

**AGENDA**  
**SPECIAL MEETING OF THE**  
**SAN ELIJO JOINT POWERS AUTHORITY**  
**MONDAY, MAY 4, 2020 AT 8:30 AM**

The Special meeting of the San Elijo Joint Powers Authority can be accessed using the phone number listed below:

Dial-In Phone Number: 669-900-9128

Meeting ID: 916 6290 8918

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1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS (NON-ACTION ITEM)
5. AWARDS AND RECOGNITION
6. \* **CONSENT CALENDAR**
7. \* APPROVAL OF MINUTES FOR MARCH 9, 2020 MEETING
8. \* APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS
9. \* SAN ELIJO WATER CAMPUS TREATED EFFLUENT FLOWS – MONTHLY REPORT
  - 9a FEBRUARY MONTHLY REPORT
  - 9b MARCH MONTHLY REPORT
- 10.\* SAN ELIJO JOINT POWERS AUTHORITY RECYCLED WATER PROGRAM – MONTHLY REPORT
  - 10a FEBRUARY MONTHLY REPORT
  - 10b MARCH MONTHLY REPORT
11. \* PROFESSIONAL ENGINEERING AGREEMENT ARC FLASH STUDY AMENDMENT
12. \* SAN ELIJO JOINT POWERS AUTHORITY UPDATED EMPLOYEE HANDBOOK
13. \* AGREEMENT AMENDMENT FOR AUDITING SERVICE – ONE YEAR TERM EXTENSION
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. [WATER CAMPUS IMPROVEMENT PROJECT – STAGE 2 LEASE-PURCHASE AGREEMENT UPDATE](#)

1. Vote to supersede its March 9, 2020 authorization regarding the Stage 2 Lease Purchase Agreement by authorizing the General Manager to execute a Stage 2, Phase 1 and Phase 2 Amendments to the Agreement for a Guaranteed Maximum Price (GMP) not to exceed \$18,410,000, subject to the General Manager's final negotiations with the contractor and General Counsel's final review; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

16. [PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2020-21 RECOMMENDED BUDGET](#)

1. Review the Fiscal Year 2020-21 Recommended Budget.

Staff Reference: Director of Finance and Administration

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

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

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

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

19. [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.

20. [ADJOURNMENT](#)

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, June 8, 2020 at 8:30 a.m.

**NOTICE:**

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

Typically, 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, due to COVID-19 precautions all agenda items and minutes are available at [www.sejpa.org](http://www.sejpa.org). The SEJPA Board meetings are held on the second Monday of the month, subject to change with written notice.

**AFFIDAVIT OF POSTING**

I, Michael T. Thornton, Secretary of the San Elijo Joint Powers Authority, hereby certify that I posted, or have caused to be posted, a copy of the foregoing agenda in the following locations:

San Elijo Water Campus, 2695 Manchester Avenue, Cardiff, California  
City of Encinitas, 505 South Vulcan Avenue, Encinitas, California  
City of Solana Beach, 635 South Highway 101, Solana Beach, California

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

Date: April 29, 2020



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

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE SPECIAL BOARD MEETING  
HELD ON MARCH 9, 2020  
AT THE  
SAN ELIJO WATER CAMPUS

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Jody Hubbard, Chair

Kristi Becker, Vice Chair

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A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Monday, March 9, 2020, at 8:30 a.m., at the San Elijo Water Campus at 2695 Manchester Avenue, Cardiff by the Sea, California.

1. CALL TO ORDER

Chair Hubbard called the meeting to order at 8:30 a.m.

2. ROLL CALL

*Directors Present:*

Jody Hubbard  
Kristi Becker  
Catherine Blakespear  
David Zito

*Directors Absent:*

None

*Others Present:*

General Manager  
Director of Operations  
Director of Finance and Administration  
Administrative Coordinator  
Project Manager  
Lead Mechanic

Michael Thornton  
Chris Trees  
Amy Chang  
Vanessa Hackney  
Mike Konicke  
Jose Garcia

*SEJPA Counsel:*

Procopio, Cory, Hargreaves & Savitch

Adriana Ochoa

*City of Encinitas:*

Assistant City Manager  
Director of Public Works

Mark Delin  
Carl Quiram

*City of Solana Beach:*

City Manager  
Director of Engineering/Public Works

Greg Wade  
Mohammad "Mo" Sammak

3. PLEDGE OF ALLEGIANCE

Chair Hubbard led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. AWARDS AND RECOGNITION

Chris Trees, Director of Operations, recognized Jose Garcia's 5 years of service to San Elijo Joint Powers Authority. The Board of Directors thanked Mr. Garcia for his service.

6. CONSENT CALENDAR

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

Agenda Item No. 7      Approval of Minutes for the February 25, 2020 Meeting

Agenda Item No. 8      Approval for Payment of Warrants and Monthly Investment Report

Agenda Item No. 9      San Elijo Water Campus Treated Effluent Flows – Monthly Report

Agenda Item No. 10      San Elijo Recycled Water Program – Monthly Report

Motion carried with the following vote of approval:

AYES:            Hubbard, Becker, Blakespear, Zito

NOES            None

ABSENT:        None

ABSTAIN:       None

12. ITEMS REMOVED FROM CONSENT CALENDAR

Agenda Item No. 11 –

General Manager Thornton reported that Supervisor Control and Data Acquisition (SCADA) upgrades have been performed at six functional areas within the San Elijo Water Campus and at five wastewater pump stations located within the Cities of Encinitas and Solana Beach. Cybersecurity enhancements will raise security to meet current industry standards. The project was originally expected to be complete by May 2019; however, critical hardware components were damaged during shipment and software programming has been more complicated than expected, extending the completion schedule through March 2020.

The original budget for engineering services during construction and construction management of the SCADA Improvements project was \$63,200 based on a contract end date of May 13, 2019. The proposed fee for additional construction management time is \$22,444.

Moved by Board Member Zito and seconded by Chair Hubbard to

1. Authorize the General Manager to amend the professional services agreement with Carollo Engineers for an additional \$22,444; and
2. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

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

13. WATER CAMPUS IMPROVEMENT PROJECT – AWARD OF CONSTRUCTION PHASE AGREEMENTS

General Manager Thornton reported that Stage 2 of the lease-purchase agreement, which the Board is considering for approval, provides the project scope of work including the design and specifications, schedule, and GMP. Staff has reviewed the GMP developed by PCL Construction and is in concurrence with the detailed price of \$18,410,000 for the stated scope of work. SEJPA and PCL Construction are also in agreement with the proposed 15-month construction schedule.

The General Manager stated that the staff recommends that the Board of Directors authorize the General Manager to execute the Lease-Purchase Agreement Amendment with PLC Construction for a GMP of \$18,410,000 for the scope of work outlined in the project construction documents. Staff also recommends the Board authorize the General Manager to execute professional service agreements with: Kimley-Horn and Associates, Inc. for engineering during construction for \$56,990; Roesling Nakamura Terada Architects, Inc. for architecture support during construction for \$233,955; Helix Environmental Planning, Inc. for environmental monitoring and reporting during construction for \$131,200; and Southern California Soils & Testing, Inc. for material testing services for \$119,609. Staff is also seeking authority for the General Manager to approve and execute up to \$200,000 in aggregate of project related change orders to maximize decision and approval efficiency for schedule management. The Board will be informed of all approved change orders at regularly scheduled Board meetings.

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

1. Authorize the General Manager to amend the lease-purchase agreement with PLC Construction Inc. for Stage 2 “Construction Services” for a Guaranteed Maximum Price of \$18,410,000;
2. Authorize the General Manager to amend the professional engineering services agreement with Kimley-Horn and Associates, Inc. for an additional \$59,200;
3. Authorize the General Manager to amend the professional architectural services agreement with Roesling Nakamura Terada Architects, Inc. for an additional \$233,955;
4. Authorize the General Manager to enter into a professional environmental services agreement with Helix Environmental Planning, Inc. for an amount not to exceed \$131,200;

5. Authorize the General Manager to enter into a professional material testing services agreement with Southern California Soils & Testing, Inc. for an amount not to exceed \$119,609;
6. Authorize the General Manager to execute up to \$200,000 in aggregate for Owner related change orders; and
7. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

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

14. GENERAL MANAGER'S REPORT

None

15. GENERAL COUNSEL'S REPORT

None

16. BOARD MEMBER COMMENTS

None

17. CLOSED SESSION

The Board of Directors adjourned to closed session at 9:30 a.m. to conduct Performance Evaluation of General Manager Michael Thornton per Government Code Section 54957(b).

The Board of Directors came out of closed session at 10:00 a.m. with no reportable actions.

18. CONSIDERATION OF GENERAL MANAGER EMPLOYMENT COMPENSATION

The Board of Directors approved a two-year employment agreement with the General Manager that included a base salary of \$227,537 beginning January 1, 2020 and \$236,638 beginning January 1, 2021. The agreement also included increasing vacation leave to seven weeks from six weeks beginning January 1 2021.

Motion carried with the following vote of approval:

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

19. ADJOURNMENT

The meeting adjourned at 10:05 a.m. The next Board of Directors meeting is schedule to be held on Monday, April 13, 2020 at 8:30 a.m.

Respectfully submitted,

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

Michael T. Thornton, P.E.  
General Manager



**SAN ELIJO JOINT POWERS AUTHORITY**  
**PAYMENT OF WARRANTS**  
**20-5**  
**For the Month of March and April 2020**

<b>Warrant #</b>	<b>Vendor Name</b>	<b>G/L Account</b>	<b>Warrant Description</b>	<b>Amount</b>
38297	AT&T	Utilities - Telephone	Phone service - 01/13/20 - 02/12/20	\$ 414.19
38298	Atlas Pumping Service Inc.	Services - Grease & Scum and Grit & Screenings	Roll-off inside building and grease and scum pumping	1,527.44
38299	Black & Veatch	Services - Management	Final draft report	3,656.25
38300	Carollo Engineers	Services - Engineering	Arc flash and protection coordination study	5,597.50
38301	County of San Diego	Fees - Permits	APCD2002-SITE-04516	151.00
38302	CWEA Membership	Dues & Memberships	Employee membership	104.00
38303	Denali Water Solutions LLC	Services - Biosolids Hauling	January reimbursement	18,053.36
38304	DMV	Services - Other	Safety records - 01/01/20 - 01/31/20	1.00
38305	Duhig Stainless #2646	Repair Parts Expense	Pipes	596.44
38306	City of Encinitas	Service - IT Support	Admin network - March, February, and January	17,207.25
38307	Eurofins Calscience, Inc.	Services - Laboratory	Water sample testing	1,592.00
38308	Forte of San Diego	Services - Janitorial	March	1,000.00
38309	Fusco Engineering	Services - Professional	SEJPA building improvements	22,700.00
38310	GLS US	Postage/Shipping	Lab samples	66.11
38311	Hardy Diagnostics	Supplies - Lab	Lab supplies	650.38
38312	HASA Inc.	Supplies - Chemicals	Acid for odor scrubber	730.51
38313	Hoch Consulting, APC	Services - Professional	As needed services	34,500.00
38314	Kennedy/Jenks Consultants	Services - Engineering	PM and admin support - preconstruction	1,064.36
38315	Kimley-Horn & Associates, Inc.	Services - Professional	Caltrans trail and entrance	53,621.08
38316	McMaster-Carr Supply Co.	Repair Parts Expense	Industrial repair parts	25.07
38317	MetLife - Group Benefits	Dental/Vision	Dental - March	2,142.42
38318	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Sodium hypochlorite	7,051.64
38319	Pacific Pipeline Supply	Repair Parts Expense	Industrial repair parts	1,809.96
38320	PCL Construction Services PCL	Services - Contractors	WCI project utility investigation	33,991.40
38321	Preferred Benefit Insurance	Dental/Vision	Vision - February	284.10
38322	Procopio Cory Hargreaves	Services - Legal	General - January	4,187.59
38323	Roesling Nakamura Terada Archi	Services - Professional	Building permit support	23,765.96
38324	San Dieguito Water District	Utilities - Water	Water	995.43
38325	San Dieguito Water District	Utilities - Water	Water	773.17
38326	Technology Integration Group	Services - Maintenance	Copier	77.85
38327	Trussell Technologies, Inc	Services - Engineering	Operations plan updates and training	15,210.00
38328	Unifirst Corporation	Services - Uniforms	Uniform service	257.33
38329	USA Bluebook	Supplies - Shop & Field	Pocket Pro pH and temp tester	329.05
38330	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA 457	6,245.95
38331	Vantagepoint Transfer Agents	ICMA Retirement	ICMA 401a	3,692.12
38332	Verizon Wireless	Utilities - Telephone	01/11/20 - 02/10/20	393.53
38333	Verizon Wireless	Utilities - Telephone	Cell phone service - 01/08/20 - 02/07/20	1,015.34
38334	Volt Management Corp	Services - Temp	Internship program	1,283.61
38335	VWR International, Inc.	Supplies - Lab	Lab supplies	212.72
38336	WageWorks	Payroll Processing Fees	Admin and compliance fees	128.75
38337	Airgas USA, LLC	Shop Tools and Equip.	Welding supplies	679.39
38338	Allied Storage Containers	Equipment Rental/Lease	Storage containers	172.40
38339	AT & T	Utilities - Telephone	Alarm service - March	399.60
38340	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	554.88
38341	Boot World, Inc.	Uniforms - Boots	Employee boot reimbursement	165.58
38342	Brewer Crane and Rigging	Equipment Rental/Lease	Crane services	749.00
38343	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride	5,742.70
38344	Complete Office	Supplies - Office	Paper	37.66
38345	Corodata	Rent	Record storage - February	96.23
38346	CS-Amsco	Repair Parts Expense	Swing check valve	2,116.44
38347	CA Sanitation Risk Mgmt Auth.	Insurance - Claims Against	Insurance claim	163.20
38348	CA Sanitation Risk Mgmt Auth.	Insurance - Liability	Pooled liability	36,333.00
38349	County of San Diego	Fees - Permits	L-RWS-R inspection	153.00
38350	EDCO Waste & Recycling Service	Utilities - Trash	February	257.48
38351	Encina Wastewater Authority	Service - EWA Support	Resource sharing	1,102.89
38352	Eurofins Calscience, Inc.	Services - Laboratory	Water sample testing	115.00
38353	Fisher Scientific	Shop Tools and Equip.	DE tube H2S	414.28
38354	GC Pivotal LLC	Utilities - Internet	T-1 Service - March & April	748.44
38355	Heaslett Sales Inc.	Repair Parts Expense	Industrial repair parts	900.79
38356	Michael Henke	Dues & Memberships	Reimbursement - CWEA membership	89.00
38357	Hoch Consulting, APC	Services - Professional	Consulting services	5,718.75
38358	McMaster-Carr Supply Co.	Repair Parts Expense	Industrial repair parts	1,027.19
38359	Midas Shop	Vehicle Maintenance	Radiator and thermostat	1,000.00
38360	Olivenhain Municipal Water Dis	Rent	December 2019 & February 2020	7,035.68
38361	OneSource Distributors, Inc.	Repair Parts Expense	Cable	169.77
38362	Pacific Green Landscape	Services - Landscape	Maintenance - March	2,625.00
38363	Pacific Pipeline Supply	Repair Parts Expense	Industrial repair parts	1,173.69
38364	Preferred Benefit Insurance	Dental/Vision	Vision - March	314.50
38365	ProBuild Company, LLC	Repair Parts Expense	Repair parts	56.09
38366	RSF Security Systems	Prepaid - Other	Security system - 03/01/20-05/31/20	1,455.00
38367	Rusty Wallis, Inc.	Equipment Rental/Lease	Water softener, tank service, and salt delivery	169.65
38368	Santa Fe Irrigation District	Water (Suppl.) and SFID Distribution Pipeline	Water and pipeline purchase payment	946.62
38369	San Diego County Recorder	Fees - Permits	Record covenant for WCI project	170.00

**SAN ELIJO JOINT POWERS AUTHORITY**  
**PAYMENT OF WARRANTS**  
**20-5**  
**For the Month of March and April 2020**

<b>Warrant #</b>	<b>Vendor Name</b>	<b>G/L Account</b>	<b>Warrant Description</b>	<b>Amount</b>
38370	San Dieguito Trophy	Supplies - Office	Name plates	34.48
38371	San Dieguito Water District	Utilities - Water	Water	634.86
38372	San Dieguito Water District	Utilities - Water	Water	898.05
38373	Sloan Electric Company	Repair Parts Expense	Motor parts	750.13
38374	Smart & Final	Supplies - Office	Breakroom supplies	60.30
38375	Terminix Processing Center	Services - Maintenance	February	391.00
38376	Test America	Services - Laboratory	Water testing samples	786.50
38377	Thatcher Company of California	Supplies - Chemicals	Citric acid	2,039.92
38378	Traffic Safety Store	Supplies - Safety	Traffic supplies	871.33
38379	Unifirst Corporation	Services - Uniforms	Uniform service	241.75
38380	UPS	Postage/Shipping	Shipping	38.66
38381	USA Bluebook	Supplies - Safety	Gas for Meters	453.90
38382	USP Technologies	Supplies - Chem - Odor	Calcium nitrate	7,071.69
38383	Vanessa Hackney	Supplies - Office	Reimbursement - Mileage and Board Meeting supplies	46.02
38384	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,287.40
38385	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,736.61
38386	Volt Management Corp	Services - Temp	Interns 12/27/19 to 03/06/20	4,593.99
38387	VWR International, Inc.	Supplies - Lab	Lab supplies	1,017.87
38388	WM Corporate Services, Inc.	Services - Grit & Screenings	Service charge 02/17-02/29/20	112.48
38389	Aquatic Bioassay	Services - Laboratory	Toxicity testing	1,050.00
38390	AT&T	Utilities - Telephone	Phone service - 02/13/20 - 03/12/20	414.07
38391	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	554.88
38392	American Water Works Assoc.	Dues & Memberships	Employee membership	286.00
38393	Badger Meter, Inc.	Repair Parts Expense	DD cell battery kit	354.62
38394	BJ's Rentals	Equipment Rental/Lease	Boom 45' knuckle 4x4 and pipeline camera	2,692.93
38395	Black & Veatch	Services - Management	Final draft report	7,920.00
38396	Carollo Engineers	Services - Engineering	Arc flash and protection coordination study	8,067.75
38397	Complete Office	Office and COVID19-Supplies-Equipment	Office and disinfectant supplies	215.71
38398	Carrie Cook	Office and COVID19-Supplies-Equipment	Reimbursement - Admin team remote work equipment	4,329.96
38399	Denali Water Solutions LLC	Services - Biosolids Hauling	February	13,677.20
38400	DMV	Services - Other	Safety records - 02/01/20 - 02/29/20	2.00
38401	Eurofins Calscience, Inc.	Services - Laboratory	Water sample testing	63.50
38402	Evantec Scientific	Supplies - Lab	Lab supplies	812.81
38403	Fisher Scientific	Supplies - Lab	Lab supplies	201.97
38404	Forte of San Diego	Services - Janitorial	April	1,000.00
38405	FRS Environmental	Services - Maintenance	Parts washer service	271.55
38406	GEM Site Development LLC	Services - Contractors	Replaced 4" ductile iron tee and repair 3" PVC water service	7,543.60
38407	Hach Company	Supplies - Lab	Lab supplies	2,955.94
38408	Hardy Diagnostics	Supplies - Lab	Lab supplies	991.16
38409	Michael Henke	Repair Parts Expense	Reimbursement - Material for plant delivery shelving	440.41
38410	Idexx Distribution, Inc.	Supplies - Lab	Lab supplies	3,610.61
38411	McMaster-Carr Supply Co.	Repair Parts Expense	Industrial repair parts	300.60
38412	Michael R. Welch, Ph.D., P.E.	Services - Professional	As-needed regulatory support	9,180.00
38413	Miramar Bobcat, Inc.	Services - Maintenance	S300 Loader	7,708.54
38414	Napa Auto Parts	Repair Parts Expense	Filters and oil	214.34
38415	Nth Generation	Licenses	Mobile device management license	340.00
38416	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Sodium hypochlorite	3,557.81
38417	Procopio Cory Hargreaves	Services - Legal	General - February	4,933.50
38418	Random Deeds Media LLC	Accrued Liabilities	Public service announcement video	3,000.00
38419	Santa Fe Irrigation District	Utilities - Water	Water	292.98
38420	Sloan Electric Company	Services - Maintenance	Flow equalization pump #1 VFD	3,226.33
38421	SWRCB	Dues & Memberships	Certificate	150.00
38422	Technology Integration Group	Services - Maintenance	Copier	171.83
38423	Unifirst Corporation	Services - Uniforms	Uniform service	112.14
38424	UPS	Postage/Shipping	Shipping	120.58
38425	Underground Service Alert/SC	Services - Alarm	Dig alert - February and safe excavation board	332.19
38426	USA Bluebook	Capital Outlay	Dry-keeper dessicator vertical	1,076.96
38427	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,265.42
38428	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,703.88
38429	VELLAB	Services - Maintenance	Drying oven, incubator, and water bath	275.00
38430	Verizon Wireless	Utilities - Telephone	02/11/20 - 03/10/20	393.53
38431	Verizon Wireless	Utilities - Telephone	Cell phone service - 02/08/11 - 03/07/20	1,019.35
38432	VWR International, Inc.	Supplies - Lab	Lab supplies	996.58
38433	WageWorks	Payroll Processing Fees	Admin and compliance fees	128.75
38434	Affordable Drain Services	Services - Maintenance	Kitchen sink cleaning drain	100.00
38435	Void			-
38436	Allied Storage Containers	Equipment Rental/Lease	Storage containers	591.96
38437	Aquatic Bioassay	Services - Laboratory	Toxicity testing	1,050.00
38438	Atara Equipment LTD	Repair Parts Expense	Wearliners for conveyor #1	4,800.00
38439	Atlas Pumping Service Inc.	Services - Grit & Screenings and Grease & Scum	Roll-off inside building and grease and scum pumping	1,804.88
38440	American Water Chemicals, Inc.	Supplies - Chemicals	AWC A-110	6,708.69
38441	Void			-
38442	Barracuda Networks, Inc	Utilities - Internet	Data storage	581.38

