

**AGENDA**  
**REGULAR BOARD MEETING OF THE**  
**SAN ELIJO JOINT POWERS AUTHORITY**  
**MAY 20, 2025 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  
  
Recognition of Recent Achievement –  
Josh McTaggart – Wastewater Distribution Operator – Grade II
6. \* **CONSENT CALENDAR**
7. \* [APPROVAL OF MINUTES FOR APRIL 15, 2025 MEETING](#)
8. \* [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS – APRIL 2025](#)
9. \* [WASTEWATER TREATMENT REPORT – MARCH 2025](#)
10. \* [RECYCLED WATER REPORT – MARCH 2025](#)
11. \* [REPORTABLE MEETINGS](#)
12. \* [SAN ELIJO JOINT POWERS AUTHORITY CONTRACT FOR PROCUREMENT OF LIQUID CALCIUM NITRATE FOR FISCAL YEAR 2025-26](#)
13. \* [CONSTRUCTION PHASE CONTRACT ADMENDMENTS FOR THE BIOSOLIDS DEWATERING FACILITY IMPROVEMENT PROJECT](#)

14. \* [SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2025-26 RECOMMENDED BUDGET UPDATE](#)

15. \* 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**

16. [ACCEPT THE MOONLIGHT BEACH PUMP STATION MODIFICATIONS CONSTRUCTION PROJECT](#)

1. Authorize the General Manager to Accept the Moonlight Beach Pump Station Modifications Project on behalf of the SEJPA and record the project Notice of Completion; and
2. Discuss and take action as appropriate.

Staff Reference: Director of Infrastructure and Sustainability

17. [RECYCLED WATER COST OF SERVICE WORKSHOP](#)

1. Advise staff on which rates to include in the cost of service study report; and
2. Discuss and take action as appropriate.

Staff Reference: Director of Finance and Administration

18. [GENERAL MANAGER'S REPORT](#)

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

19. [GENERAL COUNSEL'S REPORT](#)

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

20. BOARD MEMBER COMMENTS

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

21. CLOSED SESSION

None.

23. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Tuesday, June 17, 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](http://www.sejpa.org). The 2025 SEJPA Board meetings schedule, adopted following the January 2025 SEJPA Board Meeting, is available at [SEJPA Board Meeting Dates](#).

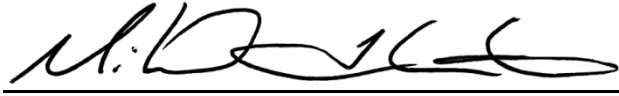
AFFIDAVIT OF POSTING

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](http://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 notice was posted at least 72 hours prior to the meeting, in accordance with Government Code Section 54954.2(a).

Date: May 15, 2025

A handwritten signature in black ink, appearing to read 'M. Thornton', 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 APRIL 15, 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, April 15, 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 8:30 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

*SEJPA Counsel:*

Snell and Wilmer

Tracie Stender

*City of Encinitas:*

Senior Engineer

Daniel Nutter

Contract Senior Management Analyst

Ashlee Stratakis

*City of Solana Beach:*

City Manager:

Alyssa Muto

City Engineer

Dan Goldberg

*San Dieguito Water District:*

Finance and Administration Manager

Mary Kazungu

3. PLEDGE OF ALLEGIANCE

Board Chair Becker led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

Public comment was made by Ted Axe, General Manager of the Lomas Santa Fe Country Club regarding proposed increases to SEJPA's recycled water rates following the Recycled Water Cost of Service Workshop at the March 18, 2025 Board Meeting.

5. AWARDS AND RECOGNITION

None.

6. CONSENT CALENDAR

Agenda Item No. 7	Approval of Minutes for the March 18, 2025 Board Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report – March 2025
Agenda Item No. 9	Wastewater Treatment Report – February 2025
Agenda Item No. 10	Recycled Water Report – February 2025
Agenda Item No. 11	Reportable Meetings
Agenda Item No. 12	Update on Emergency Repairs to Natural Gas Pipe on San Elijo Water Campus
Agenda Item No. 13	Construction Phase Contract Amendments for the Biosolids Dewatering Facility Improvement Project
Agenda Item No. 14	San Elijo Joint Powers Authority Contract for Procurement of Sodium Hypochlorite, Ferric Chloride, Sodium Hydroxide, and Citric Acid for Fiscal Year 2025-26
Agenda Item No. 15	San Elijo Joint Powers Authority Contract Amendment for Janitorial Maintenance Services for Fiscal Year 2025-26

Moved by Board Member Zito and seconded by Board Chair Becker 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

17. PRESENTATION OF SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2025-26  
RECOMMENDED BUDGET

Director of Finance and Administration Kevin Lang presented the FY 2025-26 Recommended Budget, which consists of \$11,204,651 in operating expense, \$3,941.368 in capital appropriations, and \$2,375,506 in debt service payments for a total budget of \$17,521,525. This amount includes the Recycled Water program, which has a total recommended budget of \$5,164,103 including operations and maintenance, capital projects appropriation, and debt service payments. The total recommended budget also includes the third year of service to Leucadia Wastewater District (WWD) Technical Support Services, with a budget of \$29,324 and the fourth year of service to the 22nd District Agricultural Association clean water services program with a budget of \$192,020. Both programs are fully funded by the organizations that are requesting these services.

Director Lang announced that at the May 20, 2025 Board meeting, staff will be presenting public comments and any proposed adjustments to the recommended budget. The final version of the budget will then be submitted for the Board's approval consideration during the meeting scheduled for June 17, 2025.

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

18. GENERAL MANAGER'S REPORT

General Manager Michael Thornton provided an update on the ongoing Recycled Water Cost-of-Service Study. He presented a revised timeline, indicating that the study is now anticipated to be completed—and potential rate adoption considered—in the first quarter of fiscal year 2025–26. Mr. Thornton also reviewed potential rate alternatives currently under evaluation in alignment with the updated schedule. The next workshop to discuss the Recycled Water Utility, the Cost-of-Service Study, and related matters is scheduled for the Board Meeting on May 20, 2025.

19. GENERAL COUNSEL'S REPORT

None.

20. BOARD MEMBER COMMENTS

None.

21. CLOSED SESSION

None.

22. ADJOURNMENT

The meeting adjourned at 9:47 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, May 20, 2025 at 8:30 a.m.



# SAN ELIJO JOINT POWERS AUTHORITY

## PAYMENT OF WARRANTS

### For the Month of APRIL 2025

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45025	AT&T	Utilities - Internet	Internet service - Mar	\$ 2,175.16
45026	American Water Works Assoc.	Dues & Memberships	Membership - M. Piper	336.00
45027	Backflow Services, Inc.	Services - Maintenance	Backflow testing - Plant	250.00
45028	James Barnett	Vehicle Maintenance	Employee reimbursement - Repair parts	68.39
45029	Black & Veatch	Services - Engineering	Dewatering facilities upgrades and Facility plan update	41,016.98
45030	Boot World, Inc.	Uniforms - Boots	Safety boots - D.McGinness	214.29
45031	California State Lands Commission	Fees - Permits	Staff project charges - Feb	139.59
45032	Caltrol, Inc.	Repair Parts Expense	Various supplies	2,270.64
45033	Carollo Engineers	Services - Engineering	Engineering services - Feb	4,862.50
45034	County of San Diego	Fees - Permits	Eden Gardens generator permits	687.00
45035	County of San Diego	Fees - Permits	San Elijo Hills generator permits	687.00
45036	County of San Diego	Fees - Permits	Moonlight Pump Station generator permits	1,450.00
45037	County of San Diego	Fees - Permits	Solana Beach Pump Station. generator permits	1,450.00
45038	Cable, Pipe & Leak Detection	Services - Maintenance	Emergency leak detection	285.00
45039	DC Frost Associates, Inc	Repair Parts Expense	Secondary tank system parts	6,136.37
45040	Dell Marketing L.P.	Supplies - IT Equipment	Server	8,720.78
45041	Dixieline Lumber Company	Supplies - Safety	Various safety supplies	1,105.28
45042	EDCO Waste & Recycling Service	Utilities - Trash	Trash - Mar	503.15
45043	City of Encinitas	Licenses	Duo software fees - Annual	1,630.50
45044	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	1,698.00
45045	Excel Landscape, Inc.	Services - Landscape	Grounds maintenance service - Mar	4,382.00
45046	J.R. Filanc Construction Co.	Services - Contractors	Wanket Tank Refurbishment - Jan and Feb	195,486.25
45047	Global Power Group Inc.	Services - Maintenance	Generator maintenance - Solana Beach Fire Station	1,693.14
45048	Grainger, Inc.	Repair Parts Expense, Shop Tools and Equip.	Various supplies	4,547.24
45049	GSE Construction Company Inc.	Services - Contractors	Biosolids facilities improvements - Feb	526,233.50
45050	Hardy Diagnostics	Supplies - Lab	Various lab supplies	1,031.40
45051	Kennedy/Jenks Consultants	Services - Engineering	Engineering services for Olivenhain Pump Station slide gate	11,042.50
45052	Lee's Lock & Safe	Services - Maintenance, Shop & Field	Lock service and keys	316.71
45053	McMaster-Carr Supply Co.	Repair Parts Expense, Supplies - Lab & Safety	Various supplies	2,066.58
45054	Napa Auto Parts	Vehicle Maintenance	Battery	293.45
45055	Cosby Oil Company, Inc	Fuel	Fuel - Mar	1,060.82
45056	Olivenhain Municipal Water Dis	Services - Professional	Rincon NSDWRC support service and Woodward and Curran NSDWRC - Prop 1 Rd 2	1,900.35
45057	PE Instruments	Services - Maintenance	Calibration service	1,082.96
45058	Michael Piper	Supplies - Office	Employee reimbursement - iPhone case (Magnetic/Drop Proof)	56.00
45059	Radwell International, Inc.	Supplies - IT Equipment	Server repair	1,506.17
45060	RingCentral, Inc	Utilities - Telephone	Phone service	533.04
45061	Robert Half International, Inc	Services - Temp	Temporary staffing service	7,287.34
45062	RSF Security Systems	Services - Alarm	Alarm control panel installation and cellular monitoring	2,825.50
45063	Rusty Wallis, Inc.	Services - Maintenance	Water softener, tank service and salt bags	481.70
45064	Santa Fe Irrigation District	Utilities - Water	Water	110.43
45065	San Dieguito Water District	Utilities - Water	Water	1,353.15
45066	Sloan Electric Company	Repair Parts Expense	Grit washer motor	954.62
45067	Terminix Processing Center	Services - Maintenance	Pest control service	115.11
45068	Tesco Controls	Services - Professional	SCADA support services	16,361.25

