserves, excluding debt proceeds, for each of the analyzed rate increase strategies as well as the reserve maximum and minimum targets. As shown, the projected reserves for all the scenarios follow a similar profile. Reserve levels will increase in FYE 2026 due to expected grant receipts and be held relatively flat through FYE 2028 as the remaining loan proceeds will be used to fund capital in those years. After that time, reserves will be drawn down to fund capital projects. With the Scenario 1 rate increases, reserves will remain above the minimum target through the end of the Study period in FYE 2029, while Scenarios 2 and 3 would fall slightly below the minimum target in FYE 2029. All scenarios project that the reserve balance will be below the minimum target in FYE 2030 however, San Elijo may adjust the reserve policy or capital funding strategy before that time to avoid a reserve deficit.

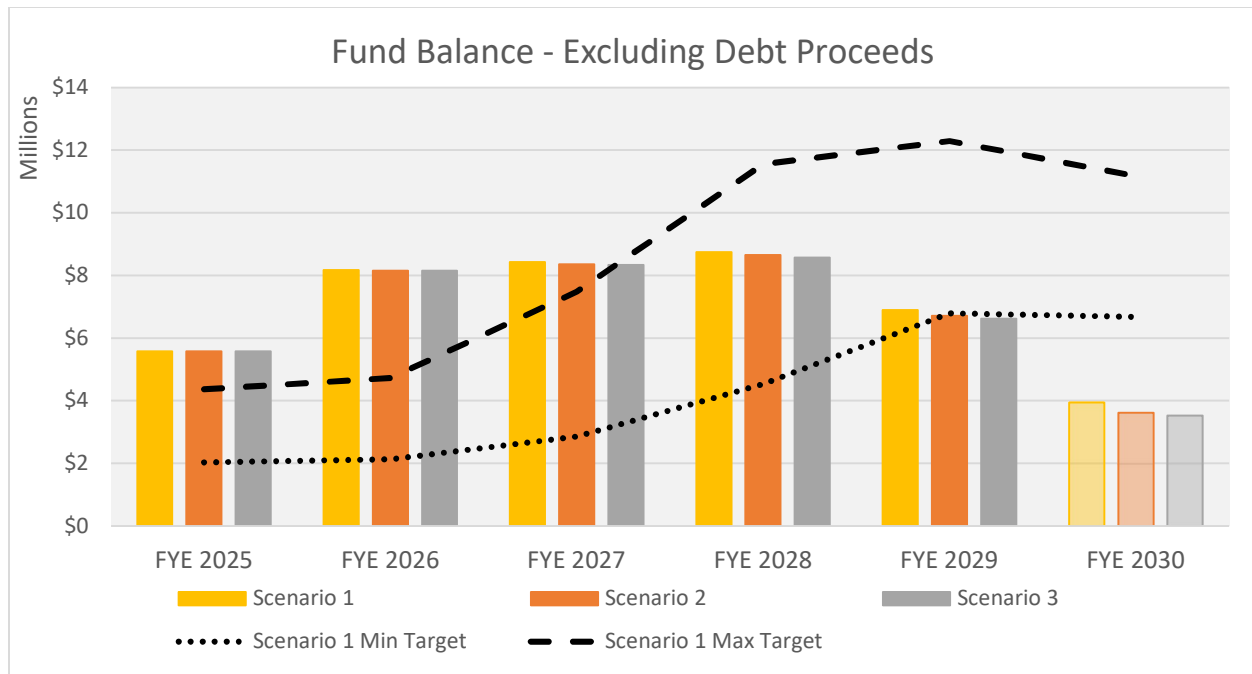


Figure 5 Projected Reserve Fund Balance Comparison

3.3 Recommended Option

Based on the results of the revenue requirements analysis for each scenario, Carollo recommends Scenario 1. In the short term, the increases are necessary so that San Elijo JPA can meet its coverage obligation, with a minimal \$98,000 buffer in FYE 2027. This level of coverage is still very close to the minimum requirement as that \$98,000 buffer would only equate to about 41 acre-ft of sales at the projected rates for that year.

As noted previously, the underlying driver leading to the need for large rate increases is the setting of incentive payments, which reduces revenues by approximately \$720,000 per year. The Scenario 1 rate increases for FYE 2026, FYE 2027, FYE 2028, and part of the FYE 2029 increase are necessary to replace most but not all of those lost revenues. After that time, subsequent increases will provide further funds needed to continue investments in capital projects and keep pace with inflationary increases in operating costs. Table 13 (on the next page) summarizes the financial forecast and the cash flow and debt coverage tests.