**SAN ELIJO JOINT POWERS AUTHORITY**  
**PAYMENT OF WARRANTS**  
**20-5**  
**For the Month of March and April 2020**

<b>Warrant #</b>	<b>Vendor Name</b>	<b>G/L Account</b>	<b>Warrant Description</b>	<b>Amount</b>
38443	Brenntag Pacific, Inc	Supplies - Chem - Odor	Sodium hydroxide	1,876.36
38444	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride	5,930.96
38445	Corodata	Rent	Record storage - March	99.44
38446	CA Sanitation Risk Mgmt Auth.	Insurance - Claims Against	Insurance claim	3,898.81
38447	DHK Engineers, Inc.	Services - Engineering	Odor control system - January 22 - February 29, 2020	1,440.00
38448	EDCO Waste & Recycling Service	Utilities - Trash	March	257.48
38449	Encina Wastewater Authority	Service - EWA Support	HR resource sharing	492.32
38450	City of Encinitas	Service - IT Support	Admin network - April	7,725.00
38451	Encinitas Ford	Vehicle Maintenance	Ford F250 2013	578.62
38452	EnvirGreen Electronic Rec	Fees - Disposal	Lights bulbs and batteries	115.50
38453	Eurofins Calscience, Inc.	Services - Laboratory	Water sample testing	1,274.00
38454	Evantec Scientific	Supplies - Lab	Lab supplies	819.23
38455	Fisher Scientific	Supplies - Lab	Lab supplies	247.04
38456	Forto of San Diego	Supplies - Janitorial	Supplies	596.94
38457	Void			-
38458	Fusco Engineering	Services - Professional	January and February 2020	17,950.00
38459	Golden Bell Products	COVID19-Supplies-Equipment	Germicidal foam hand sanitizer	331.33
38460	GLS US	Postage/Shipping	Lab samples	41.55
38461	Hardy Diagnostics	Supplies - Lab	Lab supplies	1,006.94
38462	Michael Henke	COVID19-Supplies-Equipment	Reimbursement - Material for plant delivery shelving	402.50
38463	ICMA Membership Renewals	Dues & Memberships	Employee membership	200.00
38464	Idexx Distribution, Inc.	Supplies - Lab	Lab supplies	229.69
38465	Kimley-Horn & Associates, Inc.	Services - Professional	Caltrans trail and entrance	26,773.61
38466	McMaster-Carr Supply Co.	Repair Parts Expense and Safety Supplies	Industrial repair parts	3,293.61
38467	MetLife - Group Benefits	Dental/Vision	Dental - April	2,043.89
38468	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Sodium hypochlorite	3,676.85
38469	Olivenhain Municipal Water Dis	Services - Maintenance	Wiegand Reservoir Zona Gale - 3rd qtr FY 2019/2020	3,026.66
38470	Void			-
38471	Polydyne Inc.	Supplies - Chem - Polymer	Clarifloc WE-007	17,699.17
38472	ProBuild Company, LLC	COVID19-Supplies-Equipment	Shop and field supplies	853.97
38473	Procopio Cory Hargreaves	Services - Legal	March 2020	10,246.50
38474	Quality Microscope Service	Services - Maintenance	Preventive maintenance service	150.00
38475	Roesling Nakamura Terada Archi	Services - Professional	January 2020	50,193.32
38476	Rohan & Sons, Inc	Services - Maintenance	Replaced blower motor	1,274.47
38477	Santa Fe Irrigation District	Utilities - Water and Water (Suppl.)	Water	2,492.59
38478	SCAP	Licenses	Annual membership - FY 2020-2021	8,570.00
38479	San Dieguito Water District	Utilities - Water	Water	215.52
38480	Sulzer	Repair Parts Expense	Baldor	2,543.91
38481	Terminix Processing Center	Services - Maintenance	March	391.00
38482	Thatcher Company of California	Supplies - Chemicals	Citric acid	2,039.92
38483	Trussell Technologies, Inc	Services - Engineering	OPS plan update and operator and MF and RO training and data	2,108.00
38484	Unifirst Corporation	Services - Uniforms	Uniform service	964.39
38485	United Power Generation, Inc.	Repair Parts Expense	Circuit board	706.24
38486	UPS	Postage/Shipping	Shipping	66.58
38487	Underground Service Alert/SC	Services - Alarm	Dig alert - March and safe excavation board	211.74
38488	USA Bluebook	Supplies - Lab	Lab supplies	1,908.72
38489	USP Technologies	Equipment Rental/Lease	Tanks	800.00
38490	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,265.42
38491	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,662.65
38492	Vaughn's Industrial Repair	Capital Outlay	Fan repair - Air scrubbers	18,235.48
38493	Volt Management Corp	Services - Temp	Interns 03/13/20 to 03/27/20	2,188.68
38494	WM Corporate Services, Inc.	Services - Grit & Screenings	10 yd roll-off	3,150.11
On-line 385	P.E.R.S.	Medical Insurance - Pers	Health - March	19,708.55
On-line 386	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 02/08/20 - 02/21/20	14,301.77
On-line 387	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	502.58
On-line 388	Aflac	EE Deduction Benefits	Aflac - March	417.84
On-line 389	BankCard Center	Supplies - Safety	IT security, office supplies, and repair parts	8,096.45
On-line 390	Fuelman	Fuel	February	862.26
On-line 391	Home Depot Credit Services	Supplies - Shop & Field	Tools, shop and field supplies	1,536.27
On-line 392	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 02/22/20 - 03/06/20	14,343.43
On-line 393	P.E.R.S.	Medical Insurance - Pers	Health - April	22,963.77
On-line 394	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 03/07/20 -03/20/20	14,267.95
On-line 395	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 02/04/20 - 03/05/20	57,297.71
On-line 396	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - April	1,715.86
On-line 397	Aflac	EE Deduction Benefits	Aflac - April	417.84
On-line 398	BankCard Center	COVID19-Supplies-Equipment	Office supplies, parts, and safety supplies	7,570.70
On-line 399	Fuelman	Fuel	March	1,036.28
On-line 400	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 03/21/20 - 04/03/20	14,267.95
				<u>\$ 891,193.51</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Month of March and April 2020  
As of April 24, 2020**

PAYMENT OF WARRANTS	\$ 891,193.51
Reference Number	20-5

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



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Amy Chang  
Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS  
AND INVESTMENT INFORMATION  
As of April 24, 2020

FUNDS ON DEPOSIT WITH	AMOUNT
<b>LOCAL AGENCY INVESTMENT FUND</b>	
<i>(MARCH 2020 YIELD 1.787%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	8,905,610.59
<b>CALIFORNIA BANK AND TRUST</b>	
<i>(MARCH 2020 YIELD 0.01%)</i>	
REGULAR CHECKING	1,777,641.43
PAYROLL CHECKING	5,000.00
<b>UNION BANK - TRUSTEE (BOND FUNDS)</b>	
BLACKROCK	327,809.77
<i>(MARCH 2020 YIELD 0.20%)</i>	
LAIF	14,892,644.98
<i>(MARCH 2020 YIELD 1.787%)</i>	
<b>PARS - TRUSTEE (POST-EMPLOYMENT BENEFITS TRUST)</b>	46,643.78
<i>(MARCH 2020 YIELD -9.97%)</i>	
<b>TOTAL RESOURCES</b>	<b>\$ 26,585,350.55</b>

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 4, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

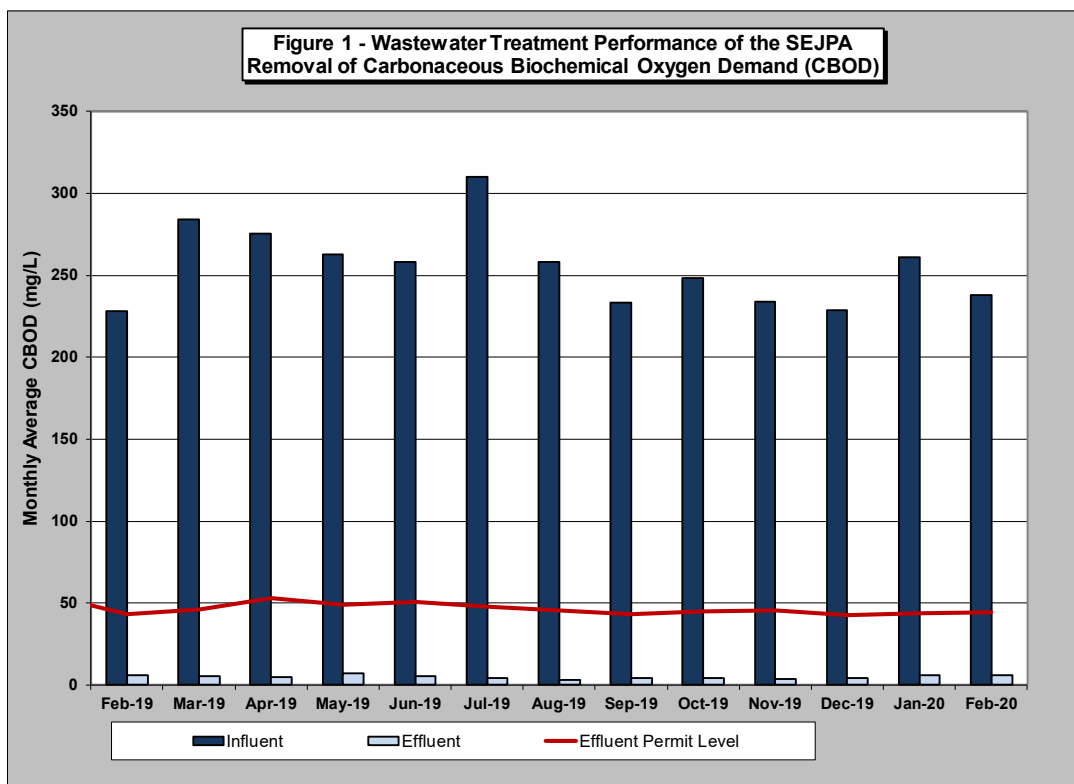
SUBJECT: SAN ELIJO WATER CAMPUS TREATED EFFLUENT FLOWS – MONTHLY REPORT

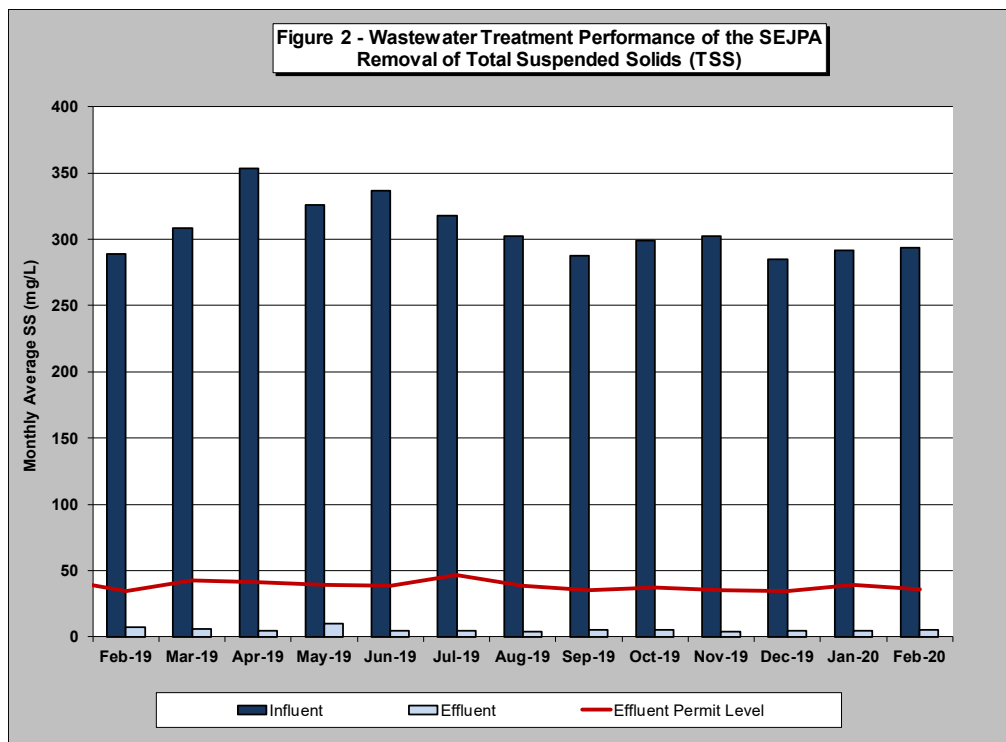
RECOMMENDATION

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

DISCUSSIONMonthly Treatment Plant Performance and Evaluation

Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of February 2020. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for CBOD and TSS were 97.7 and 98.3 percent removal, respectively (as shown in Figure 1 and Figure 2).





### Member Agency Flows

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

	February	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.176	0.716
City of Solana Beach	0.919	0.560
Rancho Santa Fe SID	0.146	0.089
City of Del Mar	0.352	0.214
<b>Total San Elijo WRF Flow</b>	<b>2.593</b>	<b>1.579</b>

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

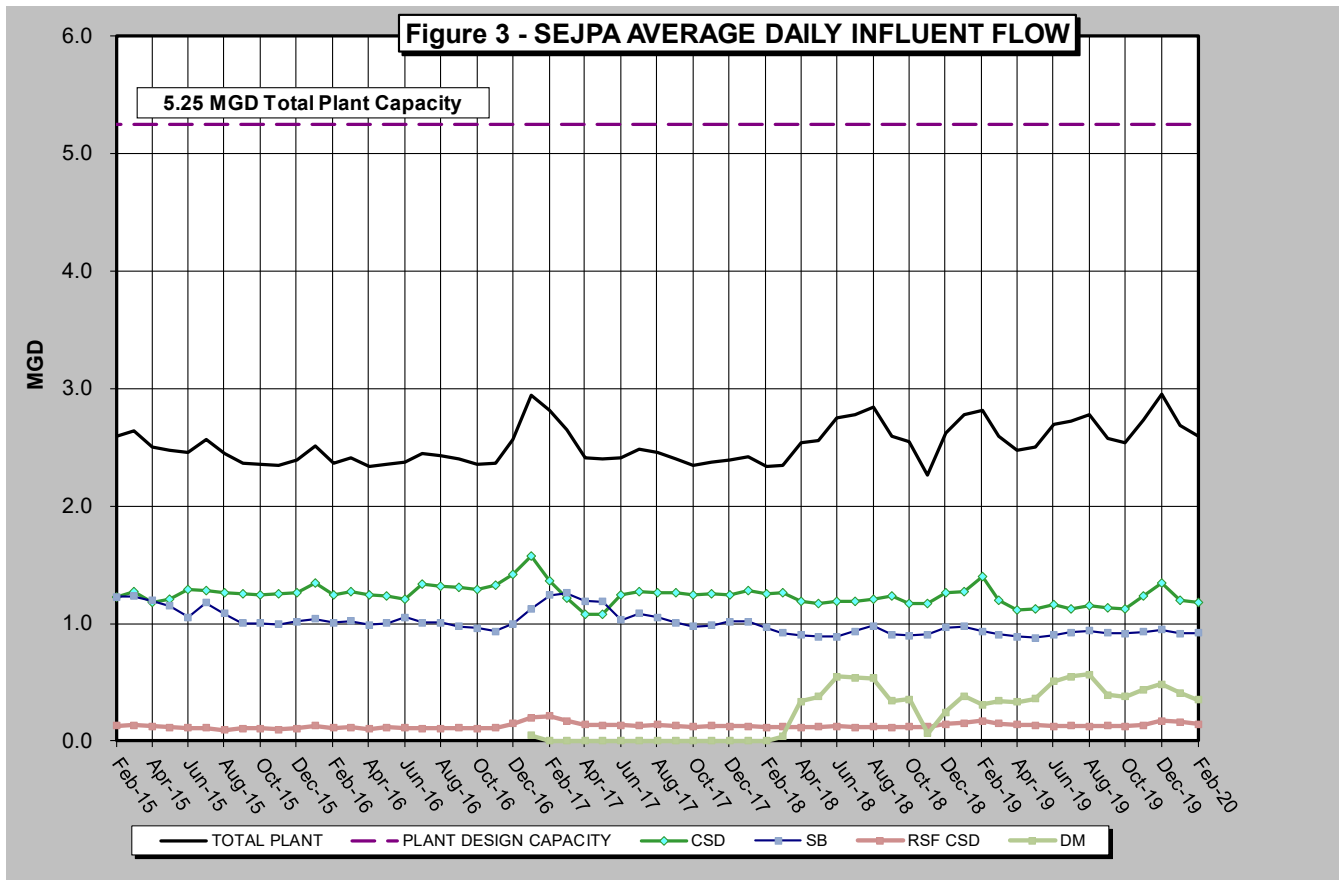
Table 1 (below) presents the historical average, maximum, and unit influent and effluent flow rates per month for each of the Member Agencies during the past 5 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time period.