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

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45069	Christopher A. Trees	Subsistence - Travel/Rm & Bd	Employee reimbursement - Mileage	24.36
45070	Trussell Technologies, Inc	Services - Professional	T1 - Operational support through Feb	659.50
45071	U.S. CAD	Licenses	Bluebeam annual license renewals	1,100.00
45072	Unifirst Corporation	Services - Uniforms, Supplies -Safety	Uniform service and gloves	849.00
45073	Underground Service Alert/SC	Services - Alarm	Dig alert and Safe excavation board	100.71
45074	USA Bluebook	Repair Parts Expense, Supplies - Lab	Various supplies	2,229.38
45075	Vaughn Irrigation Services, In	Repair Parts Expense	Various supplies	1,363.07
45076	Verizon Wireless	Utilities - Telephone	Telephone	568.39
45077	Verizon Wireless	Utilities - Telephone	Cell phone service	1,309.87
45078	Volt Management Corp	Services - Temp	Internship program and temp service	805.95
45079	Benefits Coordinators Corp.	Dental/Vision	Vision - Apr	482.10
45080	VWR International, Inc.	Supplies - Lab	Various lab supplies	2,634.95
45081	WageWorks	Payroll Processing Fees	Admin fee - Mar	191.75
45082	Abila	Licenses	Accounting software support and subscription	394.32
45083	Adam Kaye	Services - Professional	Public communications	200.00
45084	Aflac	EE Deduction Benefits Payable	Aflac - Apr	760.72
45085	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling and reuse - Mar	19,459.79
45086	Ahrens Mechanical	Services - Contractors, Retention	Moonlight Beach P.S. modifications - Mar & Wanket Tank RW Pipeline - Retention	130,381.56
45087	Allied Storage Containers	Equipment Rental/Lease	20' and 40' storage containers - Apr 2025 fees	359.89
45088	Ardurra Group, Inc	Services - Engineering	Wanket tank refurbish support - Jan & Feb	16,361.78
45089	ATAC Inc	Service - IT Support	Security badging software maintenance renewal	1,100.00
45090	BAVCO	Shop Tools and Equip.	Backflow test kit	327.22
45091	Brenntag Pacific, Inc	Supplies - Chem - Odor	Sodium hydroxide	1,317.23
45092	CA. Office Cleaning, Inc.	Services - Janitorial	Office and window cleaning	3,909.00
45093	Caltrol, Inc.	Repair Parts Expense	AWP RO actuator	1,862.24
45094	Corodata	Rent	Record storage - Mar	122.85
45095	County of San Diego	Fees - Permits	Olivenhain Pump Station permit	603.00
45096	Dixieline Lumber Company	Repair Parts Expense, Supplies - Chemicals & Shop & Field	Various supplies	857.86
45097	Westbound Solar 2, LLC	Utilities - Solar Power	Solar - Mar	2,913.87
45098	ERA	Supplies - Lab	Various lab supplies	735.19
45099	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	659.50
45100	gafcon	Services - Contractors, Professional	Labor compliance for Wanket Tank, Wanket Pipeline and SW Capture - Mar	1,743.43
45101	Grainger, Inc.	Supplies - Lab, Shop & Field, Repair Parts Exp.	Various supplies	556.12
45102	Hardy Diagnostics	Supplies - Lab	Various lab supplies	2,665.23
45103	Helix Environmental Planning	Services - Professional	Environmental consulting - SW Capture and Reuse	2,430.13
45104	Idexx Distribution, Inc.	Supplies - Lab	Various lab supplies	4,731.66
45105	Kennedy/Jenks Consultants	Services - Engineering	Engineering services for Headworks, Daft, and MF Feed	28,710.00
45106	Lawson Products Inc.	Supplies - Shop & Field	Various supplies	301.17
45107	Life Technologies Corporation	Supplies - Lab	Chemical indicator	103.07
45108	Liquid Environmental Solution	Services - Grit & Screenings, Grease & Scum	Roll off box and pumping service	1,690.00
45109	McMaster-Carr Supply Co.	Repair Parts Expense, Shop Tools and Equip.	Various supplies	3,868.04
45110	MetLife - Group Benefits	Dental/Vision	Dental - May	3,997.65
45111	Miramar Bobcat, Inc.	Vehicle Maintenance	Bobcat tires and repair	9,038.33
45112	Nautilus Environmental, Inc	Services - Laboratory	Laboratory toxicity testing services for Feb	1,215.00

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

<b>Warrant #</b>	<b>Vendor Name</b>	<b>G/L Account</b>	<b>Warrant Description</b>	<b>Amount</b>
45113	Cosby Oil Company, Inc	Fuel	Fuel - Apr	727.60
45114	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Procurement of Sodium Hypochlorite	11,070.62
45115	Olivenhain Municipal Water Dis	Services - Professional, Rent	Woodward and Curran NSDWRC support - Prop 1 Rd 2 & Pipeline rental payment	2,914.59
45116	OneSource Distributors, Inc.	Repair Parts Expense	PLC processor	3,610.50
45117	Otis Elevator Company	Services - Maintenance	Elevator maintenance - Apr	221.62
45118	Polydyne Inc.	Supplies - Chem - Polymer	Clarifloc WE-007	16,929.42
45119	RingCentral, Inc	Utilities - Telephone	Phone service	532.12
45120	Robert Half International, Inc	Services - Temp	Temporary staffing service	5,159.77
45121	RSF Security Systems	Services - Alarm	Cellular system monitoring	3.87
45122	Rusty Wallis, Inc.	Supplies - Shop & Field	Water softener, tank service and salt bags	384.73
45123	Santa Fe Irrigation District	Utilities - Water	Water	2,399.03
45124	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment	1,595.04
45125	San Dieguito Water District	Utilities - Water	Water	1,603.95
45126	Snell & Wilmer L.L.P	Services - Legal	General counsel through Mar 2025	5,353.37
45127	Southwest Membrane Operation	Dues & Memberships	Membership renewal - C. Trees	400.00
45128	Terminix Processing Center	Services - Maintenance	Pest control service	615.24
45129	Transcat, Inc	Supplies - Lab	Various lab supplies	223.06
45130	Unifirst Corporation	Services - Uniforms	Uniform service	398.17
45131	USA Bluebook	Repair Parts Expense, Supplies - Lab	Various supplies	3,512.82
45132	Valley CM, Inc.	Services - Professional	Management and inspection services - Mar	66,755.80
45133	Verizon Wireless	Utilities - Telephone	Service - Mar	568.02
45134	Verizon Wireless	Utilities - Telephone	Cell phone service and equipment	1,975.32
45135	Volt Management Corp	Services - Temp	Internship program and temp service	1,124.03
45136	VWR International, Inc.	Supplies - Lab	Various lab supplies	706.49
45137	Void			-
On-line 1052	Mission Square	ICMA Retirement	ICMA - 401a	7,743.42
On-line 1053	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	11,431.35
On-line 1054	Public Employees- Retirement	Retirement Plan - PERS	PERS Retirement - Mar	25,526.48
On-line 1055	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	880.06
On-line 1056	BankCard Center	Supplies - Safety	Various supplies	6,643.05
On-line 1057	Mission Square	ICMA Retirement	ICMA - 401a	7,469.31
On-line 1058	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	11,158.94
On-line 1059	P.E.R.S.	Medical Insurance - Pers	Health - May	54,959.58
On-line 1060	Sun Life Financial	Life Insurance/Disability	Life and disability - May	3,371.27
On-line 1061	WM Corporate Services, Inc.	Services - Sediment Disposal	10 yard roll off disposal	4,798.49
On-line 1063	CA. Dept. of Tax & Fee Admin.	Accrued Sales Tax Payable	Use Tax - 1Q 2025	1,006.00
On-line 1064	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - Mar	43,803.59
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 04/04/2025	124,464.51
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 04/15/2025	5,355.98
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 04/18/2025	127,836.28
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 04/22/2025	12,654.40
				<u><u>\$ 1,691,990.61</u></u>

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

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

PAYMENT OF WARRANTS

\$ 1,691,990.61

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 APRIL 30, 2025**

<b>FUNDS ON DEPOSIT WITH</b>	<b>AMOUNT</b>
<b>LOCAL AGENCY INVESTMENT FUND</b> <i>(APRIL 2025 YIELD 4.333%)</i>	\$ 8,836,084.62
<b>CALIFORNIA BANK AND TRUST</b> <i>(APRIL 2025 YIELD 0.01%)</i>	467,436.42
<b>U.S. Bank</b> <i>(APRIL 2025 YIELD 4.40%)</i>	16,154,388.36
<b>PARS</b> <i>(MARCH 2025 YIELD -2.23%)</i>	1,040,697.98
<b>TOTAL RESOURCES</b>	<u>\$ 26,498,607.38</u>

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 20, 2025

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WASTEWATER TREATMENT REPORT – MARCH 2025

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Facility Performance and Evaluation