Table 14 (on the next page) summarizes the projected reserves with the Scenario 1 increases. Once the remaining proceeds of the 2023 loan are spent, reserves will be drawn down to fund capital projects. Overall, the fund balance is projected to remain above the minimum target balance throughout the study period.

Similar tables for Scenario 2 and Scenario 3 are included for reference in the appendix.

Table 13 Cash Flow Sufficiency and Coverage Tests with Scenario 1 Increases

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Rate Increase	Jul. 1: 3.9% Jan. 1: 10%	Jan. 1: 10.0%	Jan. 1: 8.0%	Jan. 1: 8.0%	Jan. 1: 3.0%
Cash Flow Test					
Rate Revenues under Existing Rates	\$2,565	\$2,587	\$2,626	\$2,662	\$2,700
Revenue From Rate Increases	212	493	786	1,073	1,334
Other Revenues	3,475	929	878	828	819
Total Revenues	\$6,251	\$4,010	\$4,290	\$4,563	\$4,853
Operating Expenses	2,677	2,785	2,899	3,010	3,124
Debt Service	978	978	978	977	978
PAYGO Capital (inc. Grants)	0	0	93	2,422	3,701
Total Expenses	\$3,655	\$3,763	\$3,970	\$6,408	\$7,803
Operating Cash Flows	\$2,596	\$247	\$320	(\$1,845)	(\$2,950)
Contribution to (Use of) Reserves					
Debt Coverage Test					
Total Operating Revenues	\$6,251	\$4,010	\$4,290	\$4,563	\$4,853
Less: Operating Expenses (Exc. Capital Outlay)	(2,677)	(2,785)	(2,899)	(3,010)	(3,124)
Revenues Available for Debt Service	\$3,574	\$1,225	\$1,391	\$1,554	\$1,729
DSCR, after rate increase	3.65x	1.25x	1.42x	1.59x	1.77x

Notes:

(1) All monetary values are in thousands of dollars.

(2) Totals may not tie due to rounding.

Table 14 Projected Reserves and Loan Proceeds with Scenario 1 Increases

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Reserve Funds					
Beginning Fund Balance ⁽¹⁾	\$5,580	\$8,176	\$8,423	\$8,742	\$6,897
Operating Cash Flows	2,596	247	413	577	751
PAYGO Capital	0	0	(93)	(2,422)	(3,701)
Ending Fund Balance	\$8,176	\$8,423	\$8,742	\$6,897	\$3,947
<i>Minimum Reserve Target</i>	<i>\$2,135</i>	<i>\$2,858</i>	<i>\$4,537</i>	<i>\$6,795</i>	<i>\$6,678</i>
<i>Maximum Reserve Target</i>	<i>\$4,727</i>	<i>\$7,489</i>	<i>\$11,559</i>	<i>\$12,295</i>	<i>\$11,178</i>
Loan Proceeds					
Beginning Balance	\$6,191	\$2,874	\$1,555	\$0	\$0
Use of Funds for Projects	(3,317)	(1,320)	(1,555)	0	0
Ending Balance	\$2,874	\$1,555	\$0	\$0	\$0

Notes:

(1) All monetary values are in thousands of dollars.

(2) Totals may not tie due to rounding.

Table 15 shows the calculated rate revenue from the water districts, with the Scenario 1 rate increases, and compares it to the total rate revenue required. The total rate revenue required is the amount that needs to be recovered from the water districts, it is calculated by summing the Total Expenses and the Contribution to (Use of) reserves lines from Table 13 and subtracting the Other Revenues (also from Table 13) as they offset the costs that need to be recovered through rates. As shown, the calculated Fiscal Year Rate Revenues are equal to the Total Rate Revenue Required, indicating that the recommended rates would appropriately recover costs.