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

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					AVERAGE DAILY EFFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)							
	CSD	RSF	CSD	SB	DM	TOTAL PLANT	CSD	RSF	CSD	SB	DM	TOTAL PLANT	CSD EDUS	RSF EDUS	CSD EDUS	SB EDUS	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
Jan-15	1.253	0.130	1.232			2.615	0.984	0.102	0.967			2.053	8,359	503	7,977			16,838	150	259	154		155
Feb-15	1.229	0.132	1.228			2.589	0.757	0.081	0.757			1.595	8,361	504	7,977			16,841	147	262	154		154
Mar-15	1.269	0.135	1.231			2.635	0.583	0.062	0.566			1.211	8,365	504	7,977			16,846	152	268	154		156
Apr-15	1.183	0.124	1.196			2.503	0.350	0.036	0.354			0.740	8,366	504	7,977			16,847	141	246	150		149
May-15	1.209	0.117	1.149			2.475	0.545	0.053	0.518			1.116	8,367	505	7,977			16,848	144	232	144		147
Jun-15	1.287	0.113	1.052			2.452	0.362	0.032	0.296			0.690	8,369	506	7,977			16,852	154	224	132		146
Jul-15	1.282	0.110	1.176			2.568	0.392	0.034	0.359			0.785	8,370	510	8,003			16,883	153	216	147		152
Aug-15	1.264	0.095	1.087			2.446	0.315	0.023	0.271			0.609	8,371	510	8,003			16,884	151	186	136		145
Sep-15	1.256	0.105	1.001			2.362	0.457	0.038	0.364			0.859	8,372	511	8,003			16,885	150	206	125		140
Oct-15	1.243	0.106	1.002			2.351	0.681	0.058	0.549			1.288	8,373	511	8,003			16,886	148	208	125		139
Nov-15	1.250	0.100	0.994			2.344	0.792	0.063	0.630			1.485	8,376	511	8,003			16,889	149	196	124		139
Dec-15	1.266	0.107	1.016			2.389	0.971	0.082	0.780			1.833	8,377	511	8,003			16,891	151	210	127		141
Jan-16	1.342	0.131	1.037			2.510	1.189	0.116	0.918			2.223	8,380	511	8,003			16,894	160	257	130		149
Feb-16	1.245	0.112	1.008			2.365	0.780	0.070	0.631			1.481	8,383	512	8,003			16,897	149	219	126		140
Mar-16	1.267	0.116	1.023			2.406	0.763	0.070	0.616			1.449	8,388	512	8,003			16,903	151	227	128		142
Apr-16	1.240	0.102	0.990			2.332	0.675	0.055	0.539			1.269	8,389	512	8,003			16,904	148	199	124		138
May-16	1.238	0.117	1.002			2.357	0.505	0.048	0.409			0.962	8,389	512	8,003			16,904	148	229	125		139
Jun-16	1.205	0.111	1.055			2.371	0.362	0.033	0.317			0.712	8,390	514	8,003			16,907	144	216	132		140
Jul-16	1.336	0.105	1.008			2.449	0.586	0.046	0.442			1.074	8,392	514	8,020			16,926	159	204	126		145
Aug-16	1.317	0.107	1.007			2.431	0.647	0.053	0.495			1.195	8,393	516	8,020			16,929	157	207	126		144
Sep-16	1.311	0.110	0.975			2.396	0.601	0.050	0.447			1.098	8,394	516	8,020			16,930	156	213	122		142
Oct-16	1.289	0.108	0.962			2.359	0.521	0.043	0.389			0.953	8,397	517	8,020			16,933	154	209	120		139
Nov-16	1.323	0.113	0.932			2.368	0.730	0.062	0.514			1.306	8,403	517	8,020			16,940	157	219	116		140
Dec-16	1.419	0.150	0.998			2.567	1.179	0.125	0.829			2.133	8,406	549	8,020			16,975	169	273	124		151
Jan-17	1.572	0.197	1.125	0.047	2.941	1.489	0.186	1.066	0.045	2.786			8,409	549	8,020	1,716	18,694	187	359	140	142	157	
Feb-17	1.361	0.211	1.240	0.000	2.812	1.236	0.192	1.126	0.000	2.554			8,409	549	8,020	1,716	18,694	162	384	155	0	166	
Mar-17	1.215	0.170	1.261	0.000	2.646	0.856	0.120	0.889	0.000	1.865			8,413	550	8,020	1,716	18,698	144	309	157	0	156	
Apr-17	1.077	0.139	1.190	0.000	2.406	0.841	0.108	0.929	0.000	1.878			8,414	551	8,020	1,716	18,700	128	252	148	0	142	
May-17	1.082	0.136	1.184	0.000	2.402	0.842	0.106	0.922	0.000	1.870			8,416	551	8,049	1,716	18,732	129	247	147	0	141	
Jun-17	1.241	0.134	1.032	0.000	2.407	0.980	0.106	0.815	0.000	1.901			8,420	551	8,049	1,716	18,737	147	243	128	0	141	
Jul-17	1.267	0.130	1.083	0.000	2.480	0.802	0.082	0.685	0.000	1.569			8,421	551	8,061	1,716	18,749	150	236	134	0	146	
Aug-17	1.262	0.139	1.051	0.000	2.452	0.852	0.094	0.709	0.000	1.655			8,423	553	8,061	1,716	18,753	150	251	130	0	144	
Sep-17	1.264	0.130	1.006	0.000	2.400	0.866	0.089	0.689	0.000	1.644			8,427	555	8,061	1,716	18,759	150	234	125	0	141	
Oct-17	1.242	0.123	0.977	0.000	2.342	0.543	0.053	0.427	0.000	1.023			8,431	555	8,061	1,716	18,763	147	222	121	0	137	
Nov-17	1.257	0.131	0.983	0.000	2.371	0.661	0.069	0.517	0.000	1.247			8,431	554	8,061	1,716	18,762	149	237	122	0	139	
Dec-17	1.248	0.125	1.014	0.000	2.387	0.693	0.070	0.563	0.000	1.326			8,431	554	8,061	1,716	18,762	148	226	126	0	140	
Jan-18	1.276	0.125	1.015	0.000	2.416	0.886	0.087	0.705	0.000	1.678			8,435	555	8,061	1,716	18,767	151	225	126	0	142	
Feb-18	1.249	0.118	0.968	0.000	2.335	0.601	0.056	0.466	0.000	1.123			8,441	555	8,061	1,716	18,773	148	213	120	0	137	
Mar-18	1.265	0.122	0.922	0.039	2.348	0.857	0.083	0.625	0.026	1.591			8,451	555	8,061	1,716	18,782	150	220	114	149	125	
Apr-18	1.184	0.115	0.901	0.337	2.537	0.627	0.061	0.477	0.179	1.344			8,451	559	8,061	1,716	18,786	140	206	112	129	135	
May-18	1.173	0.119	0.890	0.376	2.558	0.566	0.057	0.430	0.182	1.235			8,461	562	8,061	1,716	18,799	139	212	110	144	136	
Jun-18	1.188	0.124	0.888	0.549	2.749	0.557	0.058	0.417	0.258	1.290			8,466	562	8,061	1,716	18,804	140	221	110	210	146	
Jul-18	1.193	0.118	0.933	0.537	2.781	0.619	0.061	0.484	0.278	1.442			8,478	562	8,083	2,611	19,733	141	210	115	206	141	
Aug-18	1.210	0.119	0.980	0.534	2.843	0.686	0.067	0.555	0.303	1.611			8,481	563	8,083	2,611	19,737	143	212	121	205	144	
Sep-18	1.230	0.117	0.905	0.341	2.593	0.677	0.064	0.498	0.188	1.427			8,481	563	8,083	2,611	19,737	145	208	112	131	131	
Oct-18	1.172	0.121	0.897	0.354	2.544	0.529	0.054	0.405	0.160	1.148			8,481	564	8,083	2,611	19,738	138	215	111	136	129	
Nov-18	1.173	0.121	0.906	0.064	2.264	0.495	0.051	0.383	0.027	0.956			8,488	565	8,083	2,611	19,746	138	214	112	136	129	
Dec-18	1.264	0.144	0.967	0.244	2.619	1.017	0.116	0.778	0.196	2.107			8,491	566	8,083	2,611	19,751	149	255	120	136	138	
Jan-19	1.269	0.153	0.975	0.384	2.781	1.221	0.147	0.938	0.369	2.675			8,491	566	8,083	2,611	19,751	149	271	121	147	141	
Feb-19	1.400	0.173	0.935	0.309	2.817	1.256	0.156	0.839	0.277	2.528			8,492	566	8,083	2,611	19,752	165	306	116	137	145	
Mar-19	1.200	0.149	0.908	0.340	2.597	0.956	0.119	0.724	0.271	2.070			8,493	568	8,083	2,611	19,755	141	263	112	132	132	
Apr-19	1.119	0.138	0.887	0.334	2.478	0.330	0.040	0.262	0.099	0.731			8,494	568	8,083	2,611	19,756	132	243	110	128	125	
May-19	1.125	0.133	0.880	0.361	2.499	0.493	0.059	0.386	0.158	1.096			8,494	568	8,083	2,611	19,756	132	234	109	138	126	
Jun-19	1.162	0.126	0.903	0.507	2.698	0.382	0.041	0.297	0.167	0.887			8,504	568	8,083	2,611	19,766	137	222	112	194	136	
Jul-19	1.127	0.128	0.924	0.546	2.725	0.349	0.039	0.286	0.169	0.843			8,504	568	8,083	2,611	19,766	133	226	114	209	138	
Aug-19	1.148	0.126	0.938	0.567	2.779	0.478	0.053	0.391	0.236	1.158			8,505	570	8,105	2,612	19,792	135	221	116	217	140	
Sep-19	1.131	0.132	0.918	0.393	2.574	0.509	0.059	0.413	0.177	1.158			8,507	570	8,105	2,612	19,794	133	232	113	150	130	
Oct-19	1.120	0.124	0.914	0.378	2.536	0.278	0.031	0.227	0.094	0.630			8,507	571	8,105	2,612	19,795	132	217	113	145	128	
Nov-19	1.230	0.137	0.927	0.437	2.731	0.714	0.079</																



Figure 3 (below) presents the 5-year historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average treated flow by each agency. Also shown in Figure 3 is the total wastewater treatment capacity of the water campus, 5.25 mgd, of which each Member Agency has the right to 2.2 mgd, Rancho Santa Fe Community Service District leases 0.25 mgd, and the City of Del Mar leases 0.60 mgd.



### City of Escondido Flows

The average and peak flow rate for the month of February 2020 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below.

	<b>Flow (mgd)</b>
Escondido (Average flow rate)	11.85
Escondido (Peak flow rate)	18.0

### Connected Equivalent Dwelling Units

The City of Solana Beach and the City of Del Mar updated the connected EDUs number that is reported to the SEJPA in September 2019. The City of Encinitas and Rancho Santa Fe CSD report their connected EDUs every month. The number of EDUs connected for each of the Member Agencies and lease agencies is as follows:

	<b>Connected (EDU)</b>
Cardiff Sanitary Division	8,517
Rancho Santa Fe SID	571
City of Solana Beach	7,768
San Diego (to Solana Beach)	337
City of Del Mar	2,612
<b>Total EDUs to System</b>	<b>19,805</b>

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 4, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

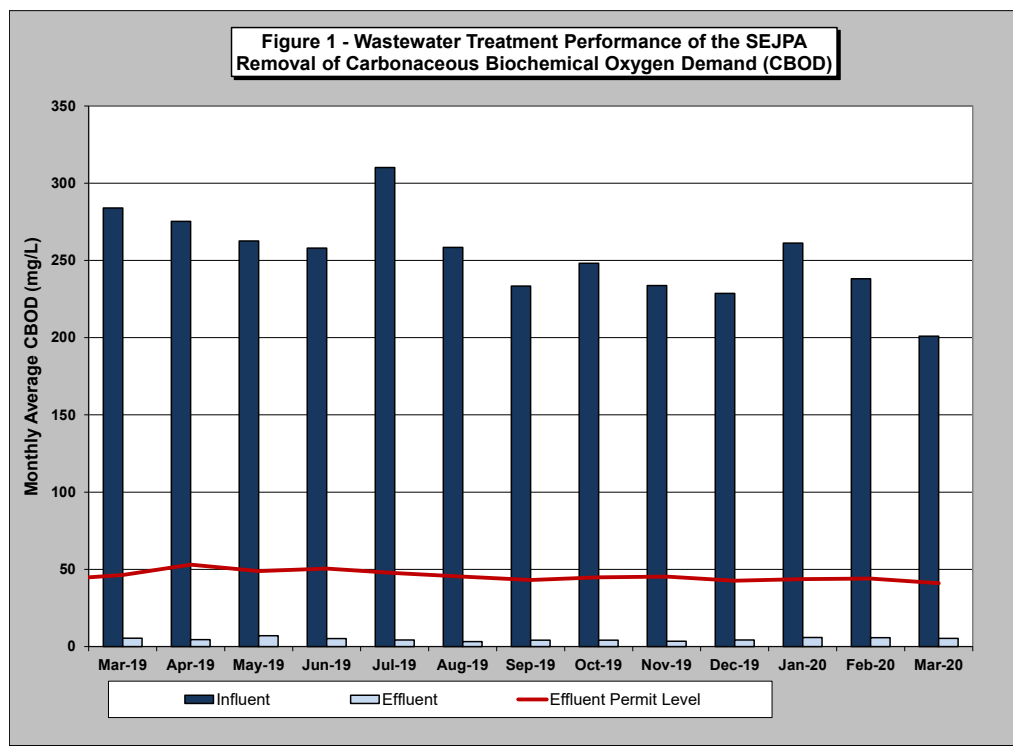
SUBJECT: SAN ELIJO WATER CAMPUS TREATED EFFLUENT FLOWS – MONTHLY REPORT

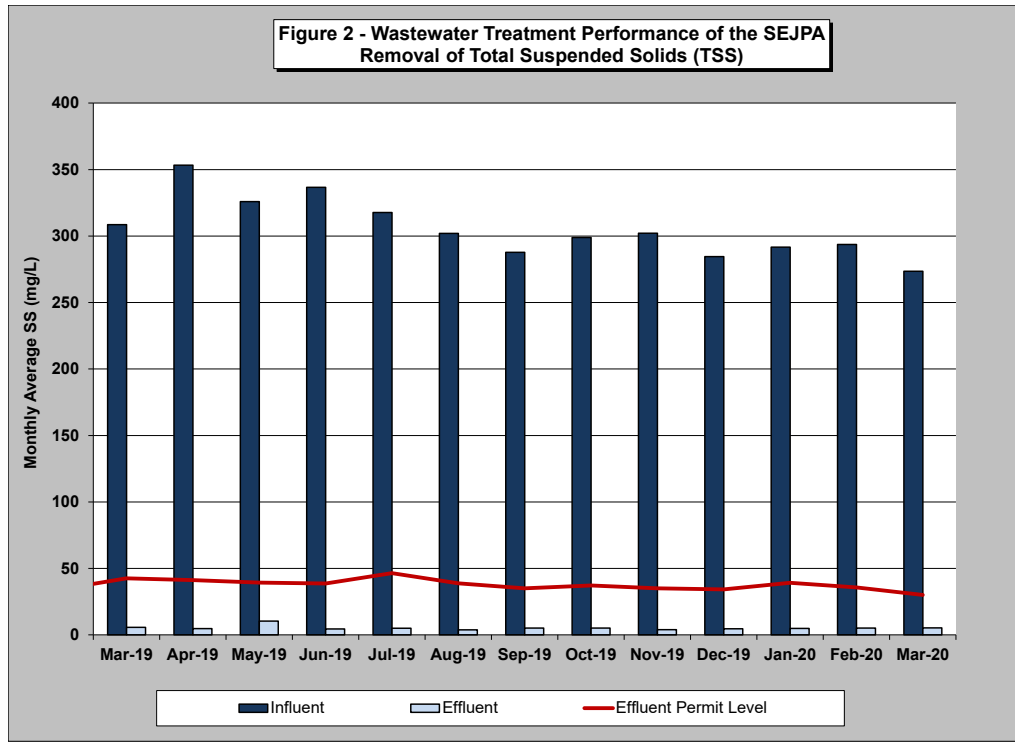
RECOMMENDATION

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

DISCUSSIONMonthly Treatment Plant Performance and Evaluation

Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of March 2020. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for CBOD and TSS were 97.4 and 98.1 percent removal, respectively (as shown in Figure 1 and Figure 2).





### Member Agency Flows

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

	March	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.432	1.121
City of Solana Beach	0.907	0.710
Rancho Santa Fe SID	0.185	0.145
City of Del Mar	0.389	0.304
<b>Total San Elijo WRF Flow</b>	<b>2.913</b>	<b>2.280</b>

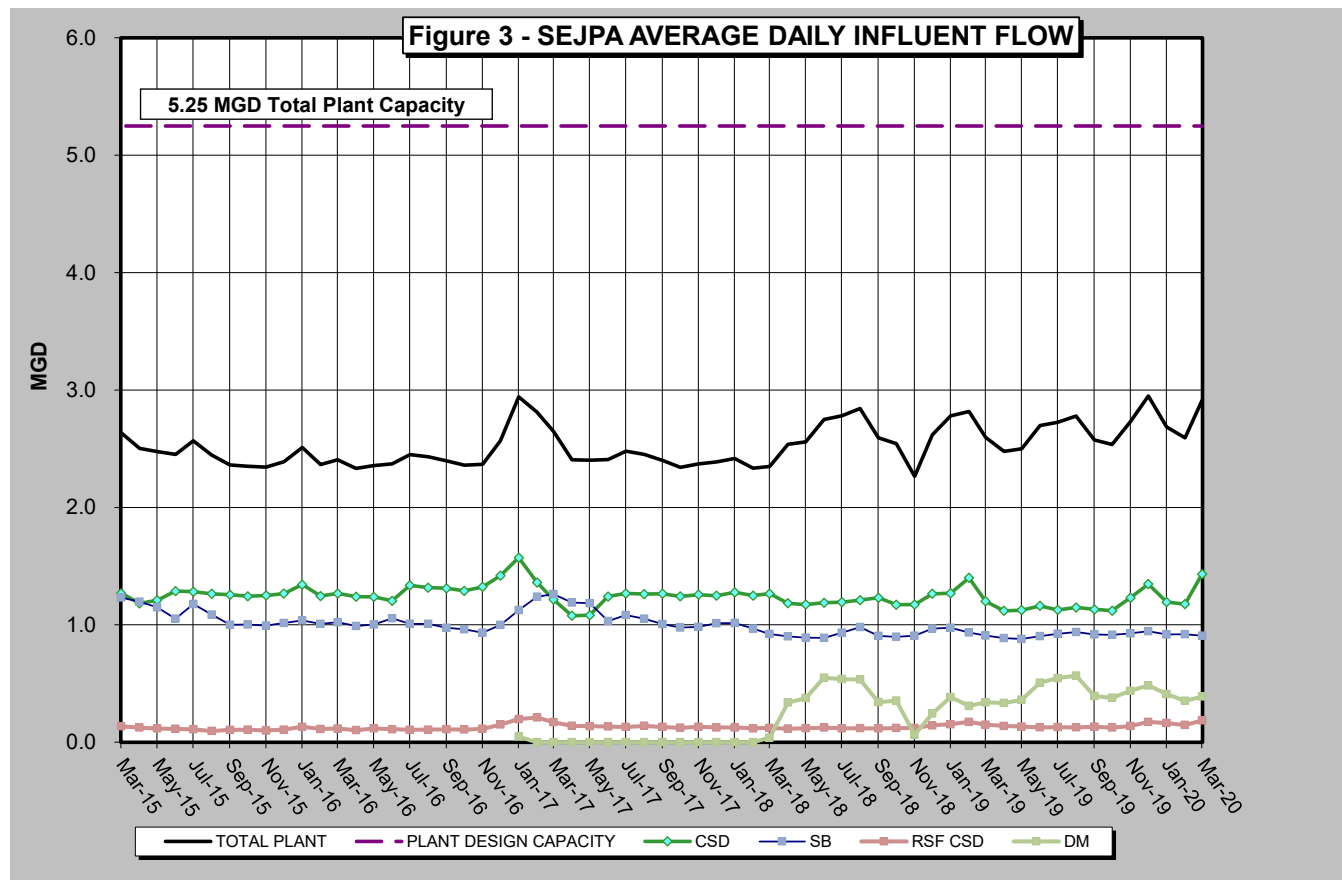
\* Effluent is calculated by subtracting the recycled water production from the influent wastewater.