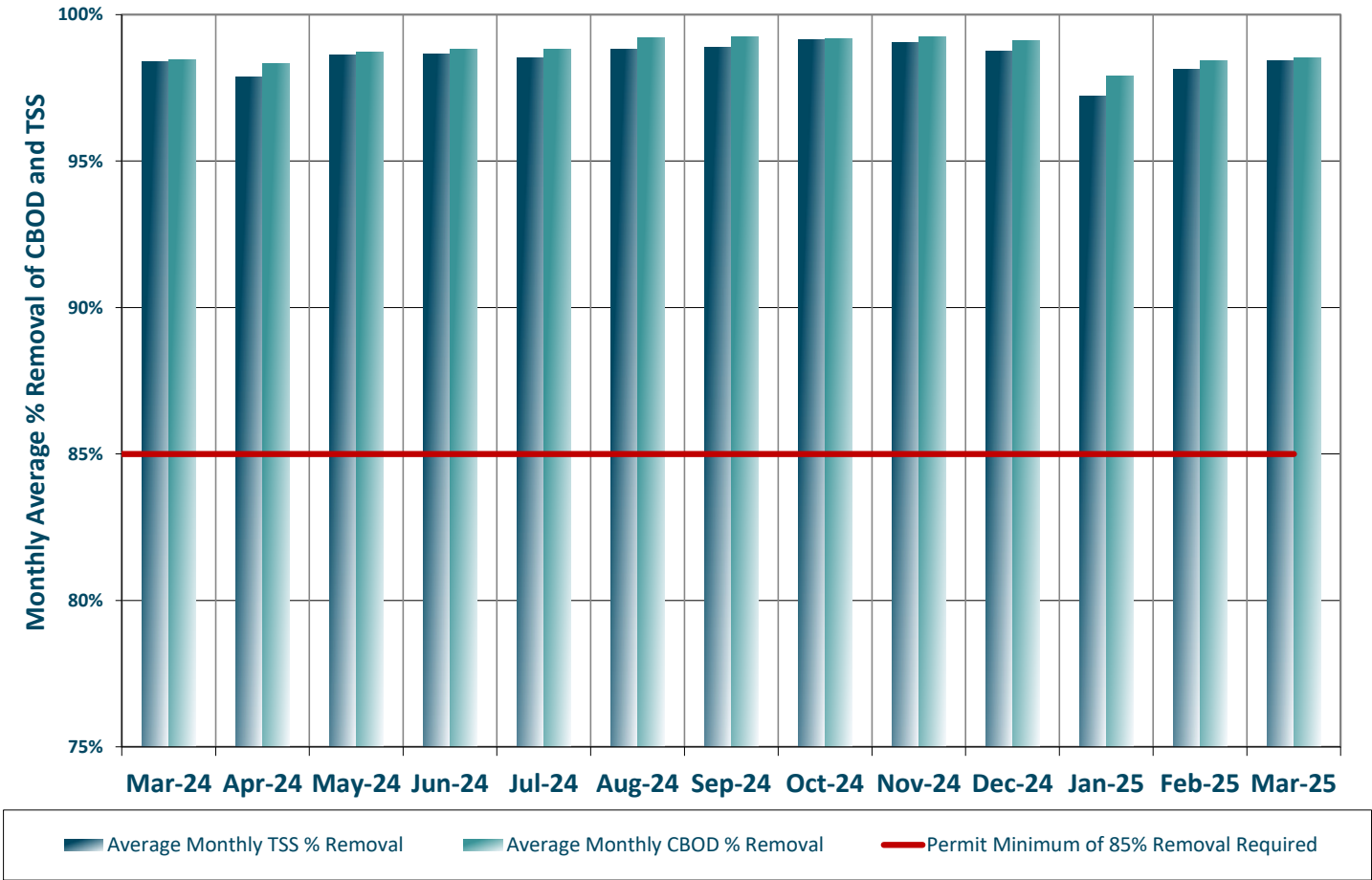
Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of March 2025. The primary indicators of treatment performance include the removal of Total Suspended Solids (TSS) 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 **98.4** and **98.5** percent removal, respectively, during the month of March.

## 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

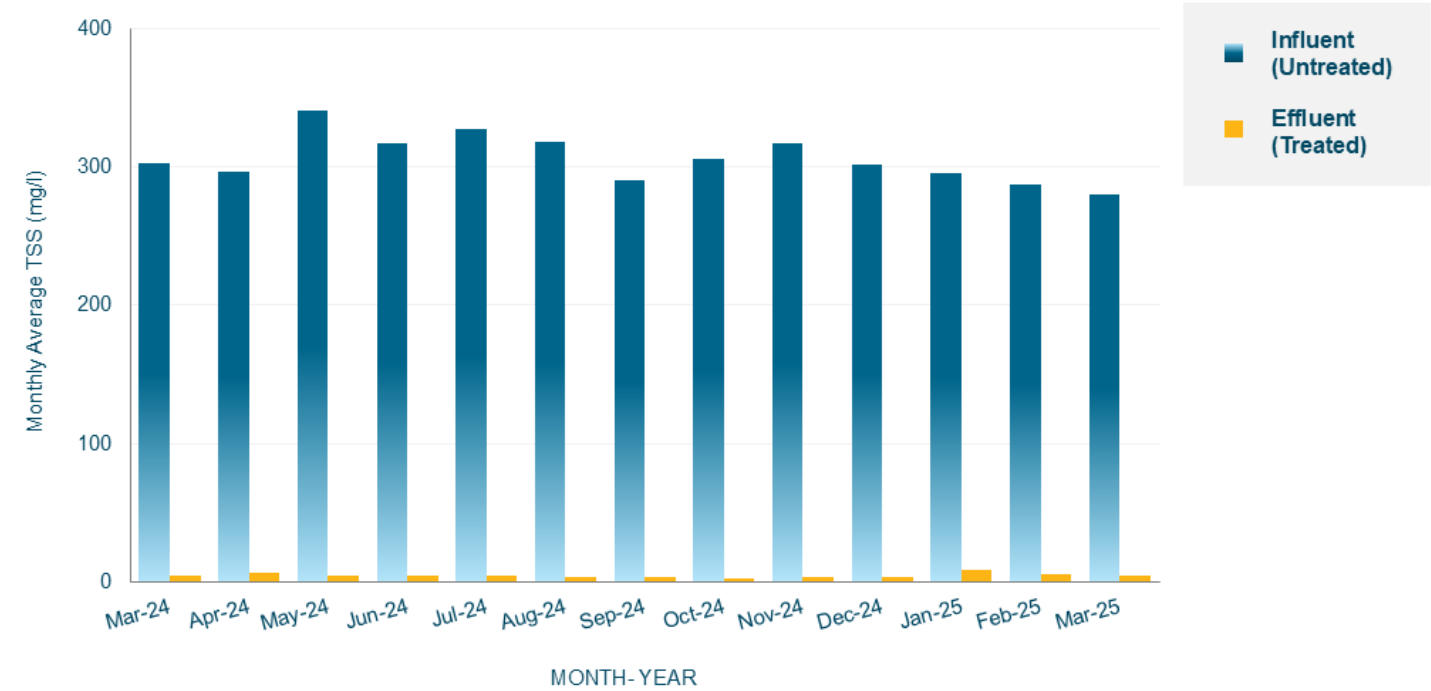
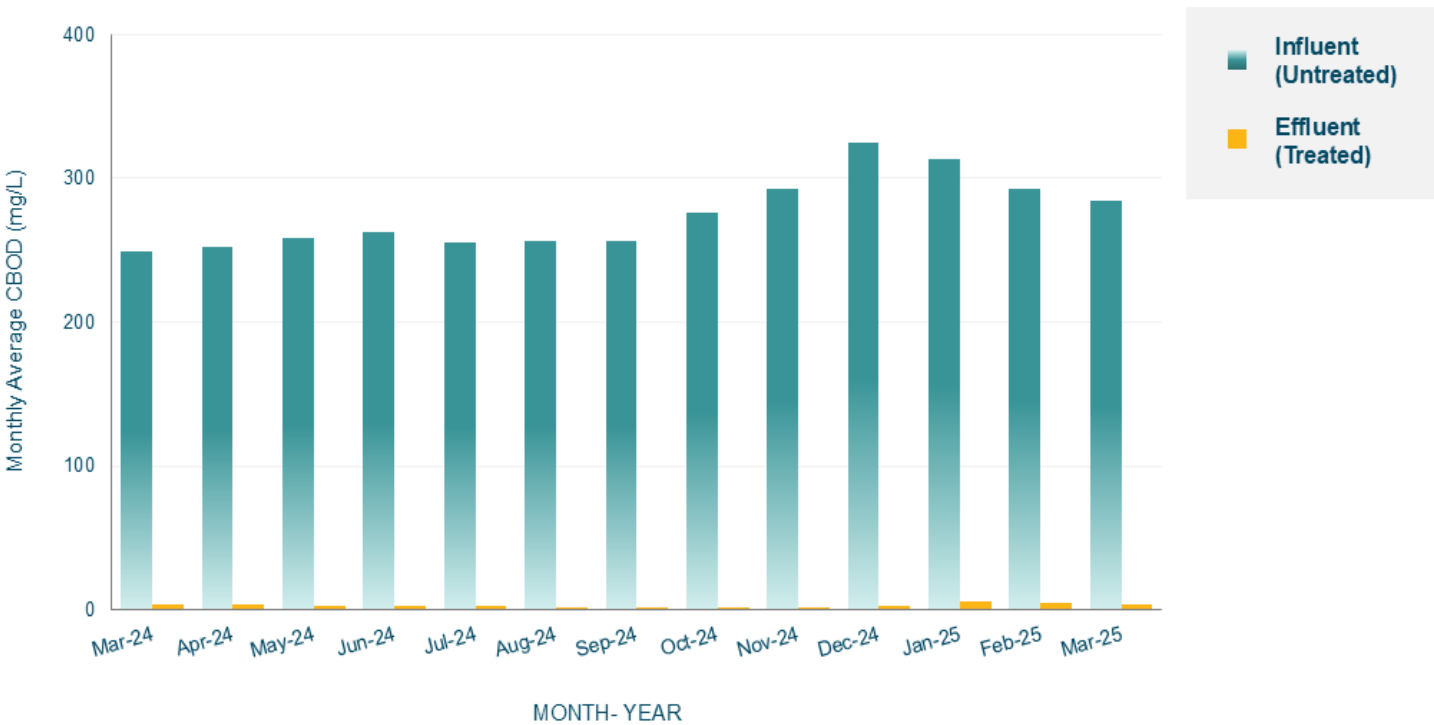