Table 15 **Calculated Rates and Rate Revenue with Scenario 1**

Item	FYE 2026 Jul. 1	FYE 2026 Jan. 1	FYE 2027 Jan. 1	FYE 2028 Jan. 1	FYE 2029 Jan. 1	FYE 2030 Jan. 1
<u>Projected Rate Revenues From the Water Districts</u>						
Recycled Water Rate (\$/acre-ft)	\$1,986	\$2,184	\$2,402	\$2,595	\$2,802	\$2,928
Fiscal Year Sales (acre-ft)	1342		1354	1374	1393	1413
Sales (Jul. through Dec.)	780		787	799	810	822
Sales (Jan. through Jun.)	562		567	575	583	591
Fiscal Year Rate Revenues (\$1,000s)	\$2,776		\$3,081	\$3,412	\$3,735	\$4,034
<u>Rate Revenue Requirements</u>						
Total Expenses	\$3,655		\$3,763	\$3,970	\$6,408	\$7,803
Contribution To (Use Of) Reserves	2,596		247	320	(1,845)	(2,950)
Less: Other Revenues	(3,475)		(929)	(878)	(828)	(819)
Total Rate Revenue Required	\$2,776		\$3,081	\$3,412	\$3,735	\$4,034

Notes:

(1) Totals may not tie due to rounding.

Section 4

RECOMMENDATIONS

4.1 Rate Increases

Several factors have combined to place increased pressure on San Elijo JPA's recycled water rates and have necessitated this update to the recycled water rate study.

1. MWD and SDCWA subsidies will sunset in FYE 2026 leading to a decrease in revenues of approximately \$720,000 per year
2. Recycled water demands remain volatile and drive the need for maintenance of reserves.
3. Capital investments are required to maintain the system's assets and level of service.
4. High inflation has led to substantial increases in operating costs and though future inflation is expected to flatten, rates have fallen behind the increase in operating costs.

Based on these factors, Carollo recommends that rate increases be implemented based on Scenario 1 for FYE 2026 through FYE 2029. San Elijo JPA should reassess the need for future increases after FYE 2029 based on the status of the recycled water program and the information available at that times, or earlier if conditions identify a need for review. The recommended rates are shown in Table 16.

Table 16 Recommended Rates

	FYE 2026		FYE 2027	FYE 2028	FYE 2029	FYE 2030
	Jul. 1	Jan. 1	Jan.1	Jan.1	Jan.1	Jan.1
Rate Increase	3.9%	10.0%	10.0%	8.0%	8.0%	4.5%
Rate per Acre-ft	\$1,986	\$2,184	\$2,402	\$2,595	\$2,802	\$2,928

Appendix A

SCENARIO 2 FINANCIAL FORECAST

Table A.1 shows the results for the cash flow and debt coverage tests for Scenario 2. With the Scenario 2 rate increases, calculated debt coverage for FYE 2027 would be 1.21x. This would provide very little buffer in the event of decreased revenues or an increase in costs. For FYE 2027, the projected 0.06x coverage surplus would equate to only \$59,000. This would be equivalent to only 24.5 acre-ft of sales at the January 1, 2027 rate.

Table A.2 shows the projected reserves for Scenario 2. With the Scenario 2 rate increases, reserves would fall below the minimum target in FYE 2029.

Table A.1 Cash Flow Sufficiency and Coverage Tests with Scenario 1 Increases

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Rate Increase	Jul. 1: 3.9% Jan. 1: 7.8%	Jan. 1: 12.0%	Jan. 1: 6.5%	Jan. 1: 6.0%	Jan. 1: 4.5%
Cash Flow Test					
Rate Revenues under Existing Rates	\$2,565	\$2,587	\$2,626	\$2,662	\$2,700
Revenue From Rate Increases	187	456	758	984	1,196
Other Revenues	3,475	928	877	826	815
Total Revenues	\$6,226	\$3,972	\$4,260	\$4,471	\$4,711
Operating Expenses	2,677	2,785	2,899	3,010	3,124
Debt Service	978	978	978	977	978
PAYGO Capital (inc. Grants)	0	0	93	2,422	3,701
Total Expenses	\$3,655	\$3,763	\$3,970	\$6,408	\$7,803
Operating Cash Flows	\$2,571	\$209	\$290	(\$1,937)	(\$3,092)
Contribution to (Use of) Reserves					
Debt Coverage Test					
Total Operating Revenues	\$6,226	\$3,972	\$4,260	\$4,471	\$4,711
Less: Operating Expenses (Exc. Capital Outlay)	(2,677)	(2,785)	(2,899)	(3,010)	(3,124)
Revenues Available for Debt Service	\$3,549	\$1,187	\$1,361	\$1,462	\$1,587
DSCR, after rate increase	3.63x	1.21x	1.39x	1.50x	1.62x

Notes:

All monetary values are in thousands of dollars.

Totals may not tie due to rounding.