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

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

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					AVERAGE DAILY EFFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)							
	CSD	RSF	CSD	SB	DM	TOTAL PLANT	CSD	RSF	CSD	SB	DM	TOTAL PLANT	CSD EDUS	RSF EDUS	CSD EDUS	SB EDUS	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
Jan-15	1.253	0.130	1.232			2.615	0.984	0.102	0.967			2.053	8,359	503	7,977			16,838	150	259	154		155
Feb-15	1.229	0.132	1.228			2.589	0.757	0.081	0.757			1.595	8,361	504	7,977			16,841	147	262	154		154
Mar-15	1.269	0.135	1.231			2.635	0.583	0.062	0.566			1.211	8,365	504	7,977			16,846	152	268	154		156
Apr-15	1.183	0.124	1.196			2.503	0.350	0.036	0.354			0.740	8,366	504	7,977			16,847	141	246	150		149
May-15	1.209	0.117	1.149			2.475	0.545	0.053	0.518			1.116	8,367	505	7,977			16,848	144	232	144		147
Jun-15	1.287	0.113	1.052			2.452	0.362	0.032	0.296			0.690	8,369	506	7,977			16,852	154	224	132		146
Jul-15	1.282	0.110	1.176			2.568	0.392	0.034	0.359			0.785	8,370	510	8,003			16,883	153	216	147		152
Aug-15	1.264	0.095	1.087			2.446	0.315	0.023	0.271			0.609	8,371	510	8,003			16,884	151	186	136		145
Sep-15	1.256	0.105	1.001			2.362	0.457	0.038	0.364			0.859	8,372	511	8,003			16,885	150	206	125		140
Oct-15	1.243	0.106	1.002			2.351	0.681	0.058	0.549			1.288	8,373	511	8,003			16,886	148	208	125		139
Nov-15	1.250	0.100	0.994			2.344	0.792	0.063	0.630			1.485	8,376	511	8,003			16,889	149	196	124		139
Dec-15	1.266	0.107	1.016			2.389	0.971	0.082	0.780			1.833	8,377	511	8,003			16,891	151	210	127		141
Jan-16	1.342	0.131	1.037			2.510	1.189	0.116	0.918			2.223	8,380	511	8,003			16,894	160	257	130		149
Feb-16	1.245	0.112	1.008			2.365	0.780	0.070	0.631			1.481	8,383	512	8,003			16,897	149	219	126		140
Mar-16	1.267	0.116	1.023			2.406	0.763	0.070	0.616			1.449	8,388	512	8,003			16,903	151	227	128		142
Apr-16	1.240	0.102	0.990			2.332	0.675	0.055	0.539			1.269	8,389	512	8,003			16,904	148	199	124		138
May-16	1.238	0.117	1.002			2.357	0.505	0.048	0.409			0.962	8,389	512	8,003			16,904	148	229	125		139
Jun-16	1.205	0.111	1.055			2.371	0.362	0.033	0.317			0.712	8,390	514	8,003			16,907	144	216	132		140
Jul-16	1.336	0.105	1.008			2.449	0.586	0.046	0.442			1.074	8,392	514	8,020			16,926	159	204	126		145
Aug-16	1.317	0.107	1.007			2.431	0.647	0.053	0.495			1.195	8,393	516	8,020			16,929	157	207	126		144
Sep-16	1.311	0.110	0.975			2.396	0.601	0.050	0.447			1.098	8,394	516	8,020			16,930	156	213	122		142
Oct-16	1.289	0.108	0.962			2.359	0.521	0.043	0.389			0.953	8,397	517	8,020			16,933	154	209	120		139
Nov-16	1.323	0.113	0.932			2.368	0.730	0.062	0.514			1.306	8,403	517	8,020			16,940	157	219	116		140
Dec-16	1.419	0.150	0.998			2.567	1.179	0.125	0.829			2.133	8,406	549	8,020			16,975	169	273	124		151
Jan-17	1.572	0.197	1.125	0.047		2.941	1.489	0.186	1.066	0.045		2.786	8,409	549	8,020	1,716		18,694	187	359	140	142	157
Feb-17	1.361	0.211	1.240	0.000		2.812	1.236	0.192	1.126	0.000		2.554	8,409	549	8,020	1,716		18,694	162	384	155	0	166
Mar-17	1.215	0.170	1.261	0.000		2.646	0.856	0.120	0.889	0.000		1.865	8,413	550	8,020	1,716		18,698	144	309	157	0	156
Apr-17	1.077	0.139	1.190	0.000		2.406	0.841	0.108	0.929	0.000		1.878	8,414	551	8,020	1,716		18,700	128	252	148	0	142
May-17	1.082	0.136	1.184	0.000		2.402	0.842	0.106	0.922	0.000		1.870	8,416	551	8,049	1,716		18,732	129	247	147	0	141
Jun-17	1.241	0.134	1.032	0.000		2.407	0.980	0.106	0.815	0.000		1.901	8,420	551	8,049	1,716		18,737	147	243	128	0	141
Jul-17	1.267	0.130	1.083	0.000		2.480	0.802	0.082	0.685	0.000		1.569	8,421	551	8,061	1,716		18,749	150	236	134	0	146
Aug-17	1.262	0.139	1.051	0.000		2.452	0.852	0.094	0.709	0.000		1.655	8,423	553	8,061	1,716		18,753	150	251	130	0	144
Sep-17	1.264	0.130	1.006	0.000		2.400	0.866	0.089	0.689	0.000		1.644	8,427	555	8,061	1,716		18,759	150	234	125	0	141
Oct-17	1.242	0.123	0.977	0.000		2.342	0.543	0.053	0.427	0.000		1.023	8,431	555	8,061	1,716		18,763	147	222	121	0	137
Nov-17	1.257	0.131	0.983	0.000		2.371	0.661	0.069	0.517	0.000		1.247	8,431	554	8,061	1,716		18,762	149	237	122	0	139
Dec-17	1.248	0.125	1.014	0.000		2.387	0.693	0.070	0.563	0.000		1.326	8,431	554	8,061	1,716		18,762	148	226	126	0	140
Jan-18	1.276	0.125	1.015	0.000		2.416	0.886	0.087	0.705	0.000		1.678	8,435	555	8,061	1,716		18,767	151	225	126	0	142
Feb-18	1.249	0.118	0.968	0.000		2.335	0.601	0.056	0.466	0.000		1.123	8,441	555	8,061	1,716		18,773	148	213	120	0	137
Mar-18	1.265	0.122	0.922	0.039		2.348	0.857	0.083	0.625	0.026		1.591	8,451	555	8,061	1,716		18,782	150	220	114	149	125
Apr-18	1.184	0.115	0.901	0.337		2.537	0.627	0.061	0.477	0.179		1.344	8,451	559	8,061	1,716		18,786	140	206	112	129	135
May-18	1.173	0.119	0.890	0.376		2.558	0.566	0.057	0.430	0.182		1.235	8,461	562	8,061	1,716		18,799	139	212	110	144	136
Jun-18	1.188	0.124	0.888	0.549		2.749	0.557	0.058	0.417	0.258		1.290	8,466	562	8,061	1,716		18,804	140	221	110	210	146
Jul-18	1.193	0.118	0.933	0.537		2.781	0.619	0.061	0.484	0.278		1.442	8,478	562	8,083	2,611		19,733	141	210	115	206	141
Aug-18	1.210	0.119	0.980	0.534		2.843	0.686	0.067	0.555	0.303		1.611	8,481	563	8,083	2,611		19,737	143	212	121	205	144
Sep-18	1.230	0.117	0.905	0.341		2.593	0.677	0.064	0.498	0.188		1.427	8,481	563	8,083	2,611		19,737	145	208	112	131	131
Oct-18	1.172	0.121	0.897	0.354		2.544	0.529	0.054	0.405	0.160		1.148	8,481	564	8,083	2,611		19,738	138	215	111	136	129
Nov-18	1.173	0.121	0.906	0.064		2.264	0.495	0.051	0.383	0.027		0.956	8,488	565	8,083	2,611		19,746	138	214	112	136	129
Dec-18	1.264	0.144	0.967	0.244		2.619	1.017	0.116	0.778	0.196		2.107	8,491	566	8,083	2,611		19,751	149	255	120	136	138
Jan-19	1.269	0.153	0.975	0.384		2.781	1.221	0.147	0.938	0.369		2.675	8,491	566	8,083	2,611		19,751	149	271	121	147	141
Feb-19	1.400	0.173	0.935	0.309		2.817	1.256	0.156	0.839	0.277		2.528	8,492	566	8,083	2,611		19,752	165	306	116	137	145
Mar-19	1.200	0.149	0.908	0.340		2.597	0.956	0.119	0.724	0.271		2.070	8,493	568	8,083	2,611		19,755	141	263	112	132	132
Apr-19	1.119	0.138	0.887	0.334		2.478	0.330	0.040	0.262	0.099		0.731	8,494	568	8,083	2,611		19,756	132	243	110	128	125
May-19	1.125	0.133	0.880	0.361		2.499	0.493	0.059	0.386	0.158		1.096	8,494	568	8,083	2,611		19,756	132	234	109	138	126
Jun-19	1.162	0.126	0.903	0.507		2.698	0.382	0.041	0.297	0.167		0.887	8,504	568	8,083	2,611		19,766	137	222	112	194	136
Jul-19	1.127	0.128	0.924	0.546		2.725	0.349	0.039	0.286	0.169		0.843	8,504	568	8,083	2,611		19,766	133	226	114	209	138
Aug-19	1.148	0.126	0.938	0.567		2.779	0.478	0.053	0.391	0.236		1.158	8,505	570	8,105	2,612		19,792	135	221	116	217	140
Sep-19	1.131	0.132	0.918	0.393		2.574	0.509	0.059	0.413	0.177		1.158	8,507	570	8,105	2,612		19,794	133	232	113	150	130
Oct-19	1.120	0.124	0.914	0.378		2.536	0.278	0.031	0.227	0.094		0.630	8,507	571	8,105	2,612							

Figure 3 (below) presents the 5-year historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average treated flow by each agency. Also shown in Figure 3 is the total wastewater treatment capacity of the water campus, 5.25 mgd, of which each Member Agency has the right to 2.2 mgd, Rancho Santa Fe Community Service District leases 0.25 mgd, and the City of Del Mar leases 0.60 mgd.



### City of Escondido Flows

The average and peak flow rate for the month of March 2020 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below.

	<b>Flow (mgd)</b>
Escondido (Average flow rate)	11.08
Escondido (Peak flow rate)	18.6

### Connected Equivalent Dwelling Units

The City of Solana Beach and the City of Del Mar updated the connected EDUs number that is reported to the SEJPA in September 2019. The City of Encinitas and Rancho Santa Fe CSD report their connected EDUs every month. The number of EDUs connected for each of the Member Agencies and lease agencies is as follows:

	<b>Connected (EDU)</b>
Cardiff Sanitary Division	8,519
Rancho Santa Fe SID	572
City of Solana Beach	7,768
San Diego (to Solana Beach)	337
City of Del Mar	2,612
<b>Total EDUs to System</b>	<b>19,808</b>

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 4, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECYCLING PROGRAM – MONTHLY REPORT

RECOMMENDATION

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

DISCUSSION

*Recycled Water Production*

For the month of February 2020, recycled water demand was 79.35 acre-feet (AF), which was met using 78.62 AF of recycled water and 0.73 AF supplementation with potable water.

February demand was 46% above budget expectations of 54 AF. The total water production for FY 2019-20 is slightly below budget (2.5%) for the first 8 months.

Figure 1 (attached) provides monthly demands for recycled water since deliveries began in September 2000. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning the last 19 fiscal years. Figure 3 (attached) shows the monthly recycled water demand for each February since the program began. Figure 4 (attached) compares budget versus actual recycled water sales for FY 2019-20.

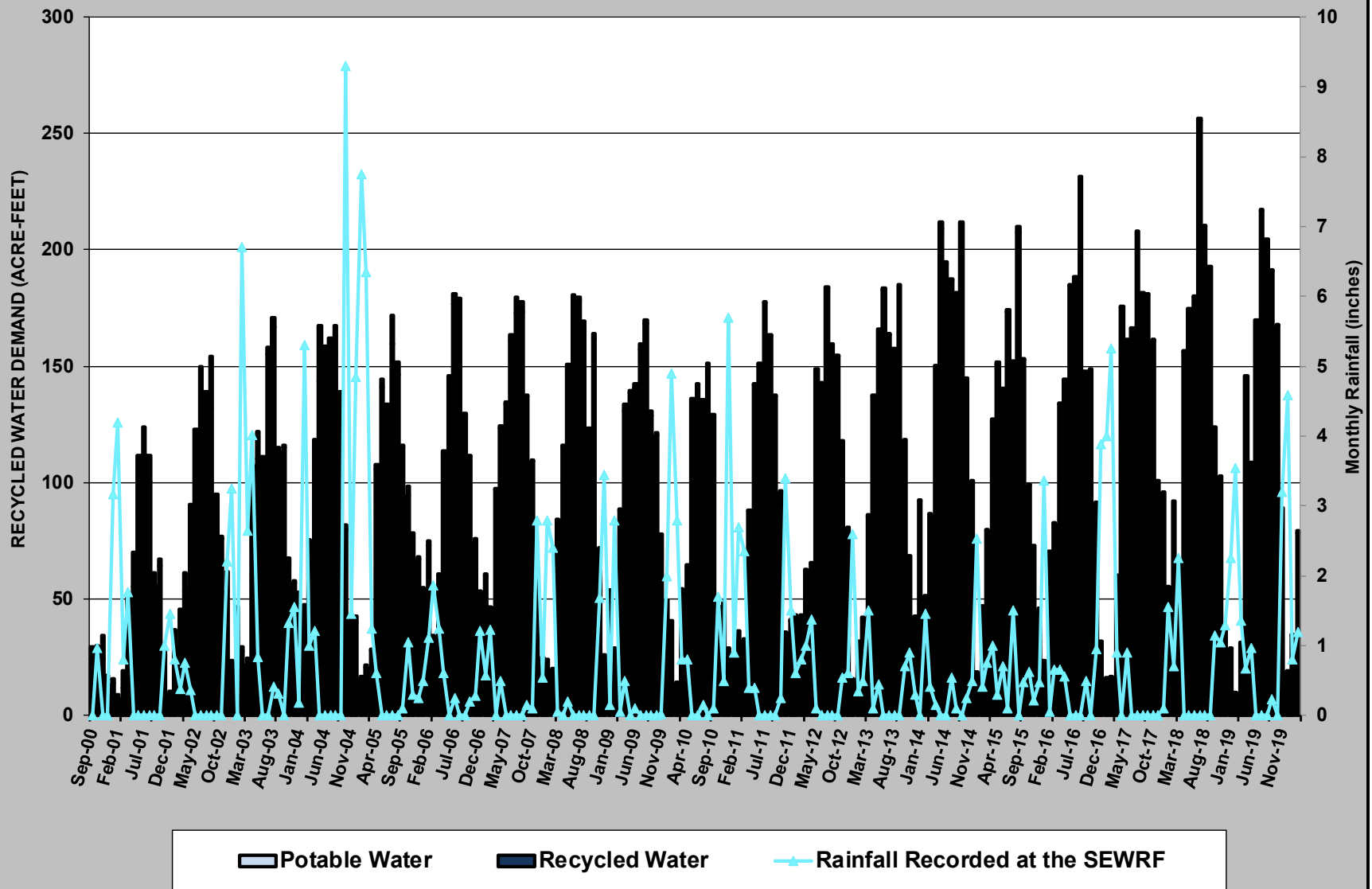
Respectfully submitted,



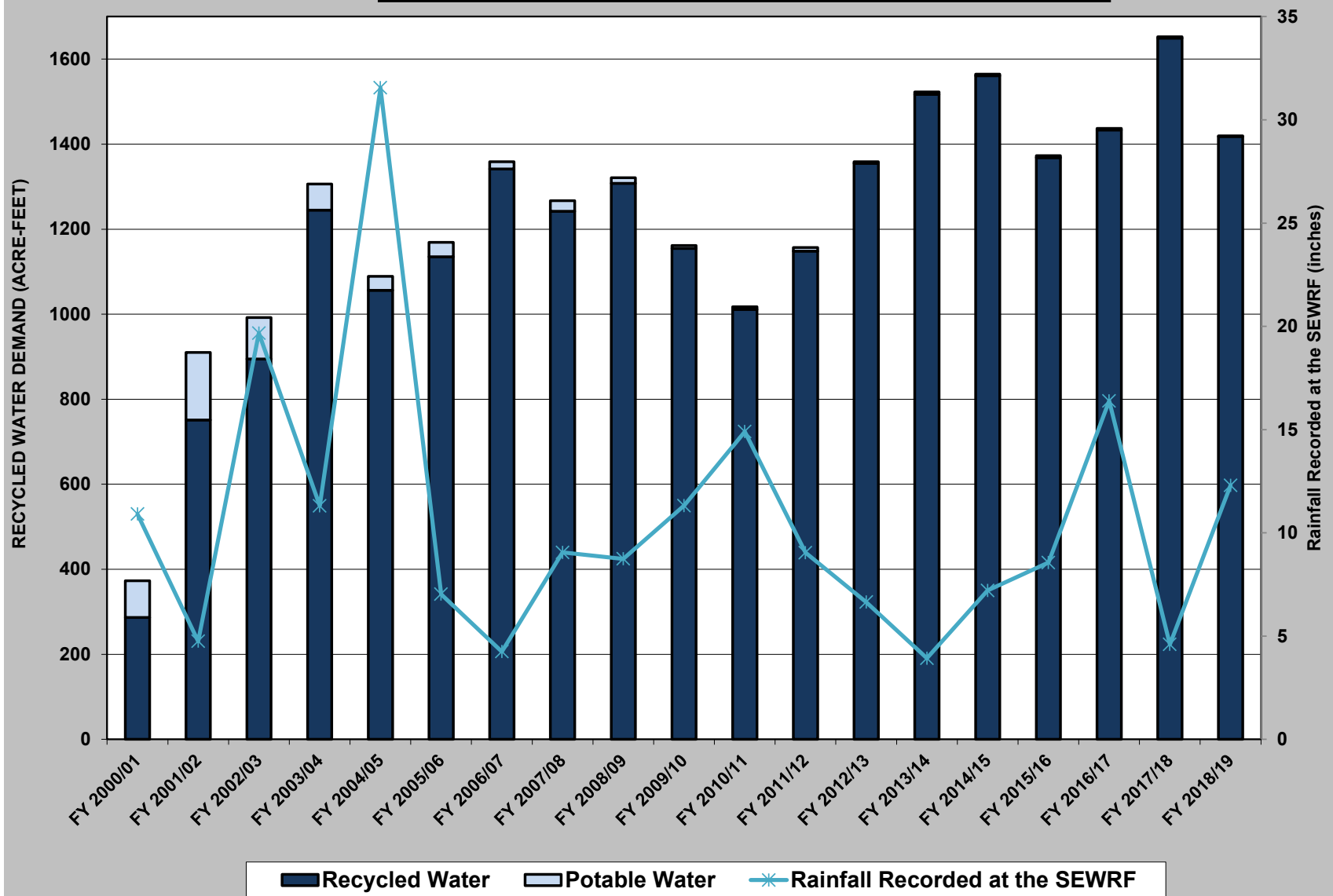
Michael T. Thornton, P.E.  
General Manager



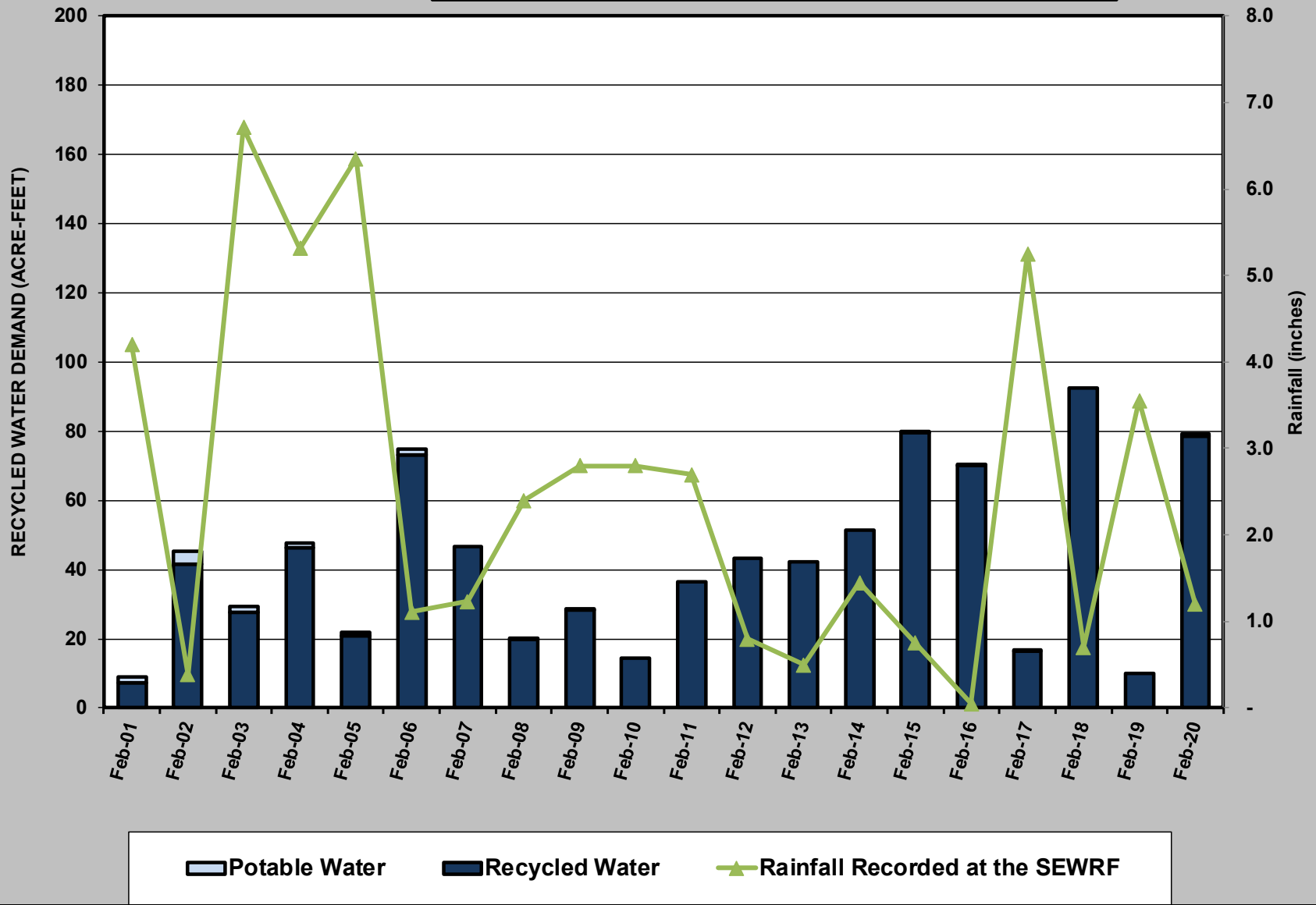
**Figure 1 - MONTHLY RECYCLED WATER DEMAND**