FIGURE 3: TREATED EFFLUENT FLOWS REMOVAL OF CBOD





## Member Agency Flows

Table 1(below) summarizes the influent and effluent flows for the month of March. Average daily influent flows were measured for each contributing agency. During this period, approximately 23.4% 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 MARCH**

	Influent (mgd)	Recycled Water (mgd)	Effluent (mgd)*
Cardiff Sanitary Division	1.374	0.321	1.053
City of Solana Beach	1.133	0.265	0.868
Rancho Santa Fe SID	0.214	0.050	0.164
City of Del Mar	0.390	0.091	0.299
<b>Total San Elijo Water Campus Flow</b>	<b>3.111</b>	<b>0.727</b>	<b>2.384</b>

\* 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

CSD: Cardiff Sanitary Division

RSF: Ranch Santa Fe Community Service District

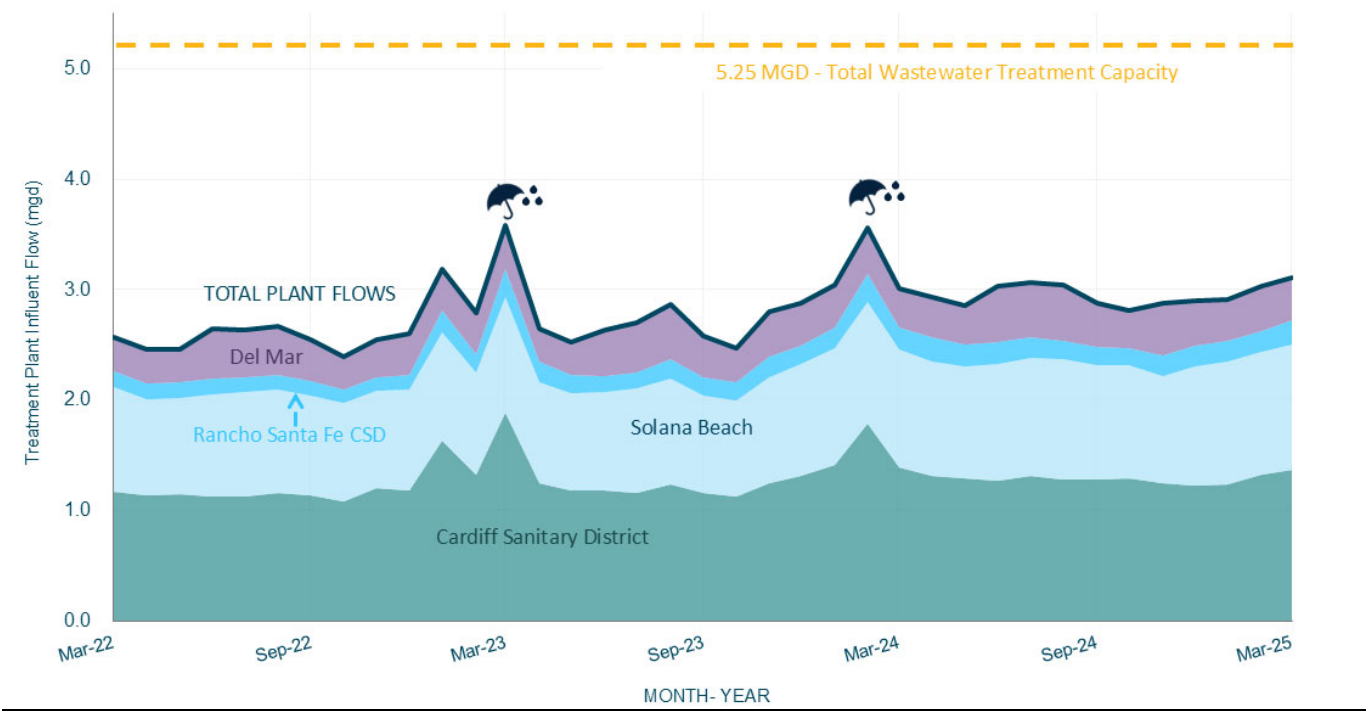
SB: Solana Beach

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 March 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)	7.6
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

\*

AGENDA ITEM NO. 10

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 20, 2025

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER REPORT – MARCH 2025

RECOMMENDATION

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

DISCUSSION

*Recycled Water Production*

For the month of March 2025, recycled water demand was 64.4 acre-feet (AF), which was 64.4 AF of recycled water and no supplemental water. March demand approximated budget expectations of 65 AF. Demand for the first nine months of the fiscal year is 17.7% ahead of budget.

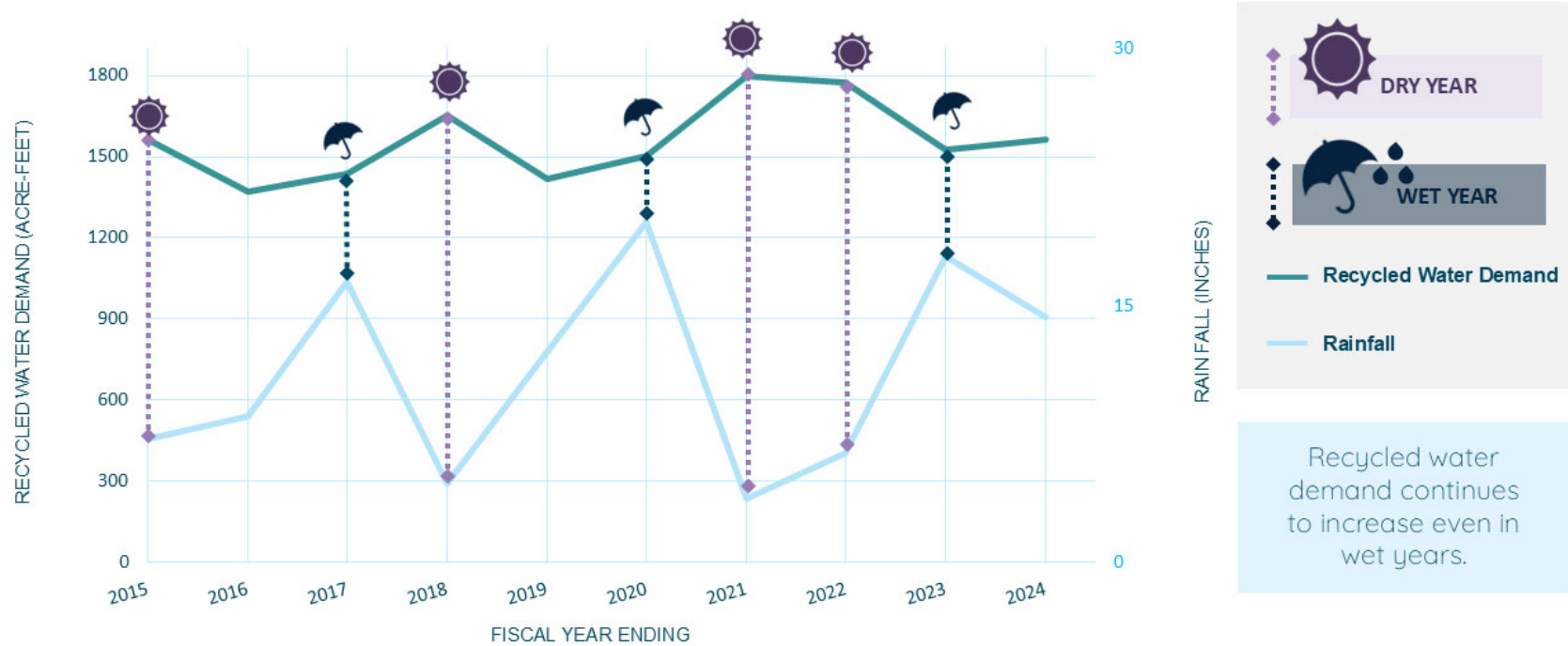
Figure 1 (attached) provides a graphical view of annual recycled water demand spanning the last 10 fiscal years, with the overlay of annual rainfall. Since the recycled water program primarily serves outdoor irrigation, annual demand is reduced during wet periods and increases during times of drought. Figure 2 (attached) shows the monthly recycled water demand for each March 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