Table A.2 Projected Reserves and Loan Proceeds with Scenario 1 Increases

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Reserve Funds					
Beginning Fund Balance ⁽¹⁾	\$5,580	\$8,151	\$8,360	\$8,650	\$6,713
Operating Cash Flows	2,571	209	383	485	609
PAYGO Capital	0	0	(93)	(2,422)	(3,701)
Ending Fund Balance	\$8,151	\$8,360	\$8,650	\$6,713	\$3,621
<i>Minimum Reserve Target</i>	<i>\$2,129</i>	<i>\$2,849</i>	<i>\$4,530</i>	<i>\$6,773</i>	<i>\$6,643</i>
<i>Maximum Reserve Target</i>	<i>\$4,703</i>	<i>\$7,452</i>	<i>\$11,530</i>	<i>\$12,205</i>	<i>\$11,040</i>
Loan Proceeds					
Beginning Balance	\$6,191	\$2,874	\$1,555	\$0	\$0
Use of Funds for Projects	(3,317)	(1,320)	(1,555)	0	0
Ending Balance	\$2,874	\$1,555	\$0	\$0	\$0

Notes:

All monetary values are in thousands of dollars.

Totals may not tie due to rounding.

Appendix B

SCENARIO 3 FINANCIAL FORECAST

Table B.1 shows the results for the cash flow and debt coverage tests for Scenario 3. With the Scenario 3 rate increases, calculated debt coverage for FYE 2027 would be 1.19x. This would provide very little buffer in the event of decreased revenues or an increase in costs. For FYE 2027, the projected 0.04x coverage surplus would equate to only \$39,000. This would be equivalent to only 16.6 acre-ft of sales at the January 1, 2027 rate.

Table B.2 shows the projected reserves for Scenario 3. With the Scenario 3 rate increases, reserves would fall below the minimum target in FYE 2029.

Table B.1 Cash Flow Sufficiency and Coverage Tests with Scenario 1 Increases

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Rate Increase	Jul. 1: 3.9% Jan. 1: 7.8%	Jan. 1: 9.8%	Jan. 1: 7.8%	Jan. 1: 6.9%	Jan. 1: 4.5%
Cash Flow Test					
Rate Revenues under Existing Rates	\$2,565	\$2,587	\$2,626	\$2,662	\$2,700
Revenue From Rate Increases	187	429	709	969	1,199
Other Revenues	3,475	928	876	824	812
Total Revenues	\$6,226	\$3,945	\$4,211	\$4,455	\$4,711
Operating Expenses	2,677	2,785	2,899	3,010	3,124
Debt Service	978	978	978	977	978
PAYGO Capital (inc. Grants)	0	0	93	2,422	3,701
Total Expenses	\$3,655	\$3,763	\$3,970	\$6,408	\$7,803
Operating Cash Flows	\$2,571	\$182	\$241	(\$1,953)	(\$3,092)
Contribution to (Use of) Reserves					
Debt Coverage Test					
Total Operating Revenues	\$6,226	\$3,945	\$4,211	\$4,455	\$4,711
Less: Operating Expenses (Exc. Capital Outlay)	(2,677)	(2,785)	(2,899)	(3,010)	(3,124)
Revenues Available for Debt Service	\$3,549	\$1,160	\$1,312	\$1,445	\$1,587
DSCR, after rate increase	3.63x	1.19x	1.34x	1.48x	1.62x

Notes:

All monetary values are in thousands of dollars.

Totals may not tie due to rounding.

Table B.2 Projected Reserves and Loan Proceeds with Scenario 1 Increases

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Reserve Funds					
Beginning Fund Balance ⁽¹⁾	\$5,580	\$8,151	\$8,334	\$8,574	\$6,621
Operating Cash Flows	2,571	182	334	468	609
PAYGO Capital	0	0	(93)	(2,422)	(3,701)
Ending Fund Balance	\$8,151	\$8,334	\$8,574	\$6,621	\$3,529
<i>Minimum Reserve Target</i>	<i>\$2,129</i>	<i>\$2,842</i>	<i>\$4,517</i>	<i>\$6,769</i>	<i>\$6,644</i>
<i>Maximum Reserve Target</i>	<i>\$4,703</i>	<i>\$7,425</i>	<i>\$11,482</i>	<i>\$12,190</i>	<i>\$11,043</i>
Loan Proceeds					
Beginning Balance	\$6,191	\$2,874	\$1,555	\$0	\$0
Use of Funds for Projects	(3,317)	(1,320)	(1,555)	0	0
Ending Balance	\$2,874	\$1,555	\$0	\$0	\$0

Notes:

All monetary values are in thousands of dollars.

Totals may not tie due to rounding.