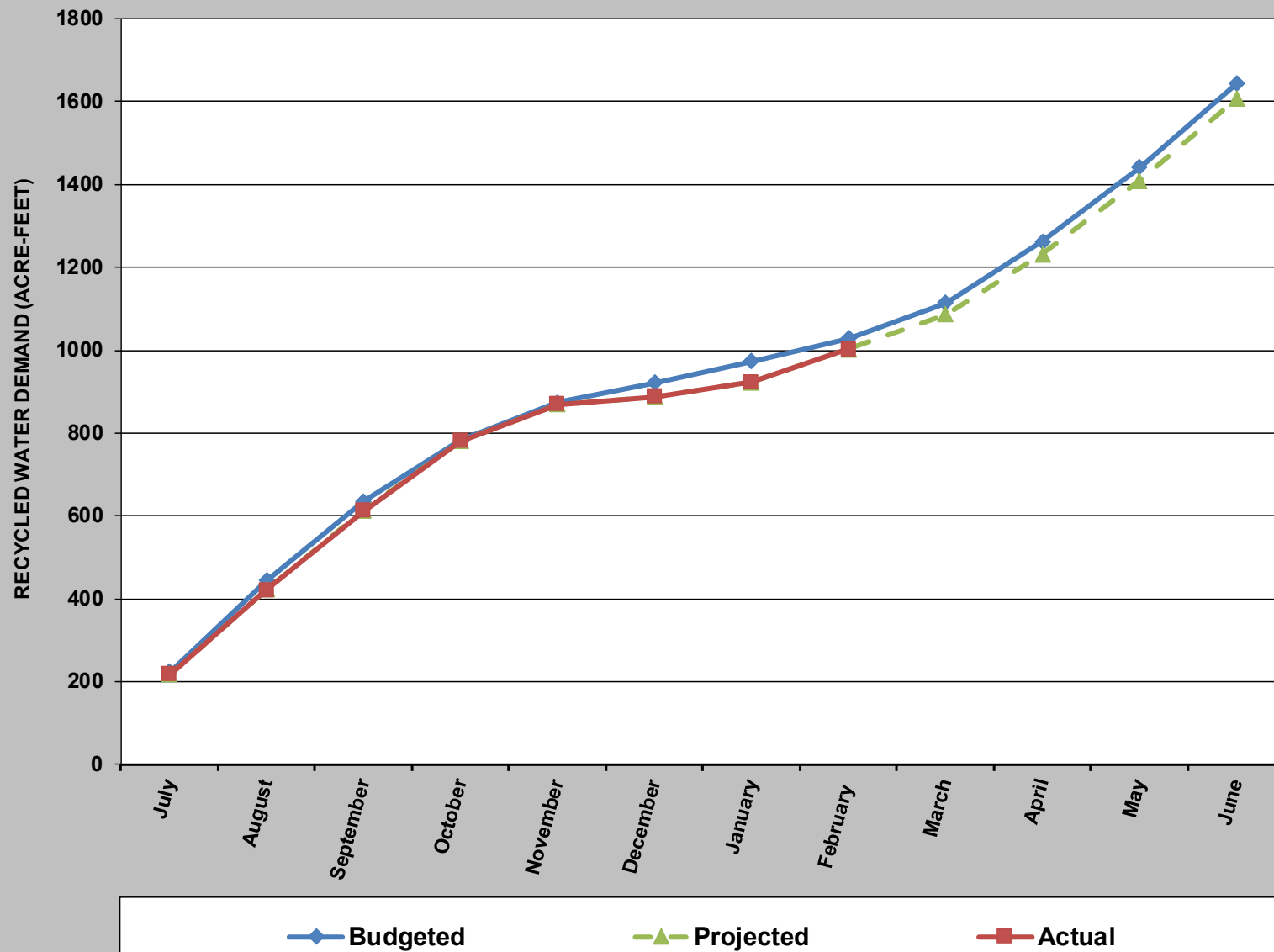
**Figure 2 - RECYCLED WATER DEMAND by FISCAL YEAR**



**Figure 3 - FEBRUARY RECYCLED WATER DEMAND**



**Figure 4 - RECYCLED WATER DEMAND BUDGET vs ACTUAL**



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 4, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECYCLING PROGRAM – MONTHLY REPORT

RECOMMENDATION

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

DISCUSSION

*Recycled Water Production*

For the month of March 2020, recycled water demand was 57.45 acre-feet (AF), which was met using 57.45 AF of recycled water and 0.0 AF supplementation with potable water.

March demand was 33% below budget expectations of 86 AF. The total water production for FY 2019-20 is slightly below budget (4.9%) for the first 9 months.

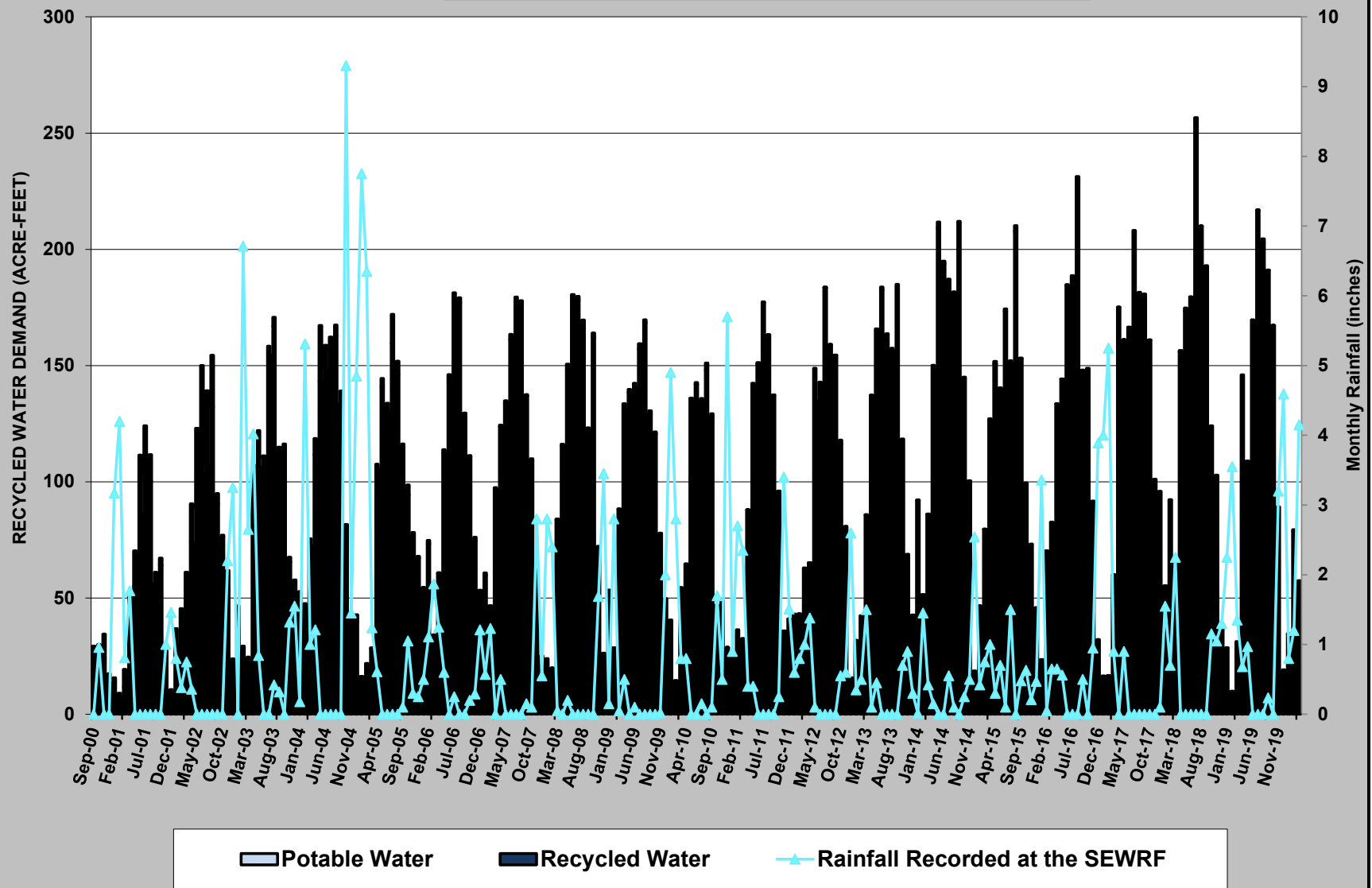
Figure 1 (attached) provides monthly demands for recycled water since deliveries began in September 2000. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning the last 19 fiscal years. Figure 3 (attached) shows the monthly recycled water demand for each March since the program began. Figure 4 (attached) compares budget versus actual recycled water sales for FY 2019-20.

Respectfully submitted,

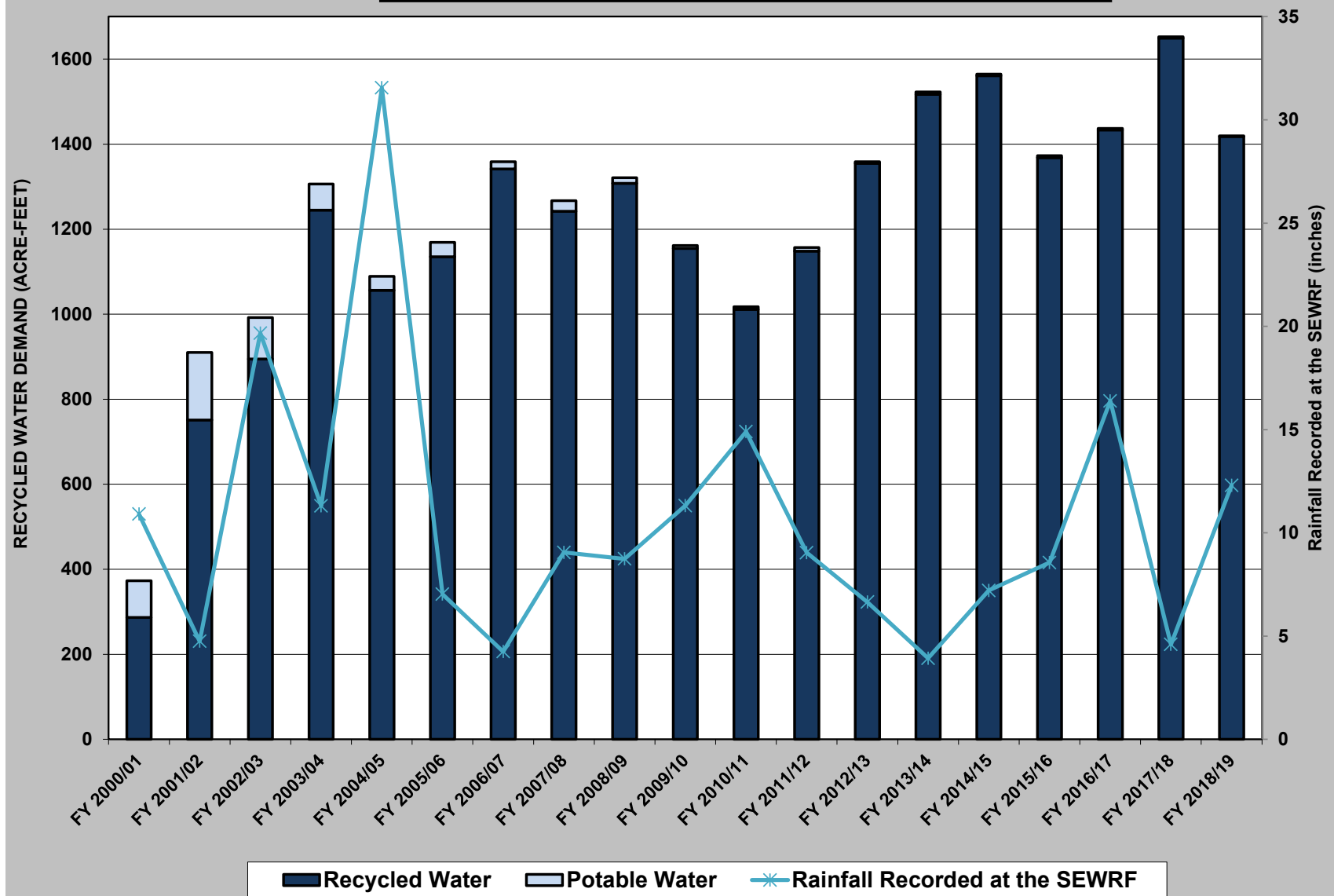


Michael T. Thornton, P.E.  
General Manager

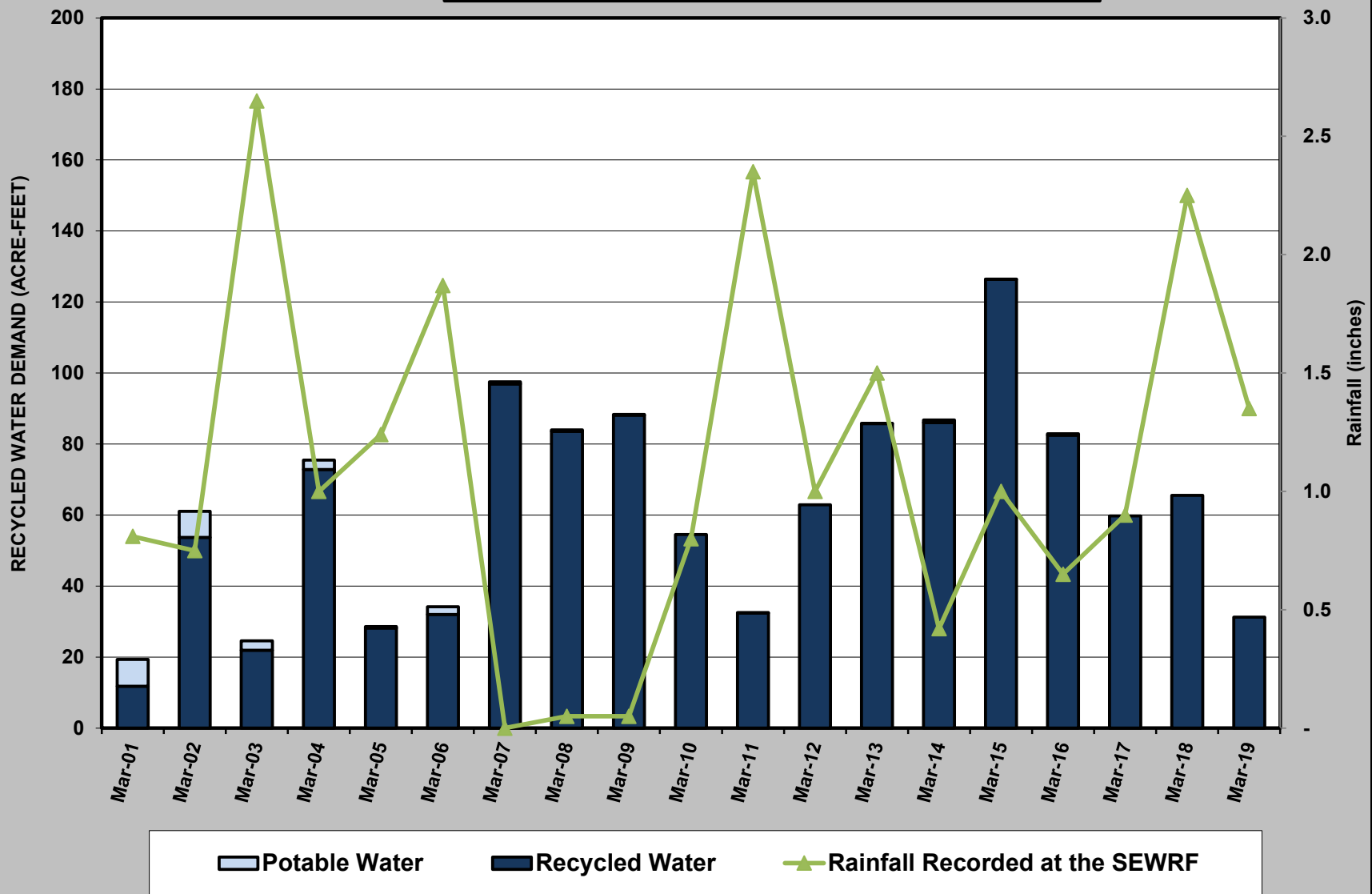
**Figure 1 - MONTHLY RECYCLED WATER DEMAND**



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

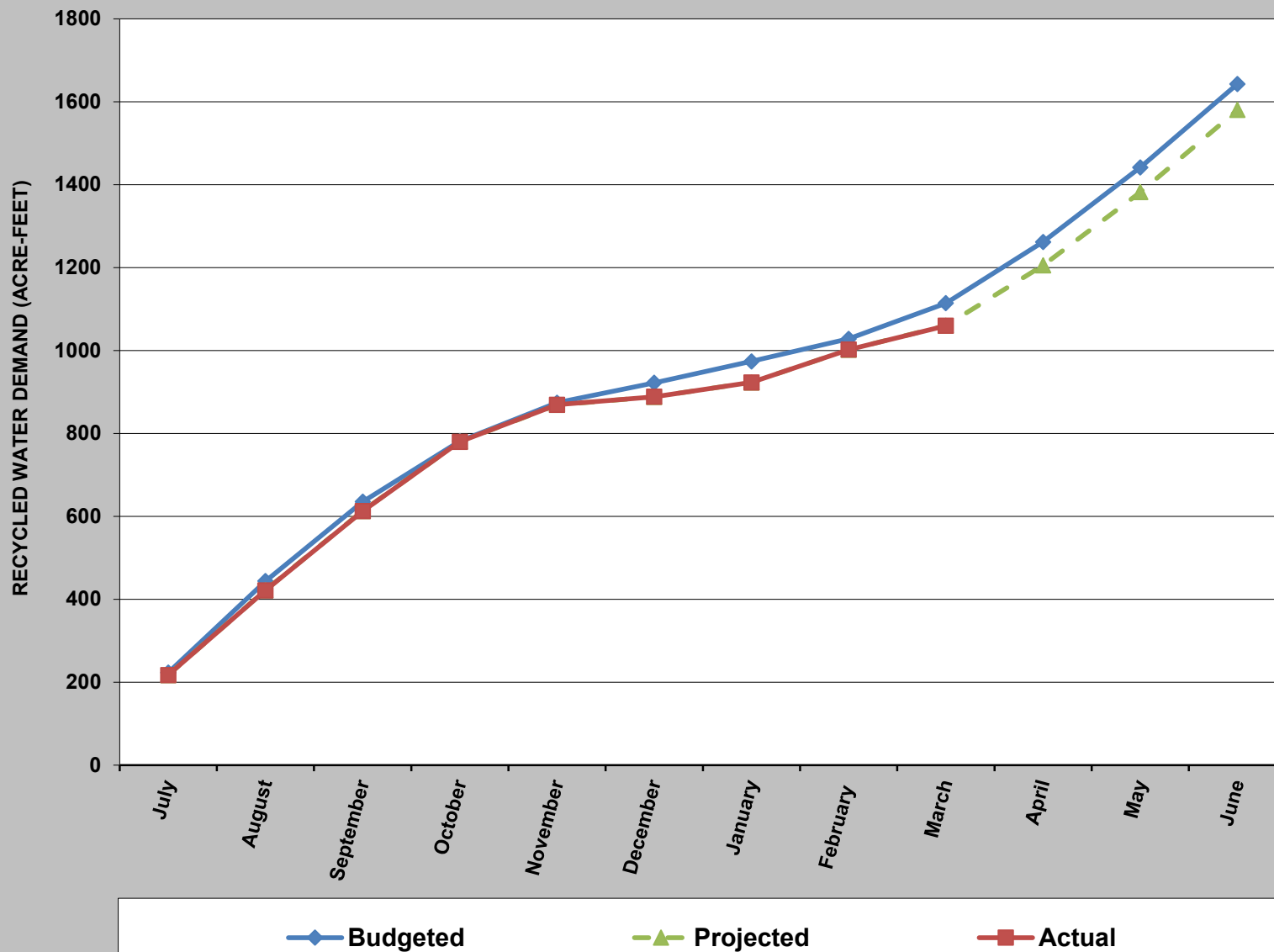


**Figure 3 - MARCH RECYCLED WATER DEMAND**





**Figure 4 - RECYCLED WATER DEMAND BUDGET vs ACTUAL**



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 4, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: AGREEMENT AMENDMENT FOR ENGINEERING SERVICES

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to amend the professional services agreement with Carollo Engineers for an additional \$125,880; and
2. Discuss and take action as appropriate.

BACKGROUND

In November 2017, the San Elijo Joint Powers Authority (SEJPA) selected Carollo Engineers to conduct an Arc Flash and Protection Coordination Study at the San Elijo Water Campus, which included an evaluation of wastewater treatment, water reclamation, and ocean outfall facilities. The study included a detailed field inspection of all electrical equipment, the onsite electrical distribution system, and review of as-built electrical drawings. The information gathered was used to create a software model of the Water Campus power system. Since the SEJPA facilities use high voltage equipment and employees are exposed to high voltage work conditions, the agency is obligated to comply with certain Occupational Safety and Health Administration (OSHA) and National Fire Protection Association (NFPA) 70E safety requirements. The goal of NFPA 70E electrical standards is to reduce worker exposure to shock, electrocution, arc flash, and arc blast while they are working in close proximity to energized or potentially energized electrical conductors or circuits. The study identified electrical hazards, recommended options to eliminate or mitigate these hazards, updated arc flash postings and documentation, and identified Personal Protective Equipment (PPE) requirements in compliance with NFPA 70E and OSHA. The final report and staff training was completed in April 2019.