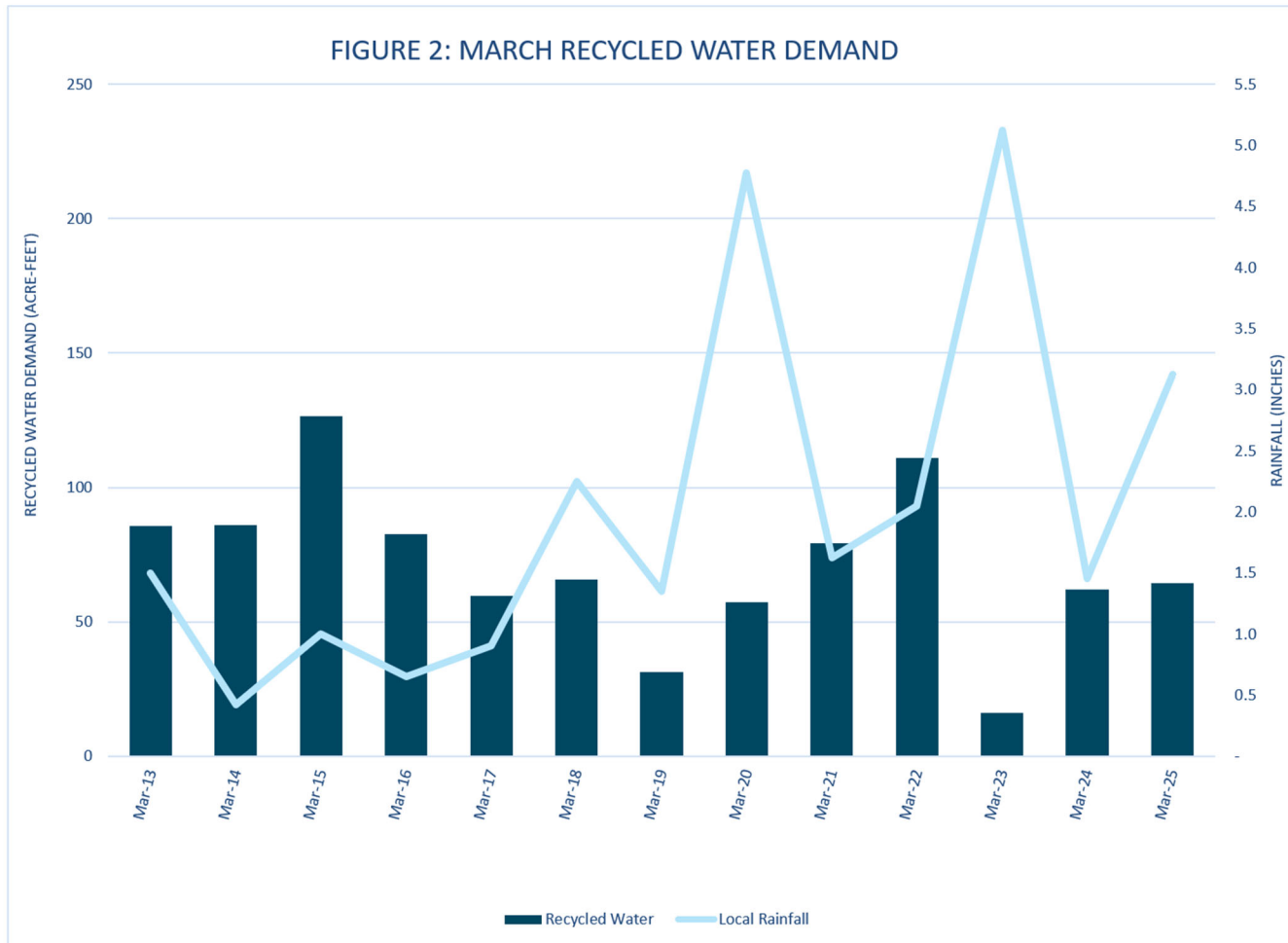
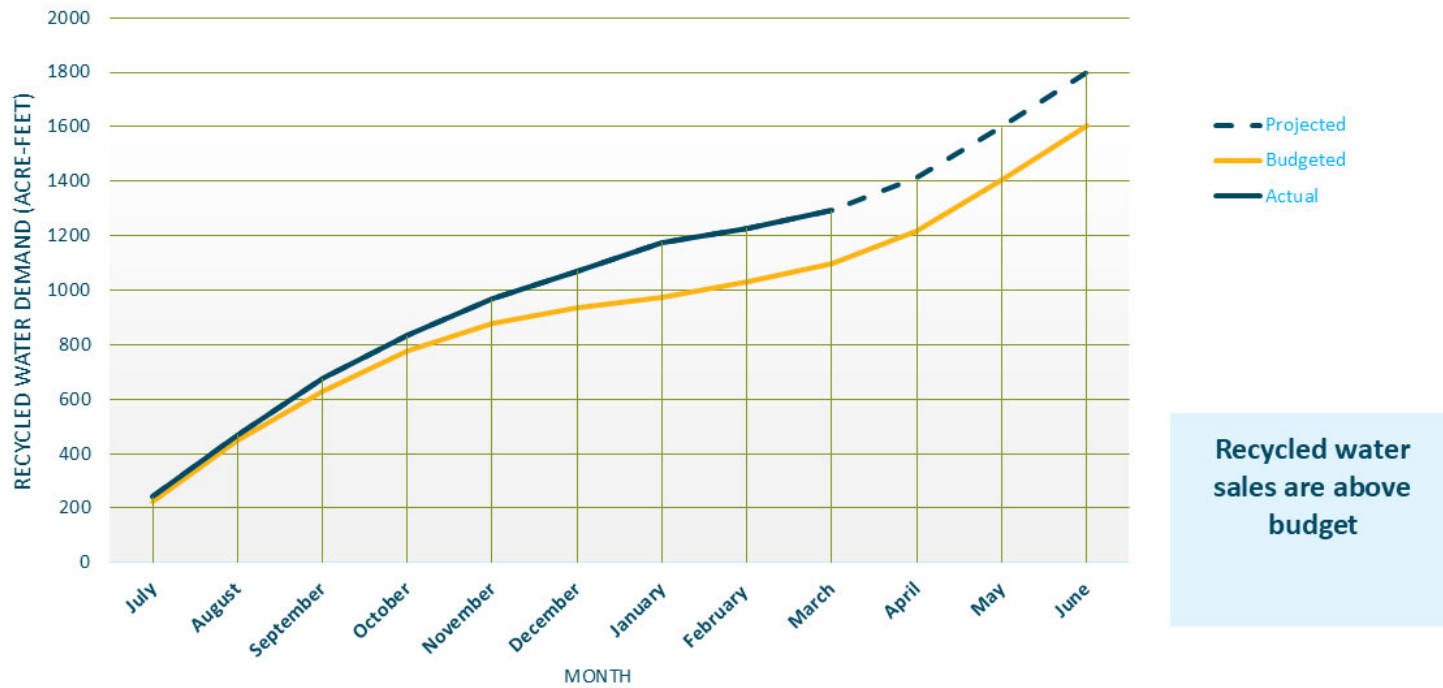


FIGURE 3: FY2024/25 CUMULATIVE DEMAND VS BUDGET





\*

AGENDA ITEM NO. 11

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 20, 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 April 11, 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

May 20, 2025

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY CONTRACT FOR PROCUREMENT  
OF LIQUID CALCIUM NITRATE FOR FISCAL YEAR 2025-26

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with Pennco, Inc. for the procurement of liquid calcium nitrate (LCN) for an amount not to exceed \$105,900; and
2. Discuss and take action as appropriate.

BACKGROUND

Each year, the San Elijo Joint Powers Authority (SEJPA) solicits bids for chemicals used in the treatment of wastewater and the production of recycled water, in accordance with Resolution No. 2022-01: *Resolution of the Board of Directors Establishing Purchasing Policies and Procedures for the San Elijo Joint Powers Authority (Purchasing Policy)*.

SEJPA uses liquid calcium nitrate (LCN) in the wastewater collection system to interrupt the biological processes that cause septicity that can negatively impact the wastewater treatment process. LCN helps reduce odors and corrosion in the collection system, pump stations, and at the treatment facility. The current LCN contract is in the final year of a three-year term, with a unit cost of \$4.18 per gallon.

DISCUSSION

In April 2025, SEJPA issued a public bid via PlanetBids for the procurement of LCN, including a turn-key system with double-walled chemical storage tanks and dosing equipment. Based on the bids received and the agency's operational needs for FY 2025–26, the proposed contract amount exceeds the General Manager's \$50,000 authority and requires Board approval. The new contract

term is for one year, with the option to renew for up to two additional one-year periods.

Bids were opened on May 1, 2025. One bidder did not properly acknowledge the issued addendum and was deemed non-responsive. The responsive bids are summarized in the table below:

**Table 1 – Liquid Calcium Nitrate**

<b>Vendor</b>	<b>Cost per gallon</b>	<b>Gallon</b>	<b>Total Price</b>
Pennco, Inc.	\$3.53	30,000	\$105,900
Evoqua Water Technologies, LLC	Non-Responsive		

#### FISCAL IMPACT

The lowest responsive and responsible bid was submitted by Pennco, Inc. at a price of \$3.53 per gallon—a 15.6% reduction from the current contract price of \$4.18 per gallon. The Recommended Budget for FY 2025–26 provides sufficient funding for the above quote for the purchase of LCN.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with Pennco, Inc. for the procurement of liquid calcium nitrate for an amount not to exceed \$105,900; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

#### **Attachment:**

1. Bid Form – Pennco, Inc.

**SAN ELIJO JOINT POWERS AUTHORITY  
BID SUBMISSION FORM**

**PROVISION OF LIQUID CALCIUM NITRATE  
INCLUDING ONSITE STORAGE TANKS AND DOSING EQUIPMENT  
SPECIFICATION NUMBER SE 2025 LCN**

**TO BE EXECUTED BY BIDDER AND SUBMITTED**

TO: Michael T. Thornton, General Manager  
San Elijo Joint Powers Authority  
2695 Manchester Avenue  
Cardiff-by-the-Sea, CA 92007

Dated: April 30, 2025

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

Provision of Liquid Calcium Nitrate (Bioxide), as outlined in the detailed specification, for the period of July 1, 2025 to June 30, 2026, with the option of two (2) additional one (1) year terms at the request of the San Elijo Joint Powers Authority, ordered to:

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

UNDERSIGNED, AS BIDDER, HEREBY AGREES AND DECLARES THAT:

1. BID IRREVOCABLE FOR SIXTY DAYS. This bid, as presented herein, is irrevocable, and may not be withdrawn for a period of sixty (60) days after the date set for the opening of bids, except in accordance with the withdrawal of bid provisions in the request for bids.
2. BIDDER ACKNOWLEDGEMENTS. Bidder acknowledges that s/he is submitting this bid in accordance with the applicable statutes of the State of California, applicable local laws, and in accordance with the Notice Inviting Bids for Liquid Calcium Nitrate Including Onsite Storage Tanks and Dosing Equipment, Specification Number SE 2025 LCN, and in accordance with the instructions contained therein and herein.

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

<u>OPTION NO.</u>	<u>APPROXIMATE QUANTITY</u>	<u>ITEM DESCRIPTION WITH PRICES WRITTEN IN WORDS</u>	<u>TOTAL FIGURES</u>
1	Approximately 30,000 gallons	Pre-approved or proven equal Liquid Calcium Nitrate (Bioxide) in bulk shipments of approximately 2,000 to 3,800 gallons upon request of the Chief Plant Operator. All prices quoted are F.O.B. destination. Freight and full Insurance shall be paid by the bidder to the destination.	
		Price per gallon including shipping and tax:	
		<u>Three Dollars &amp; Fifty Three cents/gal + tax</u> (In Words)	<u>\$ 3.53/gal + tax</u> (In Numbers)
		Contract price (30,000 gallons price): <u>One Hundred Five Thousand, Nine Hundred Dollars and Zero cents + tax</u> (In Words)	<u>\$ 105,900.00 + tax</u> (In Numbers)

4. COSTS INCLUDED IN PRECEDING BID. The undersigned declares that the price per gallon stated above includes all charges, including freight/delivery, onsite storage tanks, secondary containment, dosing feed pumps/control systems, remote monitoring/control equipment, setup, product, materials, heat tracing (if required), water lines, hydrogen sulfide monitoring units, maintenance, emergency repairs, routine/optimization services, and any applicable taxes and incidentals necessary for delivery of a complete turn-key system. All prices quoted are F.O.B. destination. Freight and full Insurance shall be paid by the bidder to the destination.

5. ADDENDA ACKNOWLEDGMENT: Bidder Acknowledges Receipt of Addendum(s) No(s): 1

6. BIDDER INFORMATION:

LEGAL NAME OF BIDDER: Pencco, Inc.

BUSINESS ADDRESS: P.O. Box 600  
San Felipe, TX 77473

TELEPHONE: 979-987-7979

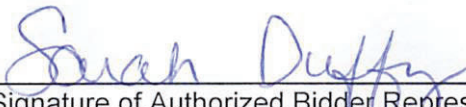
CONTACT NAME: Sarah Duffy

EMAIL: sarah@pencco.com

7. CLOSING STATEMENT

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

Respectfully Submitted By:

  
(Signature of Authorized Bidder Representative)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this statement was executed on April 30, 2025 at Sealy, TX, ~~California~~.

Name of Individual (Printed):

Sarah Duffy

Position Title:

Bid Director



## STATEMENT OF QUALIFICATIONS AND REFERENCES

### PROVISION OF LIQUID CALCIUM NITRATE INCLUDING ONSITE STORAGE TANKS AND DOSING EQUIPMENT SPECIFICATION NUMBER SE 2025 LCN

#### TO BE EXECUTED BY BIDDER AND SUBMITTED

Proposing Bidder shall submit the number of years engaged in providing services included within the scope of the bid specifications under the present business name: Pencco, Inc.

List and describe fully the last three contracts performed by your company that demonstrate your ability to provide the supplies, equipment, or services included with the scope of the bid specifications. Attach additional pages if required. The Authority reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

#### Reference No. 1

Customer Name: Santa Margarita Water District

Contact Individual: Eric Smith Phone No.: 949-459-6522

Address: 26111 Antonio Parkway, Rancho Santa Margarita, CA 92688

Contract Amount: \$1,131,790 Year: 2018-current

Description of supplies, equipment, or services provided: Full service turnkey odor control solution - including tanks, pumps, all equipment, service, maintenance and reporting.

#### Reference No. 2

Customer Name: City of Stockton, CA

Contact Individual: Paul Acosta Phone No.: 209-937-8994

Address: 2500 Navy Drive, Stockton, CA 95206

Contract Amount: \$4,129,600 Year: 2023-current

Description of supplies, equipment, or services provided: H2S and odor control solution - full service including tanks, pumps, all equipment, service, maintenance and reporting.

#### Reference No. 3


Customer Name: Easter Municipal Water District

Contact Individual: Ryan Hallock Phone No.: 951-928-3777

Address: 2270 Trumble Road, Perris, CA 92572

Contract Amount: \$1,440,000 Year: 2024-current

Description of supplies, equipment, or services provided: Odor & Corrosion Control Program - Full service including tanks, pumps, all equipment, service, maintenance and reporting.

  
\_\_\_\_\_  
Signature of Authorized Bidder Representative

**STATEMENT OF BIDDER'S PAST CONTRACT DISQUALIFICATIONS**

**PROVISION OF LIQUID CALCIUM NITRATE  
INCLUDING ONSITE STORAGE TANKS AND DOSING EQUIPMENT  
SPECIFICATION NUMBER SE 2025 LCN**

**TO BE EXECUTED BY BIDDER AND SUBMITTED**

Pursuant to Section 10162 of the Public Contract Code, the Bidder shall state whether such prospective Bidder, any officer of such Bidder, of any employee of such Bidder who has a proprietary interest in such Bidder, has ever been disqualified, removed, or otherwise prevented from bidding on, or completing a Federal, State or local government project because of the violation of law or a safety regulation, and if so to explain the circumstances.

1. Do you have any disqualification, removal, etc., as described in the above paragraph to declare?

Yes \_\_\_\_\_ No x \_\_\_\_\_

2. If yes, explain the circumstances.

---

---

---

---

---

---

---

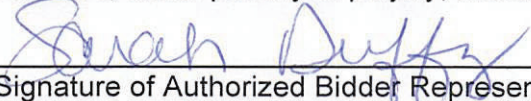
---

---

---

Executed on April 30, 2025 at Sealy, TX, ~~California~~.

I declare, under penalty of perjury, that the foregoing is true and correct.

  
Signature of Authorized Bidder Representative





PO Box 600 San Felipe, Texas 77473  
(979) 885-0005 Fax: (979) 885-3208

---


## BOARD OF DIRECTORS MEETING

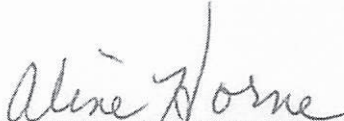
Prior notice was waived, and a meeting of the Directors was held on February 20, 2025. The following resolution was adopted in respects to the official signing of bids and contracts on behalf of Pencco, Inc.

BE IT RESOLVED that Sarah Duffy, Bid Director, of the Corporation has authority to negotiate for and sign any bids/contracts which the Corporation might enter into for the furnishing of goods and services for the Corporation under such terms, conditions and stipulations, as for such consideration as she may deem to be in the best interest of the Corporation.

BE IT RESOLVED that Jennifer Guajardo, Bid Supervisor, of the Corporation has authority to negotiate for and sign any bids/contracts which the Corporation might enter into for the furnishing of goods and services for the Corporation under such terms, conditions and stipulations, as for such consideration as she may deem to be in the best interest of the Corporation.

No further business was necessary, and the meeting was concluded.

  
\_\_\_\_\_  
R. L. Horne, President

  
\_\_\_\_\_  
Aline Horne, Secretary

---

Request for proposals response to: San Elijo Joint Powers Authority

RFP No: Liquid Calcium Nitrate (Spec No. SE2025 LCN)

Due: May 1, 2025 @ 2:00 PM



Pencco, Inc, PO Box 600, San Felipe, TX 77473

Office phone: 979-885-0005

Website: [www.pencco.com](http://www.pencco.com)

April 30, 2025

Abby Schlenk  
San Elijo Joint Powers Authority  
2695 Manchester Ave.  
Cardiff by the Sea, CA 92007

RE: RFP SE2025 LCN – Liquid Calcium Nitrate

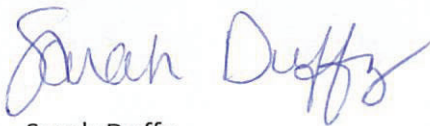
Dear Ms. Schlenk,

Pencco is pleased to offer the San Elijo JPA a chemical proposal including a total turnkey service and product offering for calcium nitrate within this opportunity. Pencco has been at the forefront of pioneering solutions for odor and corrosion control for 40 years and is growing in both geography and markets served. Pencco currently employs over 165 people and in the past 5 years, we have expanded through company acquisitions, hiring of key personnel, growth of our in-house company truck and railcar fleet, and plant improvements. This has enabled us to reach new customers while staying true to our core products and competencies. We are excited about new technologies in odor and corrosion control with our in-house manufactured and customizable dosing controllers, Sulfiloggers™ that can measure liquid or gas phase H<sub>2</sub>S, and the website that ties our field equipment together and gives the customer the most visibility and control over results.

If deemed the successful bidder, Pencco will be the prime supplier for the work. Our proposal is attached. The term of this proposal is 1 year, and we offer 2 additional (1) year extensions upon mutual agreement.

We have attached a summary of our company information and experience. Pencco will supplement any additional information requested. We look forward to the opportunity to work with the San Elijo JPA. The attached proposal shall remain valid for 180 days from the date of this submittal.

Sincerely,



Sarah Duffy  
Bid Director

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 20, 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. Ratify Change Order No. 13 (increase contract value by \$14,217 and 0 days) for work previously approved by the Board;
2. Authorize the General Manager to execute Contract Change Order No. 14 in an amount of \$99,774 and extend completion date by 14 calendar days for additional construction services related to the Biosolids Dewatering Facility Improvements project; and
3. 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 13 to date totaling \$611,590 and granted time extension of 125 calendar days, bringing the construction contract value to \$9,298,791.

## DISCUSSION

*Project Status:* The construction phase is 90% complete with a completion date of July 1, 2025. The project contingency of \$207,890 represents 8% of the remaining contract value. Overall, the project is trending to be under the Board approved budget at the completion of all currently contracted work.