In January 2020 additional engineering support from Carollo Engineers was requested related to their previous evaluation of the existing electrical system at the Water Campus and evaluation of the potential impacts of the planned Water Campus Improvement (Project). Information to determine if the existing electrical system has adequate capacity to serve the Project (which includes a new administration and operations building, traffic signal, and parking lot and multi-use path lighting) was evaluated. Carollo utilized the electrical model that they developed for the arc flash study to quantify existing loads and to provide recommendations to meet

anticipated new power demands. In addition, Carollo evaluated the existing emergency generator to determine if the generator has capacity available to serve the new project.

## DISCUSSION

All work completed by Carollo to date has been successful and staff recommends continuing with Carollo for arc flash related services. The next step in this process is to prepare arc flash studies and electrical system modeling at each of the City-owned pump stations that are maintained and operated by SEJPA staff. The scope of work for each pump station will be similar; however, due to the age and complexity of the electrical distribution system at each station, effort and cost varies per station. The proposal is separated by pump station so that each City reimburses costs only for the pump stations that they own. For each pump station the scope of work includes:

- Data collection and field investigation
- Power system software modeling
- Short-circuit fault current study
- Protective device coordination study
- Arc flash hazard analysis
- Electrical system report
- Arc flash hazard label production and installation

The result of this work will be that each of the pump stations will have confirmed and correctly adjusted short-circuit and protective device coordination with warning labels at each potential arc flash explosion hazard location.

## FINANCIAL IMPACT

The recommended professional services agreement of \$125,880 is available in the FY 2019-20 operating budget and in the proposed FY 2020-21 operating budget.

It is recommended that the Board of Directors:

1. Authorize the General Manager to amend the professional services agreement with Carollo Engineers for an additional \$125,880; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

Attachment 1: Carollo Engineers – Pump Stations Arc Flash proposal dated April 7, 2020.

April 7, 2020

Mr. Chris Trees  
San Elijo Joint Powers Authority  
2695 Manchester Avenue  
Cardiff, CA 92007

Subject: Proposal to Provide Electrical System Study for SEJPA Pump Stations

Dear Chris:

Thank you for the opportunity to provide this proposal; Carollo values our long-standing relationship with SEJPA and we are excited about the prospect of working together on another Electrical System Study. Our proposed scope of work, project schedule, and fee are presented below.

### **Project Background and Assumptions**

The proposed scope of work includes the preparation of Electrical System Studies for the following eight (8) San Elijo Joint Powers Authority (SEJPA) Pump Stations:

- Cardiff
- Coast
- Eden Gardens
- Lomas Santa Fe (LSF)
- Moonlight Beach
- Olivenhain Sewer
- San Elijo Hills
- Solana Beach

An Electrical System Study will be prepared for each pump station; each study will be comprised of a short-circuit fault current analysis, protective device coordination, and arc-flash analysis, and will be developed in accordance with IEEE Standard 242, NFPA 70E, OSHA, as well as SEJPA's electrical safety objectives & procedures.

This proposal is based on the following assumptions:

1. The scope and fee does not include design services that may be required to correct equipment deficiencies or problems discovered during the course of the field investigation and Electrical System Study development.
2. SEJPA will provide all available as-built documentation including electrical equipment one-lines, elevations, electrical plan drawings, electrical equipment O&M manuals, previous electrical system studies, and any other documentation that provides information on the state of the existing electrical distribution system and components installed at the pump stations.
3. Field investigation of the pump stations will be conducted in a manner to minimize the number of site visits. It is assumed that the field investigation of all pump stations will be conducted in no more than four (4) days (two pump stations per day), and will be conducted during normal working hours (Monday – Friday, 7am to 5pm).
4. No electrical equipment testing (e.g. thermographic inspection, hi-pot testing, insulation resistance testing, etc.) will be required.

5. An ETAP power system modeling software license, registered to SEJPA, will not be required.
6. Separate, stand-alone ETAP power system software models will be developed for each of the eight (8) pump stations and the results and recommendations for all pump stations will be presented in eight (8) Electrical System Study reports, one report for each pump station.

### **Standard of Care**

Carollo will be responsible to the level of competency and standard of care presently maintained by other practicing Professional Engineers performing the same or similar type of Work at the time notice to proceed is issued. Carollo and SEJPA mutually agree that standard of care, as applied to design professionals, shall be defined as the ordinary and reasonable care required and established by expert testimony of what a reasonable and prudent professional would have done under the same or similar circumstances.

### **General Scope of Work**

Carollo's proposed scope of work is comprised of the nine (9) major tasks presented below.

#### **Task 1 – Project Management & Administration**

##### *Subtask 1.1 – Monthly Progress Reports & Invoices*

Carollo will provide monthly progress reports and invoices. Monthly progress reports will communicate progress/work completed in the current period, work/activities anticipated to be completed in the next period, and budget status.

##### *Subtask 1.2 – Progress Meetings/Conference Calls*

Carollo will participate in monthly progress meetings or conference calls for the duration of the Project.

##### *Subtask 1.3 – Quality Management*

All Project deliverables will be thoroughly reviewed by senior staff prior to submission to SEJPA.

## **Task 2 – Cardiff Pump Station Electrical System Study**

The Cardiff Pump Station Electrical System Study is comprised of the following five (5) tasks and associated subtasks (refer to Exhibit A for a detailed description of the work and deliverables associated with the subtasks defined below):

### **Task 2.1 – Data Collection & Field Investigation**

- 2.1.1 – Existing Documentation Review*
- 2.1.2 – Preliminary Arc-Flash Incident Energy Calculations*
- 2.1.3 – Pump Station Shutdown and MOP Development*
- 2.1.4 – Field Investigation*
- 2.1.5 – SDG&E and Stand-By Generator Information*

### **Task 2.2 – ETAP Power System Software Modeling**

- 2.2.1 – Software Model Development*
- 2.2.2 – Short-Circuit Fault Current Study*
- 2.2.3 – Protective Device Coordination Study*
- 2.2.4 – Arc-Flash Hazard Analysis*

### **Task 2.3 – Draft Electrical System Study Report**

- 2.3.1 – Compile Draft Electrical System Study Report*
- 2.3.2 – Draft Electrical System Study Review Meeting*

### **Task 2.4 – Final Electrical System Study Report**

- 2.4.1 – Compile Final Electrical System Study Report*

### **Task 2.5 – Arc-Flash Label Production & Installation**

- 2.5.1 – Protective Device Settings Adjustments*
- 2.5.2 – Arc-Flash Label Production & Installation*

### **Task 3 – Coast Pump Station Electrical System Study**

The Coast Pump Station Electrical System Study is comprised of the following five (5) tasks and associated subtasks (refer to Exhibit A for a detailed description of the work and deliverables associated with the subtasks defined below):

#### **Task 3.1 – Data Collection & Field Investigation**

- 3.1.1 – Existing Documentation Review*
- 3.1.2 – Preliminary Arc-Flash Incident Energy Calculations*
- 3.1.3 – Pump Station Shutdown and MOP Development*
- 3.1.4 – Field Investigation*
- 3.1.5 – SDG&E and Stand-By Generator Information*

#### **Task 3.2 – ETAP Power System Software Modeling**

- 3.2.1 – Software Model Development*
- 3.2.2 – Short-Circuit Fault Current Study*
- 3.2.3 – Protective Device Coordination Study*
- 3.2.4 – Arc-Flash Hazard Analysis*

#### **Task 3.3 – Draft Electrical System Study Report**

- 3.3.1 – Compile Draft Electrical System Study Report*
- 3.3.2 – Draft Electrical System Study Review Meeting*

#### **Task 3.4 – Final Electrical System Study Report**

- 3.4.1 – Compile Final Electrical System Study Report*

#### **Task 3.5 – Arc-Flash Label Production & Installation**

- 3.5.1 – Protective Device Settings Adjustments*
- 3.5.2 – Arc-Flash Label Production & Installation*

#### **Task 4 – Eden Gardens Pump Station Electrical System Study**

The Eden Gardens Pump Station Electrical System Study is comprised of the following five (5) tasks and associated subtasks (refer to Exhibit A for a detailed description of the work and deliverables associated with the subtasks defined below):

##### **Task 4.1 – Data Collection & Field Investigation**

- 4.1.1 – Existing Documentation Review*
- 4.1.2 – Preliminary Arc-Flash Incident Energy Calculations*
- 4.1.3 – Pump Station Shutdown and MOP Development*
- 4.1.4 – Field Investigation*
- 4.1.5 – SDG&E and Stand-By Generator Information*

##### **Task 4.2 – ETAP Power System Software Modeling**

- 4.2.1 – Software Model Development*
- 4.2.2 – Short-Circuit Fault Current Study*
- 4.2.3 – Protective Device Coordination Study*
- 4.2.4 – Arc-Flash Hazard Analysis*

##### **Task 4.3 – Draft Electrical System Study Report**

- 4.3.1 – Compile Draft Electrical System Study Report*
- 4.3.2 – Draft Electrical System Study Review Meeting*

##### **Task 4.4 – Final Electrical System Study Report**

- 4.4.1 – Compile Final Electrical System Study Report*

##### **Task 4.5 – Arc-Flash Label Production & Installation**

- 4.5.1 – Protective Device Settings Adjustments*
- 4.5.2 – Arc-Flash Label Production & Installation*



## **Task 5 – Lomas Santa Fe Pump Station Electrical System Study**

The Lomas Santa Fe Pump Station Electrical System Study is comprised of the following five (5) tasks and associated subtasks (refer to Exhibit A for a detailed description of the work and deliverables associated with the subtasks defined below):

### **Task 5.1 – Data Collection & Field Investigation**

- 5.1.1 – Existing Documentation Review*
- 5.1.2 – Preliminary Arc-Flash Incident Energy Calculations*
- 5.1.3 – Pump Station Shutdown and MOP Development*
- 5.1.4 – Field Investigation*
- 5.1.5 – SDG&E and Stand-By Generator Information*

### **Task 5.2 – ETAP Power System Software Modeling**

- 5.2.1 – Software Model Development*
- 5.2.2 – Short-Circuit Fault Current Study*
- 5.2.3 – Protective Device Coordination Study*
- 5.2.4 – Arc-Flash Hazard Analysis*

### **Task 5.3 – Draft Electrical System Study Report**

- 5.3.1 – Compile Draft Electrical System Study Report*
- 5.3.2 – Draft Electrical System Study Review Meeting*

### **Task 5.4 – Final Electrical System Study Report**

- 5.4.1 – Compile Final Electrical System Study Report*

### **Task 5.5 – Arc-Flash Label Production & Installation**

- 5.5.1 – Protective Device Settings Adjustments*
- 5.5.2 – Arc-Flash Label Production & Installation*

## **Task 6 – Moonlight Beach Pump Station Electrical System Study**

The Moonlight Beach Pump Station Electrical System Study is comprised of the following five (5) tasks and associated subtasks (refer to Exhibit A for a detailed description of the work and deliverables associated with the subtasks defined below):

### **Task 6.1 – Data Collection & Field Investigation**

- 6.1.1 – Existing Documentation Review*
- 6.1.2 – Preliminary Arc-Flash Incident Energy Calculations*
- 6.1.3 – Pump Station Shutdown and MOP Development*
- 6.1.4 – Field Investigation*
- 6.1.5 – SDG&E and Stand-By Generator Information*

### **Task 6.2 – ETAP Power System Software Modeling**

- 6.2.1 – Software Model Development*
- 6.2.2 – Short-Circuit Fault Current Study*
- 6.2.3 – Protective Device Coordination Study*
- 6.2.4 – Arc-Flash Hazard Analysis*

### **Task 6.3 – Draft Electrical System Study Report**

- 6.3.1 – Compile Draft Electrical System Study Report*
- 6.3.2 – Draft Electrical System Study Review Meeting*

### **Task 6.4 – Final Electrical System Study Report**

- 6.4.1 – Compile Final Electrical System Study Report*

### **Task 6.5 – Arc-Flash Label Production & Installation**

- 6.5.1 – Protective Device Settings Adjustments*
- 6.5.2 – Arc-Flash Label Production & Installation*

## **Task 7 – Olivenhain Sewer Pump Station Electrical System Study**

The Olivenhain Sewer Pump Station Electrical System Study is comprised of the following five (5) tasks and associated subtasks (refer to Exhibit A for a detailed description of the work and deliverables associated with the subtasks defined below):

### **Task 7.1 – Data Collection & Field Investigation**

- 7.1.1 – Existing Documentation Review*
- 7.1.2 – Preliminary Arc-Flash Incident Energy Calculations*
- 7.1.3 – Pump Station Shutdown and MOP Development*
- 7.1.4 – Field Investigation*
- 7.1.5 – SDG&E and Stand-By Generator Information*

### **Task 7.2 – ETAP Power System Software Modeling**

- 7.2.1 – Software Model Development*
- 7.2.2 – Short-Circuit Fault Current Study*
- 7.2.3 – Protective Device Coordination Study*
- 7.2.4 – Arc-Flash Hazard Analysis*

### **Task 7.3 – Draft Electrical System Study Report**

- 7.3.1 – Compile Draft Electrical System Study Report*
- 7.3.2 – Draft Electrical System Study Review Meeting*

### **Task 7.4 – Final Electrical System Study Report**

- 7.4.1 – Compile Final Electrical System Study Report*

### **Task 7.5 – Arc-Flash Label Production & Installation**

- 7.5.1 – Protective Device Settings Adjustments*
- 7.5.2 – Arc-Flash Label Production & Installation*

## **Task 8 – San Elijo Hills Pump Station Electrical System Study**

The San Elijo Hills Pump Station Electrical System Study is comprised of the following five (5) tasks and associated subtasks (refer to Exhibit A for a detailed description of the work and deliverables associated with the subtasks defined below):

### **Task 8.1 – Data Collection & Field Investigation**

- 8.1.1 – Existing Documentation Review*
- 8.1.2 – Preliminary Arc-Flash Incident Energy Calculations*
- 8.1.3 – Pump Station Shutdown and MOP Development*
- 8.1.4 – Field Investigation*
- 8.1.5 – SDG&E and Stand-By Generator Information*

### **Task 8.2 – ETAP Power System Software Modeling**

- 8.2.1 – Software Model Development*
- 8.2.2 – Short-Circuit Fault Current Study*
- 8.2.3 – Protective Device Coordination Study*
- 8.2.4 – Arc-Flash Hazard Analysis*

### **Task 8.3 – Draft Electrical System Study Report**

- 8.3.1 – Compile Draft Electrical System Study Report*
- 8.3.2 – Draft Electrical System Study Review Meeting*

### **Task 8.4 – Final Electrical System Study Report**

- 8.4.1 – Compile Final Electrical System Study Report*

### **Task 8.5 – Arc-Flash Label Production & Installation**

- 8.5.1 – Protective Device Settings Adjustments*
- 8.5.2 – Arc-Flash Label Production & Installation*

## **Task 9 – Solana Beach Pump Station Electrical System Study**

The Solana Beach Pump Station Electrical System Study is comprised of the following five (5) tasks and associated subtasks (refer to Exhibit A for a detailed description of the work and deliverables associated with the subtasks defined below):

### **Task 9.1 – Data Collection & Field Investigation**

- 9.1.1 – Existing Documentation Review*
- 9.1.2 – Preliminary Arc-Flash Incident Energy Calculations*
- 9.1.3 – Pump Station Shutdown and MOP Development*
- 9.1.4 – Field Investigation*
- 9.1.5 – SDG&E and Stand-By Generator Information*

### **Task 9.2 – ETAP Power System Software Modeling**

- 9.2.1 – Software Model Development*
- 9.2.2 – Short-Circuit Fault Current Study*
- 9.2.3 – Protective Device Coordination Study*
- 9.2.4 – Arc-Flash Hazard Analysis*

### **Task 9.3 – Draft Electrical System Study Report**

- 9.3.1 – Compile Draft Electrical System Study Report*
- 9.3.2 – Draft Electrical System Study Review Meeting*

### **Task 9.4 – Final Electrical System Study Report**

- 9.4.1 – Compile Final Electrical System Study Report*

### **Task 9.5 – Arc-Flash Label Production & Installation**

- 9.5.1 – Protective Device Settings Adjustments*
- 9.5.2 – Arc-Flash Label Production & Installation*

Mr. Chris Trees  
San Elijo Joint Powers Authority  
April 7, 2020

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## Project Schedule

Carollo is proposing a seven (7) month schedule to complete the scope of work defined herein; please refer to Exhibit B for a detailed preliminary project schedule. Based on the preliminary project schedule and assuming SEJPA issues notice to proceed on May 18, 2020, the project will be complete by December 18, 2020.

## Fee

Carollo's proposed fee for the scope of work presented herein is One Hundred Twenty-Five Thousand Eight Hundred Eighty dollars (\$125,880.00). A detailed breakdown of our proposed fee is included as Exhibit C.

Please contact me directly if you have questions or would like to discuss this proposal.

Sincerely,

CAROLLO ENGINEERS, INC.



Troy Hedlund, P.E.  
Project Manager  
[thedlund@carollo.com](mailto:thedlund@carollo.com)  
(949) 412-6532

TAH:tah

Enclosures: Exhibit A – Detailed Scope of Work  
Exhibit B – Project Schedule  
Exhibit C – Fee Breakdown

cc: Jeff Weishaar

EXHIBIT A – DETAILED SCOPE OF WORK  
San Elijo Joint Powers Authority  
Pump Station Electrical System Study  
Carollo Engineers, Inc.  
April 7, 2020

*“X” denotes major task number identified in the general scope of work (e.g. for Task 2 – Cardiff Pump Station Electrical System Study, “X” = 2)*

#### **Task X.1 – Data Collection & Field Investigation**

This task is comprised of the following subtasks:

##### **X.1.1 – Existing Documentation Review**

Prior to conducting the detailed field investigations, Carollo will review available as-built documentation for the existing electrical systems installed at the pump stations.

##### **X.1.2 – Preliminary Arc-Flash Incident Energy Calculations**

In preparation for development of the field investigation and data collection, Carollo will perform preliminary Arc-Flash incident energy calculations to determine the minimum level of personal protection equipment (PPE) required if data collection has to be performed on energized equipment at any of the pump stations.

##### **X.1.3 - Pump Station Shutdown and MOP Development**

Pump Station shutdown coordination will be conducted with the SEJPA’s operations and maintenance (O&M) staff to establish a Method of Procedure (MOP) for the field investigation that minimizes shutdown durations and disruptions to normal pump station operations. More specifically, the individual components of the electrical power distribution system and the associated process equipment will be evaluated to determine how, when, and if the equipment can be de energized to allow for visual inspection and investigation. Carollo will rely on SEJPA’s O&M staff to provide input and coordinate on the timing of these shutdowns to minimize the impact to overall operations. Whenever possible, field investigation shutdowns will be sequenced to occur during periods of normal facility maintenance shutdowns. However, Carollo understands that normal maintenance shutdowns are rare and if equipment cannot be de energized for field investigation, Carollo will collect data with personal protection equipment (PPE) suitable for the anticipated hazards. In circumstances where Carollo determines that no PPE can suitably protect from an anticipated hazard, the data collection method for that location will be discussed with SEJPA. In cases where arc flash hazard analyses do not exist or are not current, appropriate hazard mitigation techniques will be employed based on the guidelines of NFPA 70E and best safety practices.

##### ***Subtask X.1.3 Deliverables:***

- Field investigation and data collection MOP’s for each pump station. Each MOP will identify the electrical hazards, operating scenarios, approach, and schedule including starting dates/times and durations, safety procedures, and shutdown durations associated with the field investigation/data collection activities, as well as PPE required if data collection has to be performed on energized equipment.

##### **X.1.4 – Field Investigation**

Following the procedure and schedule laid out in the MOP documents, Carollo will conduct field investigation of the existing electrical systems at the pump stations. Carollo will subcontract with a third-party electrician, National Electric Works, to assist during the field investigation and data collection. The specific activities that will occur during field investigation include:

- Wherever possible, de energization of electrical equipment using appropriate lock-out tag-out procedures;
- Testing to confirm absence of voltage after equipment has been de-energized;
- Inspection and documentation of existing equipment ratings via photos and field notes;
- Restore the equipment to its original energized state after data collection is complete.