*Ratification of CCO No. 13:* At the December 14, 2024 Board meeting, the Board authorized the General Manager to negotiate costs for repairs to the Dewatering Building roof, which has approximately 33 years of service in a corrosive industrial environment and was determined to be structurally compromised. CCO No. 11 covered structural modifications, infill, roofing, and painting. CCO No. 13 covered the balance of the infill work including disposal of zinc-laden debris generated from the repair work for a cumulative change order value of \$131,661 charged against the \$160,000 allowance previously approved by the Board. Through collaborative process between SEJPA staff, project engineering and construction management consultants and the construction contractor developed a cost-effective repair and refurbishment approach that avoided impacts to the construction schedule. All work necessary to restore structural integrity and protective coatings was completed for less than the estimated cost, preserving \$28,339 that will be returned to the project contingency fund.

*Authorization of CCCO No. 14:* This change order consolidates 10 discrete extra work items directed by SEJPA to coordinate new work with existing facilities and to incorporate improvements to operational safety and reliability. CCO No. 14 results in additional cost of \$99,774 and extends the contract completion by 14 calendar days (to July 1, 2025). The contract changes are summarized as follows:

- At the onset of the construction phase, SEJPA worked with the construction contractor to implement a temporary centrifuge layout that best accommodated O&M access during construction. Additionally, the selected location allowed SEJPA to resolve a legacy vehicle circulation bottleneck around the dewatering process area. This change order includes final grading, paving and miscellaneous concrete work around the dissolved air floatation tanks and biosolids loading scale/hopper.
- In March-April 2025, SEJPA directed the repair and replacement of a leaking natural gas pipe across the San Elijo Water Campus under an emergency contract. The emergency work was completed in April 2025 and SEJPA directed the contractor to leave temporary trench patch as the area was adjacent to and impacted by ongoing construction. The Biosolids Dewatering Project included a competitively-bid unit price for paving and SEJPA negotiated with the contractor to complete final paving of the natural gas 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.
- SEJPA's O&M team is operating a temporary centrifuge during the construction of the new dewatering facility. Through that experience, the O&M team has benefited from training and operational practice that will be applied to the permanent dewatering facility operational strategy. This change order includes technical support provided to SEJPA's O&M team to help manage struvite formation on temporary centrifuge and the addition of centrate samples ports to facilitate process control in the permanent facility.



- During the commissioning of the new MS2, additional requirements were made by SDG&E and SEJPA's solar power provider (under contractual power-purchase agreement). SEJPA coordinated the construction contractor, electrical equipment manufacturer, and design engineer to identify and implement a cost-effective solution to integrate the existing PV-solar system into the new MS-2 meeting the requirements of SDG&E and the solar power provider.
- SEJPA's in-house mechanical and electrical team has worked collaboratively with the electrical contractor to resolve unforeseen conditions that have resulted in additional electrical work to power existing dissolved air floatation (DAF), to install lighting in existing MS2 building and around the existing sludge hopper and truck scale, and to integrate controls for owner-furnished sludge feed pumps.
- SEJPA directed the contractor to modify existing dewatering building roof scuppers to direct drainage away from new process areas and fix existing drainage channel supports.

### 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.


Following the execution of Contract Change Order No. 14, in the amount of \$99,774, approximately \$207,890 in unencumbered contingency funds will remain. The project is currently about 90% complete, with roughly 20% of the contingency budget still available. The projected completion date is July 1, 2025 and the project is tracking to be completed slightly under budget.

### RECOMMENDATION

It is therefore recommended that the Board of Directors:

1. Ratify Change Order No. 13 (increase contract value by \$14,217 and 0 days) for work previously approved by the Board;
2. Authorize the General Manager to execute Contract Change Order No. 14 in an amount of \$99,774 and extend completion date by 14 calendar days for additional construction services related to the Biosolids Dewatering Facility Improvements project; and
3. Discuss and take action as appropriate.

Respectfully submitted,






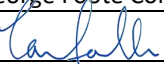
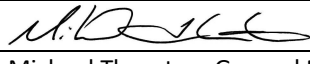

---

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


### **Attachments:**




1. Construction Contract Change Order No. 13
2. Construction Contract Change Order No. 14

 <b>SAN ELIJO</b>   JOINT POWERS AUTHORITY 2695 Manchester Avenue Cardiff by the Sea, CA 92007	<b>Contract Change Order (CCO) No.</b> 13
	<b>Contract Name:</b> Biosolids Dewatering Facility Improvement
	<b>Contract No.:</b> 2023-026 SC <b>Program Code:</b> 13019
<b>Contractor:</b> GSE Construction <b>Construction</b>	<b>Created By:</b> George Foote
<b>Date:</b> May 12, 2025	<b>Reviewed By:</b> Tom Falk
<b>Status:</b>	<b>Accepted By:</b> Tom Falk
<b>Revision:</b>	<b>Approved By:</b> Michael Thornton
<b>Time Change (Days)</b> Zero	<b>CCO Amount:</b> \$14,217.00
<b>Summary</b> <ol style="list-style-type: none"> <li>1. PCO #46</li> <li>2. PCO #60</li> <li>3.</li> </ol>	
<b>Attachments:</b> PCO #46 & 60.	
<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>	
<b>CCO SCOPE OF WORK DESCRIPTION</b>	
The scope of this work includes all the work described in: <ol style="list-style-type: none"> <li>1. PCO #46(add)- The existing paint on the steel roof deck inside the dewatering building tested high in zinc requiring special provisions for removal and hazardous waste disposal of the blast media. Add-\$11,495.00</li> <li>2. PCO #60(add)-Additional welding necessary to accommodate existing roof structure conditions (constructability) to complete the infill the existing skylights with steel and concrete. Add-\$2,722.00.</li> </ol>	
<b>CCO COST (ADD/DEDUCT/NET) DESCRIPTION</b>	
<b>CONTRACT SUMMARY</b>	
Original Contract Amount.....	\$ 8,687,200.00
Net Change from Previous CCOs (1-12)	\$ 597,373.64
Contract Amount Prior to this CO CCO (1-11).....	\$ 9,284,573.64
Contract Amount Change by this CCO (13).....	\$ 14,217.00
New Contract Amount (1-13).....	\$ 9,298,790.64
In Words: Nine Million, Two Hundred Ninety-Eight Thousand, Seven Hundred Ninety Dollars and 64/100ths Dollars	
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.....	125 Days
Contract Completion Date Prior to this CCO.....	June 17, 2025
Contract Time Change by this CCO.....	0 Calendar Days
New Contract Completion Date.....	June 17, 2025

APPROVALS		
<b>Contractor</b>	By: 	Date: 5/13/2025
	Steven Villanueva, PM, GSE Construction	
<b>Construction Manager</b>	By: 	Date: 5/13/25
	George Foote Construction Manager, Valley CM	
<b>SEJPA</b>	By: 	Date: 5/13/2025
	Thomas Falk, Director of Infrastructure and Sustainability, San Elijo Joint Powers Authority	
<b>SEJPA</b>	By: 	Date: 5/14/2025
	Michael Thornton, General Manager, San Elijo Joint Powers Authority	
<p>Notes:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. All other Contract Work and Terms and Conditions of the Contract remain unchanged.</li> <li>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.</li> </ol>		



 <b>SAN ELIJO</b>   JOINT POWERS AUTHORITY 2695 Manchester Avenue Cardiff by the Sea, CA 92007	<b>Contract Change</b> 14 <b>Order (CCO) No.</b>
	<b>Contract Name:</b> Biosolids Dewatering Facility Improvement
	<b>Contract No.:</b> 2023-026 SC <b>Program Code:</b> 13019
<b>Contractor:</b> GSE Construction <b>Construction</b>	<b>Created By:</b> George Foote
<b>Date:</b> May 9, 2025	<b>Reviewed By:</b> Tom Falk
<b>Status:</b>	<b>Accepted By:</b> Tom Falk
<b>Revision:</b>	<b>Approved By:</b> Michael Thornton
<b>Time Change (Days)</b> Fourteen (14)	<b>CCO Amount:</b> \$99,774.00
<b>Summary</b>	PCO #32, PCO #35, PCO #40, PCO #65, PCO #69, PCO #70, PCO #71, PCO #72, PCO #73, PCO #75,
<b>Attachments:</b>	PCO #32, #35, #40, #65, #69, #70, #71, #72, #73, & #75.
<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>	
<b>CCO SCOPE OF WORK DESCRIPTION</b>	
<p>The scope of this work includes all the work described in:</p> <ol style="list-style-type: none"> <li>1. PCO #32 (add)-The existing drain channel rebate angles in the dewatering building needed to be reconnected to the existing concrete where they had come loose. This change reattached the angles and grouted the frame back into the concrete. Add-\$2,031.00.</li> <li>2. PCO #35(add)-The existing island around the DAFT process was removed to accommodate SEJPA's preferred location for temporary centrifuge. Contractor will restore the island and improve site circulation by constructing a small retaining wall and new asphalt to allow easier access for sludge trucks entering the biosolids scale. This additional cost also includes patch of over 800 sf of pipe trench for the gas line repair. This asphalt restoration, directed by SEJPA is over and above the Schedule B, Bid Item #1 allowance of 2,500 sf @ \$20/sf which will be invoiced separately by the contractor. This change also extends the contract date by 14 calendar days non-compensable because the island refurbishment cannot be accomplished until after the new centrifuges are in operation and the temporary centrifuge is removed. Add-\$52,551.00.</li> <li>3. PCO #40 (add)-Temp centrifuge technical support for additional training of preventative maintenance negotiated down from the original amount. Add-\$1,126.00.</li> <li>4. PCO #65 (add)- The project design did not take into consideration the existing solar system electrical requirements. This work incorporated the solar system into the plant electrical. Add \$17,013.00.</li> <li>5. PCO #69 (no cost)- RFI #123 required a separate DAF power source. \$0.00.</li> <li>6. PCO #70 (add)-The contract documents didn't require lights at the new polymer canopy to light up the existing hopper and structure, this also included incorporating electrical inclusion of new solenoid valves for the existing sludge pumps into the controls for the new centrifuges. Add-\$18,000.00.</li> </ol>	