Individuals involved with the field investigations will be required to adhere to the SEJPA's electrical safety procedures as well as specific safety procedures identified in the work sequencing MOP document. The Carollo will provide the necessary PPE for the Carollo personnel conducting the field investigation.

Any identified areas of concern associated with under-rated equipment, unsafe settings, Electrical Code violations, etc., will be included in the Electrical System Study report along with recommended corrective actions.

#### [X.1.5 – SDG&E and Stand-By Generator Information](#)

The fault current contribution from the electric utility and standby generators are often the most influential parameters in the short-circuit fault current and arc-flash hazard incident energy calculations. Therefore, obtaining accurate data for these contributions is paramount.

Carollo will coordinate with SDG&E to obtain the following information for each pump station:

- Minimum and normal operating service voltage levels
- Minimum and maximum three-phase, short circuit MVA and X/R ratio
- Line-to-ground short circuit MVA and X/R ratio at the point of connection
- Utility upstream protective device information

Carollo will also coordinate with SEJPA and the various stand-by generator manufacturers, if necessary, to obtain the electrical characteristics of the actual generators installed at the pump stations

#### [Subtask X.1.5 Deliverables:](#)

- Documentation containing the provided fault current and distribution values from the electric utility.

#### [Task X.2 – ETAP Power System Software Modeling](#)

After field data is collected and the power system models are created, initial short circuit, protective device coordination, and arc flash hazard analysis will be conducted.

Each load in the electrical distribution system will be modeled to determine short circuit contributions and incident energy levels. Contributions from motors powered solely from variable frequency drives along with loads connected to the system via power electronics will be ignored, as these loads will not significantly contribute to an arcing fault.

The initial short circuit and arc flash incident energy results will be based on the as-found protective device field data. These initial results will serve as a basis for comparing the as-found settings with the proposed settings provided in the Draft Electrical System Study.

All reports will contain individual X and R impedances for each fault and show contributions from the different sources. As required, the study will model multiple configurations that represent the possible operating scenarios for the pump station. Input from SEJPA will be used to determine the operational scenarios. These scenarios are critical to the calculation of arc-flash incident energy levels, as the worst case incident energy may occur as a result of either minimum or maximum short-circuit fault current conditions.



#### *Subtask X.2.1 – Software Model Development*

The information gathered during the utility coordination effort and the data collected during the field investigations will be used to create software models of the electrical power systems for the pump stations. The models will include multiple distribution configurations to represent the possible electrical system operating scenarios.

As was done for the SEJPA Water Reclamation Plant Electrical System Study, Carollo intends to develop the electrical power system software model using ETAP software.

#### *Subtask X.2.2 – Short-Circuit Fault Current Study*

Carollo will perform a short-circuit fault current study to develop/calculate the following:

- A tabulated list of short-circuit interrupting/withstand ratings for all equipment collected from the field with the calculated, largest short-circuit current for each bus;
- 3-phase, bolted fault, line-to-line fault, line-to-ground fault, and double line-to-ground fault;
- Short-circuit, 1/2-cycle, momentary symmetrical and asymmetrical root mean-square (RMS).

#### *Subtask X.2.3 – Protective Device Coordination Study*

Carollo will perform a Protective Device Coordination (PDC) Study, which will include development of circuit breaker time-current curves and an analysis of mis-coordination issues between existing protective devices (e.g. protection relays, circuit breakers, fuses, etc.) installed at the pump stations. The PDC will be performed in accordance with IEEE Standard 242 and other applicable codes and standards. Small, low-voltage distribution systems will be examined to determine if non-adjustable protective devices create a dangerous or unreliable situation. Coordination issues and recommendations will be tabulated in a report and presented for SEJPA's review as part of the draft Electrical System Study report.

The time-current curves will include the SDG&E protective device immediately upstream of the service transformer when available, and continue down to and including the largest adjustable or fixed-trip circuit breaker in the distribution system or the main breaker in lighting panels. Where necessary, equipment damage curves will also be shown to confirm adequate protection is provided with the modeled protection overcurrent settings.

#### *Subtask X.2.4 – Arc-Flash Hazard Analysis*

Based on the results of the short circuit study, protective device settings and data obtained during the field investigation, Carollo will perform an Arc-Flash Hazard Analysis to calculate preliminary arc-flash incident energy levels. The results of the Arc-Flash Hazard Analysis will include the following specific information:

- Arc fault magnitude;
- Protective device clearing time;
- Incident energy at associated working distance;
- Arc flash boundary;
- Shock hazard boundaries;
- PPE requirements.

### **Task X.3 – Draft Electrical System Study Report**

#### *Subtask X.3.1 – Compile Draft Electrical System Study Report*

Carollo will provide a Draft Electrical System Study that will summarize the results of the initial short circuit study, protective device coordination study, arc flash hazard analysis, and identify any insufficient equipment ratings or other concerns related to the operation or condition of equipment,

The initial arc flash incident energy results presented in the draft report will be based on the as-found settings for protective devices obtained during field investigation. Recommended adjustments to protective device settings will be provided along with the associated Time Current Curves (TCC). Review of the as-found vs. recommended settings will be discussed during the Draft Electrical System Study review meeting.

A quality management review by a senior level electrical engineer will be conducted prior to submittal to SEJPA.

#### *Subtask X.3.1 Deliverables:*

- Three (3) bound hard copies of the Draft Electrical System Study Report.
- One (1) Electronic .pdf copy of the Draft Electrical System Study Report.

#### *Subtask X.3.2 – Draft Electrical System Study Review Meeting*

After submitting the Draft Electrical Systems Study Report, Carollo will conduct a meeting with SEJPA Staff to review the contents of the draft report. During the review meeting, Carollo will provide a brief overview on the basics of interpreting time-current curves, arc-flash, and short-circuit fault current results as well as equipment protection philosophy and relay/breaker settings. Carollo's objective will be to ensure that SEJPA Staff reviewing the draft study and participating in the Project have a fundamental understanding of the technical issues that affect the results and implementation of the study. The discussion will include any outstanding code compliance issues along with possible mitigation options that SEJPA may want to consider as part of future projects. As part of the Draft Electrical System Study Review meeting, Carollo will review the recommended protective device setting adjustments summarized in the Draft Electrical System Study report.

#### *Subtask X.3.2 Deliverables:*

- Draft Electrical System Study review meeting presentation slides;
- Draft Electrical System Study review meeting minutes.

### **Task X.4- Final Electrical System Study Report**

#### *Subtask X.4.1 – Compile Final Electrical System Study Report*

Carollo will incorporate the decisions made during the Draft Electrical System Study review meeting into the electrical system study. Modified protective device settings and affected time-current curves will be updated. Both as-found and modified protective device settings and time current curves will be provided in the Final Electrical System Study report.

As part of the Final Electrical Systems Study report, Carollo will provide the revised short-circuit fault current, protective device coordination, and arc flash study results.

The ETAP power system software model and database files will be provided to the Authority for future edits and updates.

A quality management review of the Final Electrical Systems Study report will be conducted by senior electrical engineering staff prior to being submitted to SEJPA.

#### *Subtask X.4.1 Deliverables*

- Three (3) bound hard copies of the Final Electrical System Study Report;
- One (1) Electronic .pdf copy of the Final Electrical System Study Report;
- Electronic copies in native ETAP format of all power system software model and database files.

## Task X.5 – Arc-Flash Label Production & Installation

### *Subtask X.5.1 – Protective Device Settings Adjustments*

Carollo, through our electrical subcontractor (National Electric Works), will make settings adjustments to protective devices to implement the protection settings reflected in the Final Electrical System Study report. Site visits to adjust protective device settings will be coordinated with SEJPA, and to the extent possible settings adjustments will be made without de-energizing equipment. If settings are adjusted on energized equipment all personnel present within the hazard boundary will be required to wear the appropriate PPE.

#### *Subtask X.5.1 Deliverables:*

- Protective device settings adjustment forms, signed by a Carollo representative, confirming the proper settings have been set.

### *Subtask X.5.2 – Arc-Flash Label Production & Installation*

Based on the calculated Arc-Flash incident energy values presented in the Final Electrical System Study report, Carollo will provide and apply the vinyl Arc-Flash hazard labels on the following 480-Volt equipment that is likely to require examination, adjustment, servicing, and/or maintenance while energized:

- Switchboards – hazard labels will be installed on the front of each incoming section or compartment;
- Generators;
- Transformers, including all dry-type transformers;
- Motor control centers;
- Freestanding variable frequency drives and starters;
- Disconnect switches;
- Panelboards, including all 240- and 208-volt systems;
- Vendor control panels;
- The front of accessible cable compartments and accessible rear or side sections.

The following equipment will not have labels provided:

- Motors.
- Utility equipment.
- HVAC equipment.

#### *Subtask X.5.2 Deliverables:*

- One (1) adhesive Arc-Flash hazard label for each location on electrical equipment identified above.

EXHIBIT B - Project Schedule  
 San Elijo Joint Powers Authority  
 Pump Station Electrical System Study  
 Carollo Engineers, Inc.  
 April 7, 2020

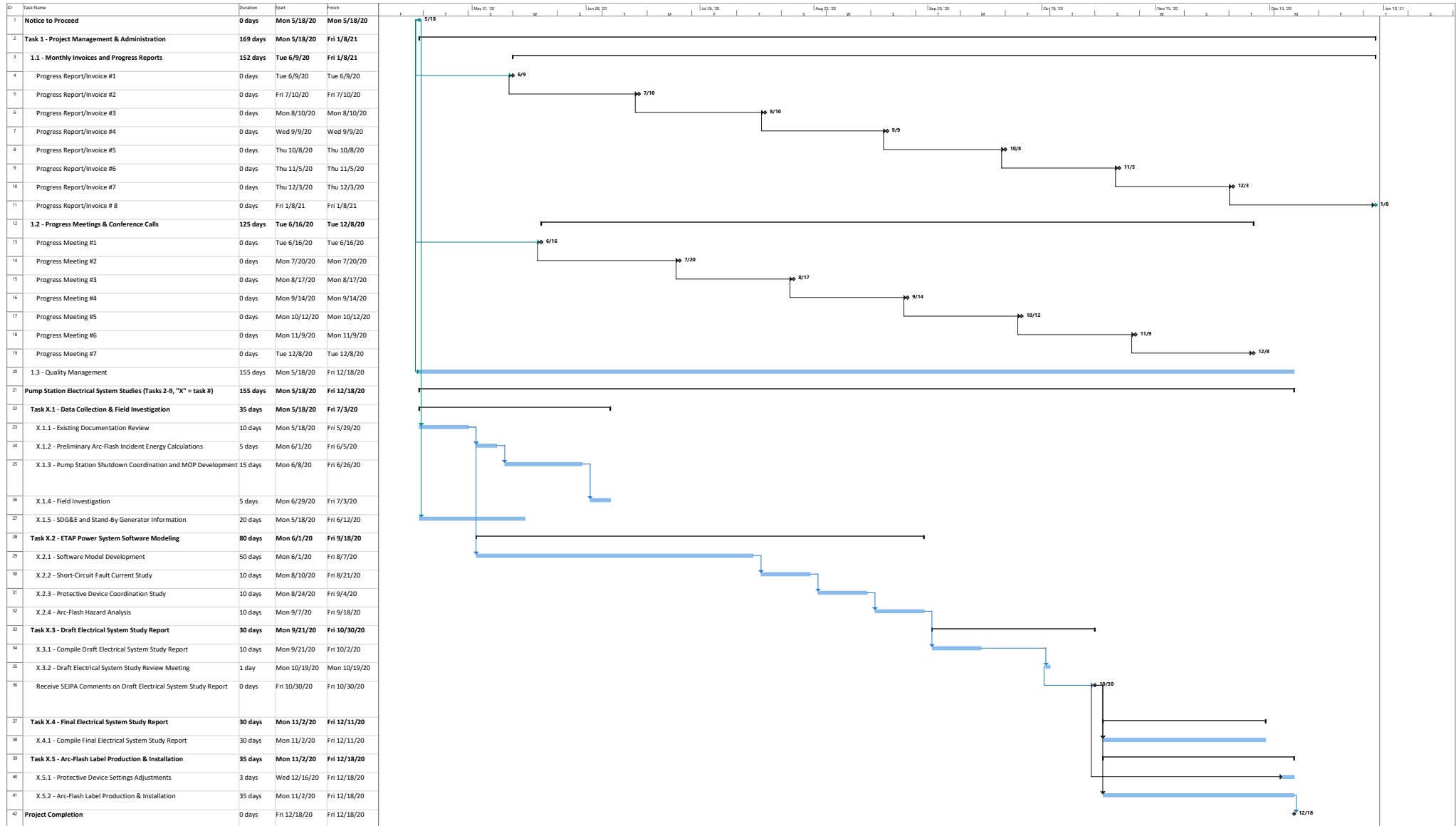


EXHIBIT C - FEE BREAKDOWN  
San Elijo Joint Powers Authority  
Pump Station Electrical System Study  
Carollo Engineers, Inc.  
April 7, 2020

	CAROLLO LABOR					PROJECT COSTS		
	Principal-In-Charge/Project Manager (Troy Hedlund)	Lead Project Professional Engineer	Assistant Professional Engineer	Document Processing/Clerical	TOTAL CAROLLO LABOR HOURS	Carollo Labor Cost	Subcontractor (National Electric Works)	TOTAL COST
Hourly Billing Rate	\$245.00	\$220.00	\$175.00	\$110.00				
Task 1 - Project Management & Administration	32	32	16	0	80	\$ 17,680.00	\$ -	\$ 17,680.00
Task 2 - Cardiff Pump Station Electrical System Study	2	16	24	4	46	\$ 8,650.00	\$ 1,750.00	\$ 10,400.00
Task 3 - Coast Pump Station Electrical System Study	2	20	40	4	66	\$ 12,330.00	\$ 1,750.00	\$ 14,080.00
Task 4 - Eden Gardens Pump Station Electrical System Study	2	20	40	4	66	\$ 12,330.00	\$ 1,750.00	\$ 14,080.00
Task 5 - Lomas Santa Fe Pump Station Electrical System Study	2	16	24	4	46	\$ 8,650.00	\$ 1,750.00	\$ 10,400.00
Task 6 - Moonlight Beach Pump Station Electrical System Study	4	30	48	8	90	\$ 16,860.00	\$ 1,750.00	\$ 18,610.00
Task 7 - Olivenhain Sewer Pump Station Electrical System Study	4	30	48	8	90	\$ 16,860.00	\$ 1,750.00	\$ 18,610.00
Task 8 - San Elijo Hills Pump Station Electrical System Study	2	8	20	4	34	\$ 6,190.00	\$ 1,750.00	\$ 7,940.00
Task 9 - Solana Beach Pump Station Electrical System Study	2	20	40	4	66	\$ 12,330.00	\$ 1,750.00	\$ 14,080.00
TOTAL - ALL TASKS	52	192	300	40	584	\$ 111,880.00	\$ 14,000.00	\$ 125,880.00

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 4, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY UPDATED EMPLOYEE HANDBOOK

RECOMMENDATION

It is recommended that the Board of Directors:

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

BACKGROUND

The Employee Handbook is a document that communicate agency policies, state and federal employment laws, and promote fairness and consistency in the workplace. In addition to these important functions, San Elijo Joint Powers Authority (SEJPA) utilizes the handbook to communicate its business and employment philosophies, employment values, and history of the agency. Furthermore, the handbook helps define the legal relationship between the employer and the employee, and highlights employee's workplace rights and responsibilities.

The employee handbook also provides set standards related to employment practices, compensation and timekeeping, employment benefits, leaves of absence, employee relations and conduct standards, employee health and safety, and other employment policies. The handbook appendixes include alcohol and drug use policies, administrative policies, employer-employee organization relations, and labor agreement resolutions, which provide a central location for important employee information.

The Employee Handbook was last updated in September 2019 to reflect changes in employment law and SEJPA employment practices and policies.

DISCUSSION

SEJPA staff, working with legal counsel, Procopio Cory Hargreaves & Savitch, LLP, has

reviewed of the employee handbook to incorporate changes to work shifts, workweek, and overtime policies as a result of SEJPA's staffing and shift changes due to COVID-19. In addition, minor changes were also captured to update the labor classifications and employment status.

Revisions included the following on pages 27, 86, 87, 89, and 90:

- ✓ Classifications
  - Updated classifications to reflect all Board of Directors' approved positions from the December 9, 2019 Board Meeting
- ✓ Employment Status
  - Added Full-Time Intern and Part-Time Intern definitions to reflect all Board of Directors' approved employment status from the December 9, 2019 Board Meeting
- ✓ Work Shifts, Workweek, Overtime and Compensatory Time Off (CTO)
  - Updated shifts, workweek, and overtime policies to reflect response to current and future emergency orders

#### FINANCIAL IMPACT

There is no financial impact associated with accepting and filing the Updated Employee Handbook. The proposed new work shifts provide alternatives for meeting work flow demands and COVID-19 response without the need for scheduled overtime.

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

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

Respectfully submitted,



---

Amy Chang  
Director of Finance and Administration

Attachment 1: Employee Handbook, May 2020

## ATTACHMENT 1



# EMPLOYEE HANDBOOK

MAY 2020

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### Notice of Proprietary Information, Supersedure and Authority to Change

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*This Employee Handbook is the property of San Elijo Joint Powers Authority (SEJPA). The information contained herein is proprietary and may not be copied or reproduced without the express written permission of SEJPA. This Handbook has been prepared for the express use of personnel employed by SEJPA.*

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*The contents of this Handbook supersede all previously issued personnel, employment, and human resource related policies and practices as of this date, and they may be interpreted and/or amended by the General Manager or a duly authorized designee. Further, the contents of this Handbook are for general information purposes only and do not necessarily express all procedural or processing conditions, eligibility standards, and other qualifying information that may be associated with our employment policies and practices. Employees who have questions concerning specific policies, practices or standards should contact the General Manager or Designee for more detailed information.*

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## **A Welcome from the General Manager**

Welcome to San Elijo Joint Powers Authority (herein referred to as "SEJPA"). SEJPA is a joint powers authority between the Cities of Encinitas and Solana Beach (member agencies) and was founded as a county sanitation district. In addition to providing wastewater treatment and disposal to our member agencies, SEJPA provides regional services such as ocean outfall management, analytical laboratory services, and water recycling. We play an important role in the protection of the public's health and safeguarding the environment from water pollution, while emphasizing resource recovery and recycling in our treatment processes. SEJPA has received industry recognition and awards for innovation, performance, and safety, which is a direct reflection on the work ethic and dedication of our staff. Our employees have been the basis of our success and are the foundation of our future.

The purpose of this Employee Handbook is to help you become acquainted with SEJPA, our employment policies, employee benefits, and operating practices. It summarizes the programs and key policies currently in effect at SEJPA, and explains your responsibilities as an employee. This Handbook supersedes and replaces any and all previously issued employment handbooks and human resource policies and practices concerning the subject matter contained herein.

This Handbook does not cover every aspect of your employment with SEJPA, and it is not intended to provide in detail all policies, practices, and procedures. Consequently, the contents of this Handbook may be amended at any time by SEJPA at its sole discretion. SEJPA retains the right to change, modify, add, suspend, interpret or discontinue any of its policies, procedures, practices, work rules or benefits that are stated in this Handbook as required by changes in law or business conditions. Changes to this Handbook will be communicated through a memo or Handbook update.

Many of the guidelines and benefits contained in this Handbook have been summarized from policy statements, insurance contracts, and legal plan documents. Should there be a difference between the contents of this Handbook and the contents of any current plan document, summary plan description, policy, or contract, then the current plan document or contract will prevail. When questions arise that are not answered in this Handbook, please do not hesitate to contact your supervisor, a director or me for assistance.



Michael T. Thornton  
General Manager

## Mission of San Elijo Joint Powers Authority

*To serve our communities by providing safe and reliable recycled water and wastewater services in order to protect the environment and public health.*

## Vision

*We pursue innovative practices to produce clean water in an environmentally, socially, and fiscally responsible manner.*

### ***As an organization, San Elijo Joint Powers Authority values:***

**Public Trust** - Honor and promote public confidence through transparency, personal character, and the highest level of professional behavior.