7. PCO #71 (add)-Field investigate Southern Contracting existing sludge pump power and controls wiring. Add-\$2,063.00. 8. PCO #72 (no cost)-Reinstall lights in switchboard room that required to be removed for new construction. \$0.00. 9. PCO #73 (add)-Addition of centrate sample ports to the centrate drain lines. Add-\$4,518.00. 10. PCO #75 (add)-The existing dewatering building had existing roof scuppers that would drain on top of new electrical junction boxes. This change order extends the scuppers to direct drainage away from new process area. Add-\$2,472.00	
<b>CCO COST (ADD/DEDUCT/NET) DESCRIPTION</b>	
<b>CONTRACT SUMMARY</b>	
Original Contract Amount.....	\$ 8,687,200.00
Net Change from Previous CCOs (1-13)	\$ 611,590.64
Contract Amount Prior to this CO CCO (1-13).....	\$ 9,298,790.64
Contract Amount Change by this CCO (14).....	\$ 99,774.00
New Contract Amount (1-14).....	\$ 9,398,564.64
In Words: Nine Million, Three Hundred Ninety-Eight Thousand, Five Hundred Sixty-Four Dollars and 64/100ths Dollars	
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.....	125 Days
Contract Completion Date Prior to this CCO.....	June 17, 2025
Contract Time Change by this CCO.....	14 Calendar Days
New Contract Completion Date.....	July 1, 2025
<b>APPROVALS</b>	
<b>Contractor</b>	By:  Date: 5/13/2025
	Steven Villanueva, PM, GSE Construction
<b>Construction Manager</b>	By:  Date: 5/13/25
	George Foote Construction Manager, Valley CM
<b>SEJPA</b>	By:  Date: 5/13/2025
	Thomas Falk, Director of Infrastructure and Sustainability, San Elijo Joint Powers Authority
<b>SEJPA</b>	By: _____ Date: _____
	Michael Thornton, General Manager, San Elijo Joint Powers Authority
<b>Notes:</b> 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

May 20, 2025

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2025-26  
RECOMMENDED BUDGET UPDATE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

BACKGROUND

Each year, the San Elijo Joint Powers Authority (SEJPA) prepares a recommended budget for the upcoming fiscal year. The proposed budget is presented to the Board in April and made available to the public for review and comment. Feedback and suggested changes are invited from the Board, Member Agencies, the public, and other government agencies that receive SEJPA services. In addition, SEJPA staff review the budget in collaboration with staff from both Member Agencies and other government agencies who utilize SEJPA services.

DISCUSSION

At the April 2025 SEJPA Board meeting, staff presented the FY 2025-26 Recommended Budget to the Board of Directors for public review and comment. In addition, the budget has been provided to staff of both Member Agencies as well as other government agencies that utilize SEJPA's services.

To date, SEJPA has not received any comments or proposed changes to the Budget. As noted in the General Manager's report at the April 2025 Board Meeting, the recycled water rate used to project sales revenue for FY 2025–26 will change from a previously assumed 12% annual increase effective July 1, 2025, to a phased approach: a 3.9% increase effective July 1, 2025, followed by a second 7.8% increase on January 1, 2026. Although the 2026 rate projection has not yet been approved through a cost-of-service study, it is being used for budgeting purposes pending the completion of that study. The budget will be presented to the Board of Directors for adoption at the June meeting along with the investment policy and appointment of the SEJPA Treasurer for FY 2025-26.

## RECOMMENDATION

It is therefore recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Respectfully submitted,



---

Kevin Lang, CPA  
Director of Finance and Administration

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 20, 2025

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: Director of Infrastructure and Sustainability

SUBJECT: ACCEPT THE MOONLIGHT BEACH PUMP STATION MODIFICATIONS  
CONSTRUCTION PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to Accept the Moonlight Beach Pump Station Modifications Project on behalf of the SEJPA and record the project Notice of Completion; and
2. Discuss and take action as appropriate.

BACKGROUND

The Moonlight Beach Pump Station Modifications Project replaced aging mechanical components to improve operational reliability and reduce maintenance frequency and intensity. Specifically, the project scope includes:

- Replacement of three 20-year-old extended-shaft pumps and in-line grinders with new dry-pit, solids-handling submersible pumps and motors;
- Addition of a smaller jockey pump to improve operations in low-flow conditions;
- Replacement of aging mechanical, structural, and electrical components; and
- Miscellaneous site and safety improvements.

The project was publicly bid and SEJPA awarded a contract to the lowest, responsive bidder, Ahrens Mechanical in August 2023 in the amount of \$1,570,000.

DISCUSSION

In April 2025, Ahrens Mechanical completed the final contract scope for the Moonlight Beach Pump Station Modifications Project. Acceptance of the project by SEJPA and the filing of the Notice of Completion (NOC) will initiate closeout of the public works contract with the contractor, sub-contractors and suppliers. SEJPA will file the NOC with the San Diego County Clerk. Final retention payment will be made to the Contractor after acceptance and recordation of the NOC.

The project was completed within the Board-approved budget and the project team was effective at managing schedule constraints, supply chain delays, and intrusive construction in a highly visible public area. Highlights include:

- No wastewater spills, no injuries, and no pending contractor claims;
- New pumps, motors, and VFD's will allow for greater operating range and efficiency while lessening required maintenance and improving asset life;
- Programming, startup, and commissioning of new PLC and control logic by SEJPA's in-house SCADA and electrical & instrumentation technicians; and
- Two successful overnight pump station shutdowns to accommodate forcemain isolation for flowmeter replacement and bypass valve replacement.
- Strong partnership with the City of Encinitas engineering and public works staff.
- Project completed with \$119,457 in remaining contingency funding.

### FINANCIAL IMPACT

SEJPA authorized a total of 8 change orders on the project totaling \$117,398 and extending the project completion to April 4, 2025 under prior Board approvals and the General Manager's signing authority. Overall, the construction phase was completed within the Board-approved project budget of \$2.3 million as represented in the following table:

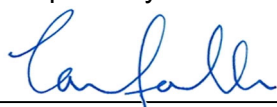
<b>Project Element</b>	<b>Encumbered Cost (rounded)</b>
Engineering and Design (Horrocks/Kelsey)	\$ 87,851
Construction (Ahrens) – including CCOs	1,687,398
Parts Supplied by SEJPA	17,814
CM&I (CDM Smith)	253,490
Bidding Support and ESDC (Dudek)	49,990
Administration & Legal	84,000
Construction Contingency (Remaining)	119,457
<b>TOTAL</b>	<b>\$ 2,300,000</b>

### RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to Accept the Moonlight Beach Pump Station Modifications Project on behalf of the SEJPA and record the project Notice of Completion;
2. Discuss and take action as appropriate.

Respectfully submitted,



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

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 20, 2025

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: RECYCLED WATER COST OF SERVICE WORKSHOP

RECOMMENDATION

It is recommended that the Board of Directors:

1. Advise staff on which rates to include in the cost of service study report; and
2. Discuss and take action as appropriate.

BACKGROUND

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

When the program started in Fiscal Year 2000, recycled water rates were based on 85% of potable water rates (“Indexed Pricing”). In Fiscal Year 2012-13, SEJPA transitioned to a cost-of-service methodology while maintaining the 85% reference as a competitive benchmark.

Since 2000, SEJPA has received annual incentive payments from the San Diego County Water Authority (CWA) and Metropolitan Water District (MWD), averaging \$720,000 and covering nearly 29% of SEJPA’s FY 2023-24 operating expenses. These incentives will expire at the end of August 2025. Additionally, inflation and reduced water sales during two consecutive wet years (FY 2023 and FY 2024) have further increased financial pressure on the recycled water program.

DISCUSSION

SEJPA has retained Carollo Engineers to prepare the 2025 Recycled Water Rate Study. The study will evaluate wholesale rates, financial stability, and projected demand, with recommendations for Fiscal Years 2026 through 2029.

Several key issues are driving the rate update:

- **Loss of Incentives:** Expiration of \$720,000 in annual CWA and MWD funding in FY 2026.
- **Inflation Impacts:** The current 3.9% annual rate increase, approved in 2021, is no longer sufficient to cover rising costs.
- **Reduced Water Sales:** Consecutive wet years have lowered demand, affecting revenue.
- **Aging Infrastructure:** After 25 years in operation, key system components require rehabilitation or replacement.

The study will include revenue sufficiency modeling across different demand scenarios to ensure financial stability. It will also assess reserve levels and may recommend adjustments to SEJPA's reserve policy.

#### **Proposed Rate Alternatives:**

The following rate scenarios will be reviewed at the workshop. Each includes the scheduled 3.9% increase beginning on July 1, 2025, followed by proposed increases effective January 1 in subsequent years:

- **Alternative 1:** 3.9% / 10.0% / 10.0% / 8.0% / 8.0%
- **Alternative 2:** 3.9% / 7.8% / 12.0% / 6.5% / 6.0%
- **Alternative 3:** 3.9% / 7.8% / 9.8% / 7.8% / 6.9%

The workshop will evaluate how each alternative affects future revenues, reserve targets, and debt service coverage. Additional information will also be presented to provide context to the potential rate increases, to include opportunities to increase connections to the recycled water system, and how SEJPA ranks when compared to its peer group for recycled water rates. The Board's feedback will guide preparation of the draft cost-of-service study.

#### **Recycled Water Cost of Service Schedule:**

May 2025 – Workshop #2

July 2025 – Implement approved 3.9% rate increase

August 2025 – Present preliminary rate study to Board

September 2025 – Board adoption of updated recycled water rates

#### **FINANCIAL IMPACT**

There is no immediate financial impact associated with this workshop. The final cost-of-service study will support the development of sustainable recycled water rates for FY 2026 through 2029, ensuring recovery of operating expenses, debt service, and capital improvement costs.

It is therefore recommended that the Board of Directors:

1. Advise staff on which rates to include in the cost of service study report; and
2. Discuss and take action as appropriate.



Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'K. Lang', written over a horizontal line.

Kevin Lang, CPA  
Director of Finance and Administration