**Honesty and Integrity** - Be truthful and factual in upholding the values and ethics of the agency.

**Responsibility** - Be accountable for one's conduct and actions.

**Loyalty** - Faithfully and reliably promote the best interests of the agency and fellow employees.

**Courtesy** - Be respectful, considerate, aware, and caring.

**Human Value** - Provide equal opportunity for all employees to succeed and grow professionally and personally.

**Safety** - Ensure individual safety and the safety of co-workers and the public, without compromise.

**Community** - Demonstrate leadership and stewardship in serving the community and protecting the environment.

**Value** - Provide superior service to the community in a safe, reliable, and cost-effective manner.

## **SAN ELIJO JOINT POWERS AUTHORITY INFORMATION**

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### **INTRODUCTION: SAN ELIJO JOINT POWERS AUTHORITY BACKGROUND**

#### Our Background

SEJPA was created in 1963 by the Cardiff and Solana Beach Sanitation Districts to address wastewater disposal needs for the coastal communities of Cardiff by the Sea and Solana Beach. The County of San Diego operated and maintained SEJPA's facilities from 1965 until 1987. In 1987, the communities of Encinitas and Solana Beach became cities and gained local control of the wastewater facilities they owned. At that time, the San Elijo Water Pollution Control Facility only provided primary wastewater treatment prior to ocean disposal. In 1991, the water pollution control facility was upgraded to secondary treatment for compliance with the Federal Clean Water Act. In 2000, SEJPA added tertiary treatment and renamed the facility the San Elijo Water Reclamation Facility (SEWRF).

Currently, the SEWRF serves as a regional wastewater treatment facility for a service area encompassing approximately 19 square miles, a population of over 40,000 people, and has a primary and secondary treatment capacity of 5.25 million gallons per day (mgd). Wastewater service is provided to the cities of Encinitas, Del Mar, and Solana Beach, as well as to the community of Rancho Santa Fe.

SEJPA's recycled water treatment system produces up to 3.02 mgd of recycled water, which is conveyed to four water districts through 20 miles of pipelines. The recycled water treatment includes advanced water purification (AWP) that produces up to 0.5 mgd of highly treated water utilizing microfiltration and reverse osmosis systems.

For disposal of wastewater that is not recycled, SEJPA jointly owns the San Elijo Ocean Outfall with the City of Escondido. The ocean outfall has a rated capacity of 25.5 mgd; however, the average daily flow discharged to the ocean is much less as both SEJPA and the City of Escondido operate recycled water programs.

SEJPA prides itself on providing safe and reliable recycled water and wastewater services in order to protect the environment and public health, while providing equal opportunity for all employees to succeed and grow professionally and personally.

### **SCOPE, AUTHORITY AND APPLICATION**

SEJPA's Employee Handbook (Handbook) sets forth employment and human resource policies and procedures of SEJPA. This Handbook is intended to provide for a fair and equitable system of human resource management. The human resource system is based on the principles of a merit system of employment. Therefore, the hiring, retention, and promotion of employees shall be based upon merit, including job-related knowledge, experience, ability, performance, aptitude, attitude, and other factors as SEJPA may deem necessary and appropriate for each position.

The provisions of this Handbook have been adopted by resolution of SEJPA's Board of Directors through the authority of the General Manager as authorized by the Board. This Handbook does not limit the development of internal rules and operating procedures for specific SEJPA

departments, or the development of administrative procedures governing the implementation of these policies and procedures.

This Handbook shall apply to all departments, positions, and employees in the service of SEJPA except:

- Elected officers;
- Members of appointment boards, commissions, and committees; and
- Persons engaged under contract for construction, supplies, or expert professional or technical services for a definite period of time except as otherwise herein provided.

## **CONTRACT DISCLAIMER**

This Handbook is not an employment contract. It should not be interpreted to create any expressed or implied contractual rights between SEJPA and any employee; nor should it be construed as a guarantee of continued employment.

The laws of the State of California affirm that employees of SEJPA are hired and serve at the pleasure of SEJPA. The General Manager is fully authorized to appoint and terminate all persons employed by SEJPA. Therefore, the employment relationship is considered to be “at-will”, meaning the employment relationship may be terminated at any time either by the employee or by SEJPA for any reason (unless prohibited by law), with or without advance notice. Any verbal or written representations to the contrary are invalid and should not be relied upon by current or prospective employees. Exception to the continuing at-will status of any employee may exist where the Board of Directors expressly authorizes the General Manager to enter into a written employment agreement, the terms of which may alter or modify the at-will employment provision for a period of time.

## **SEJPA RIGHTS**

SEJPA has the right and responsibility to operate its business, which includes but is not limited to the exclusive right to determine, change, discontinue, alter, or modify in whole or in part, temporarily or permanently, any of the following:

1. The number, location, or types of facilities;
2. Operational and administrative standards, methods, and procedures;
3. The subcontracting of facility construction and maintenance, or work that may be required to be performed by SEJPA through subcontract, outsource, or independent contractors;
4. SEJPA’s supplies, tools, vehicles, equipment, and machinery;
5. The promotion, demotion, transfer, discipline, termination, and other performance corrective actions of all employees;
6. The number of employees, including the number of employees assigned to any particular department or shift, and whether, when, or where there is a job opening;



7. Reasonable standards of performance, and whether any employee meets such standards;
8. The need for and the administration of physical examinations or psychological tests, background information, criminal record, or drug screening of employees;
9. The direction, work assignments, and supervision of all employees;
10. The policies, practices, rules, and regulations for all employees;
11. When overtime or on call assignments shall be worked or rescinded;
12. The hiring of full-time, part-time, and temporary employees;
13. The funding of each benefit, including the identity and selection of each carrier, insurer, fiduciary, administrator or trustee, and benefit plan design;
14. The security of the employees, premises, facilities, and property of SEJPA;
15. The utilization of all SEJPA premises, equipment, and facilities; and
16. The job classifications and the content and required qualifications of all SEJPA employees.

## **CUSTOMER SERVICE RELATIONS**

Satisfied customers are an important means by which SEJPA can measure its success. All employees contribute to satisfying our customers through responsive, cooperative, and thorough work results, as well as skillful interaction with customers, co-workers, management, Board Members, and others in the community we serve. Therefore, it is the responsibility of every employee to be pleasant, have a positive attitude, and provide prompt and professional services to our customers at all times.

## **EMERGENCY PLANNING / DISASTER PREPAREDNESS**

SEJPA provides vital public services which affect the health and safety of our customers and the communities we serve. Emergencies such as severe weather, flooding, fires, power failures, earthquakes, or civil disturbances can disrupt SEJPA operations, or the services of other public entities that rely on our services. To deal effectively with such conditions, SEJPA has adopted an Emergency/Disaster Operations Plan in accordance with the Emergency Services Act (Gov't. Code § 8550 et seq.) that enables us to be prepared for conditions that may disrupt service to our customers.

During your introductory employment period, you should become familiar with SEJPA's Emergency/Disaster Operations Plan through discussion with your supervisor/manager. It is imperative that each employee knows his/her role during such an event, including how other aspects of SEJPA operations will perform in order to properly coordinate our work under these conditions. Employees should also understand that it is our public service duty to promptly report to work, and/or call your supervisor/manager or SEJPA office to confirm activation of SEJPA's Emergency/Disaster Operations Plan, in order to expedite service recovery or provide mutual aid to our neighboring agencies.

There may also be instances in which public service or safety of our services is not in jeopardy, but other conditions may require the closing of SEJPA offices and/or operations. When the decision to close is made, employees will receive official notification from management, and time

worked will be paid. When the decision to close is made before the workday begins, time off from scheduled work will be unpaid for non-exempt employees and paid for exempt. Non-exempt employees may use available paid leave time, such as unused vacation, holidays, and comp time benefits. Employees in essential operations may be asked to work on a day when operations are officially closed. In these circumstances, employees who work will receive regular pay.

## EMPLOYMENT PRACTICES

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### EQUAL EMPLOYMENT OPPORTUNITY

SEJPA is an Equal Opportunity Employer and makes employment decisions on the basis of merit. SEJPA's policy prohibits unlawful discrimination based on race (including hair texture and protective hairstyles), color, age, religion, religious creed (which includes religious dress and grooming practices), gender (which includes gender identity and gender expression), sexual orientation, national origin or ancestry (which includes, but is not limited to, national origin groups and aspects of national origin, such as height, weight, accent, or language proficiency), immigration/citizenship status (which includes undocumented individuals and human trafficking), marital status, military or veteran status (including state and federal active and reserve members as well as those ordered to duty or training), sex (including pregnancy, childbirth, breastfeeding and related medical conditions), physical or mental disability, medical condition, including genetic characteristics, or any other consideration made unlawful by federal, state, or local laws. It also includes a perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of these characteristics. All such discrimination is unlawful. SEJPA maintains a zero tolerance for violations of this nondiscrimination policy by any employee or other persons doing business with SEJPA, and will take prompt and appropriate measures to enforce an atmosphere of non-discrimination in the workplace. Any employee who believes he/she has been subjected to unlawful discrimination should follow the complaint procedure outlined below.

### AMERICANS WITH DISABILITIES ACT

The employment-related provisions of the Americans with Disabilities Act (ADA) and the California Fair Employment and Housing Act (FEHA) apply to all employees and job applicants seeking employment with SEJPA. Under the ADA and FEHA, a qualified individual with a disability is an individual who, with or without reasonable accommodation, can perform the essential functions of the position for which he/she is employed or for which he/she has applied.

SEJPA has a legal obligation to inquire if it becomes aware of a potential disability. SEJPA will attempt to provide reasonable accommodation for known physical or mental disabilities if a job applicant or employee is otherwise qualified, unless undue hardship related to the necessity of business operations would result. An applicant or employee who requires accommodation in order to perform the essential functions of the job should inform SEJPA to request an evaluation of such an accommodation.

Contact the General Manager for further information.

### UNLAWFUL HARASSMENT INCLUDING SEXUAL HARASSMENT

SEJPA is committed to maintaining a work environment that is free of any form of harassment. In keeping with this commitment, we will not tolerate harassment of employees by anyone, including any supervisor, manager, co-worker, customer, supplier, vendor, independent contractor, or visitor. Similarly, any employee's harassment of persons seeking employment with SEJPA, or harassment of our customers, suppliers, vendors, visitors, independent contractors, or anyone

else who conducts, attempts to conduct, or is solicited for business with SEJPA will not be tolerated.

SEJPA is equally committed to providing a workplace that is free from sexual harassment, as well as unlawful harassment based on race (including hair texture and protective hairstyles), color, age, religion, religious creed (which includes religious dress and grooming practices), gender (which includes gender identity and gender expression), sexual orientation, national origin or ancestry (which includes, but is not limited to, national origin groups and aspects of national origin, such as height, weight, accent, or language proficiency), immigration/citizenship status (which includes undocumented individuals and human trafficking), religion, marital status, military or veteran status (including state and federal active and reserve members as well as those ordered to duty or training), sex (including pregnancy childbirth, breastfeeding and related medical conditions), physical or mental disability, medical condition, including genetic characteristics, or any other basis protected by federal, state, or local law, ordinance, or regulation. It also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. All such harassment is unlawful, and therefore deemed to be a form of gross misconduct.

Sexual harassment is one specifically prohibited type of harassment. Unwelcome or unwanted sexual advances, requests for sexual favors, and other physical, verbal, or visual conduct based on sex constitute sexual harassment. It is harassment when, for example:

- Submission to the conduct is an explicit or implicit term or condition of employment;
- Submission to, or rejection of, the conduct is used as the basis for an employment decision; or,
- The conduct has the effect of creating an intimidating, hostile, or offensive working environment or unreasonably interfering with an individual's work performance.

Examples of types of unlawful harassment include:

- Verbal Conduct such as epithets, derogatory or offensive comments, slurs, comments about an individual's body or dress, dirty jokes, persistent request for dates, or unwanted sexual advances, invitations, or comments (including, but not limited to, threats of deportation against applicants and employees and family members of applicants and employees, derogatory comments about immigration status, or mockery of an accent or a language or its speakers).
- Visual Conduct such as derogatory or offensive cartoons, pictures, photographs, drawings, or gestures.
- Physical Conduct such as assault, blocking normal movement, or interference with work directed at an individual because of his/her sex or other protected basis.
- Threats and Demands to submit to sexual requests in order to keep a job or avoid some other loss, and offers of job benefits in return for sexual favors.
- Retaliation for having reported harassment.

### Reporting Procedures

All employees are responsible for helping to ensure a workplace free of harassment. Any employee who believes he/she has been subjected to unlawful harassment should follow the complaint procedure outlined below. Employees must report conduct prohibited by this policy whether or not they are personally involved.

Employees should contact the General Manager directly with any questions.

### **RETALIATION**

SEJPA prohibits retaliation against any employee because of the employee's opposition to a practice or conduct the employee reasonably believes to be unlawful or because of the employee's lawfully protected participation in an investigation or proceeding. Any retaliatory adverse action because of such opposition or participation may be unlawful and will not be tolerated.

Employees who believe they have been subjected to unlawful retaliation should follow the complaint procedure outlined below.

### **COMPLAINT PROCEDURE – HARASSMENT, DISCRIMINATION AND RETALIATION**

Employees must report all incidents believed to be unlawful discrimination, harassment, or retaliation, regardless of whether they are the alleged victim, a witness, a bystander, or otherwise. If an employee believes he/she has been subjected to any form of such unlawful conduct, or has knowledge of such unlawful conduct, the employee must submit a complaint, preferably in writing, to his or her supervisor or the General Manager. If these individuals are not available, or in the event the employee believes that one of these individuals has engaged in inappropriate behavior in violation of these policies, should submit a complaint to any other supervisor as soon as possible. Supervisors must report any and all conduct of which they are made aware, which violates, or may violate, policies regarding unlawful discrimination, harassment, or retaliation to the Director of Finance and Administration, the Director of Operations, or the General Manager, as appropriate.

All complaints submitted pursuant to this policy should be done in writing, but they may be done verbally. Complaints should be specific and should include the names of the individuals involved and the names of any witnesses.

SEJPA encourages all employees to immediately report any incidents of unlawful discrimination, harassment, and/or retaliation so that complaints can be quickly and fairly resolved. All complaints will be handled as confidentially as possible and information will be disclosed only as it is necessary to complete the investigation and resolve the matter.

Upon notice of such a complaint, SEJPA will attempt to resolve the situation by promptly undertaking an effective, thorough, and objective investigation through the use of "qualified personnel" and using methods that provide all parties with "appropriate due process." During the investigation, SEJPA will provide regular progress updates, as appropriate, to those directly involved. SEJPA will strive to complete its investigation as efficiently as possible in light of the allegations and will reach any conclusions based on the evidence collected.

If SEJPA determines that unlawful conduct or a violation of applicable policies has occurred, appropriate remedial measures will be taken in accordance with the circumstances involved. Any

employee determined by SEJPA to be responsible for unlawful discrimination, harassment, and/or retaliation will be subject to appropriate disciplinary action, up to and including termination. Appropriate action will also be taken to deter future conduct.

There will be no retaliation against any employee who brings a complaint in good faith or who honestly assists in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven.

## **GOVERNMENTAL ADMINISTRATIVE REMEDIES FOR DISCRIMINATION AND HARASSMENT**

In addition to notifying SEJPA about discrimination, harassment, or retaliation complaints, affected employees may also direct their complaints to the California Department of Fair Employment and Housing (DFEH), which has the authority to conduct investigations. Generally, the deadline for filing complaints with the DFEH is one year from the date of the alleged unlawful conduct. Employees can contact the nearest DFEH office or the Equal Employment Opportunity Commission (EEOC) at locations listed in EEO posters located within SEJPA facility, their respective websites, or the state government listings in the local telephone directory.

## **IMMIGRATION LAW COMPLIANCE**

SEJPA is committed to employing only those individuals who are authorized to work in the United States, and does not unlawfully discriminate on the basis of citizenship or national origin. In compliance with the Immigration Reform and Control Act, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form (I-9) and present documentation establishing identity and employment eligibility no later than three days following date of hire. If appropriate documentation is not received within this time, the employment relationship may be terminated.

## **JOB DUTIES AND JOB DESCRIPTIONS**

SEJPA maintains job descriptions/position classifications for every distinct job. Such job descriptions contain, at a minimum, a general summary of the job duties, minimum and desired qualifications and background, essential job functions, and physical/environmental factors associated with performance of the job. Job descriptions are used for such purposes as employment advertising, pay rate assignment, selection, testing (including pre-employment medical assessments and work-related injury assessments), and performance evaluations.

An employee's job responsibilities that are within the general scope, responsibilities, and skills required may change at any time during employment. From time to time, an employee may be asked to work on special projects or to assist with other work if necessary or important to the operation of a department or SEJPA. An employee's cooperation and assistance in performing such additional work is expected.

SEJPA reserves the right to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities within the general and reasonable scope of each employee's job. Employees are encouraged to ask their supervisor/manager any questions to become better informed about their job responsibilities and SEJPA operations.

Additionally, work hours and/or schedules may be subject to change at any time during employment. Employees are expected to cooperate and perform additional work or work a different schedule as requested.

## **HIRING OF NEW, RE-EMPLOYED, OR REINSTATED EMPLOYEES**

All job applicants will be subject to a thorough, job-related employment screening and testing process to ascertain the relative merit of their education/training, prior experience, skills, knowledge, and abilities to perform the essential and more demanding aspects of the job for which they have applied. Examples of the selection testing include interviews, submission or preparation of work samples, task demonstrations, written examinations and/or exercises, reference and background checks, and pre-employment medical assessment, including drug and alcohol testing. If hired, an introductory period of employment and other job-related tests may also be used.

Former employees who have resigned from their employment with SEJPA may be eligible for re-employment, and those employees who were laid off may be eligible for reinstatement. Consideration will be given to factors concerning prior work experience, the former employee's work record, and circumstances involving the prior separation from SEJPA. At SEJPA's discretion, former employees being considered for re-employment or reinstatement may be subject to the same pre-employment testing processes as potential new hires.

The General Manager and the hiring supervisor/manager must review each candidate before a final determination is made with respect to rehiring any former employee. The General Manager must give final approval on all rehires.

Employees who become re-employed or reinstated shall be considered new employees subject to all related policies and procedures unless rehired within one year from a reduction in force.

## **EMPLOYMENT OF RELATIVES**

On occasion, qualified applicants for job openings at SEJPA may be relatives of present employees.

A relative is defined as any person related to an employee by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage. The policy applies to all employees without regard to the gender or sexual orientation of the individuals involved. Applicants must identify any individual who is a relative, as defined above, who is employed by SEJPA at the time he/she applies for employment.

Relatives will not be given preferential treatment. SEJPA reserves the right to refuse employment of an employee's relative where such employment would or could reasonably compromise the safety, security, supervision, or morale of SEJPA operations. Should a relative be hired, the new employee will not be employed in the same department or work group as his/her relative or in a direct reporting relationship with a related employee.

In cases where a conflict or the potential for conflict arises such as might occur through a romantic relationship or marriage between two employees, even if there is no managerial relationship involved, the parties may be separated by reassignment or terminated from employment. If the relationship is established after employment, the individuals concerned may decide who is to be transferred or terminated from employment. If that decision is not made within 30 calendar days,



management will make the final determination based on operational priorities and other objective factors as deemed appropriate.

## **JOB POSTINGS**

Whenever practical, job openings will be posted on SEJPA bulletin board. Employees who wish to be considered for posted jobs should comply with the application process and submit an application form to the General Manager. All employees applying for any posted position must meet at least the minimum qualifications of the position description.

In the selection process, SEJPA may consider a number of factors, including the employee's applicable skills, knowledge and education, performance and conduct record, time in current position, length of service, and other relevant factors.

## **MERIT SYSTEM OF EMPLOYMENT**

Employment with SEJPA is based on merit system principles, including job-related knowledge, experience, ability, performance, aptitude, attitude, and such other factors as deemed appropriate to SEJPA operations. The methods used in the employee selection process shall be impartial and of a relevant nature so as to fairly measure the capabilities of job applicants to perform the duties and responsibilities of the position for which they have applied.

"Merit increase" is defined as "a pay increase within the existing salary range". Merit increases are not automatic but are based on job performance. Prior to receiving the merit increase, the employee must receive an Employee Performance Evaluation, approved by the General Manager and the Director of Finance or their delegates, recommending the merit increase.

In addition to or in lieu of the merit increase, an employee may receive an incentive award, which is based on an employee's outstanding performance, as evaluated against the achievements of their annual goals. Incentive payouts are one-time payments. No employee shall be awarded incentive compensation in an amount greater than five percent of that employee's base salary.

Promotion – An employee who is promoted to a position with a higher salary range than his/her current salary range will be placed at least at the minimum range for the new classification. A promotional pay rate increase is given based on related experience, internal equity, and the length of time since the employee's last performance evaluation. Salary increases due to promotion are typically between five and ten percent, but can be influenced by other factors.

If an employee is promoted during or prior to his/her performance review date and is eligible for a merit increase, the employee's supervisor shall complete a performance evaluation and make a recommendation regarding the merit increase prior to promotion. If a merit increase is granted, the employee's salary in the new classification shall be based on the salary placement after the increase is applied to the employee's current salary. Merit increases are effective on the employee's performance review date or as specified on the review form, or as designated by the General Manager.

Employee review dates will be at the discretion of the General Manager; however, the desired review date shall be the employee's hire date or the date of promotion.



## PERFORMANCE EVALUATIONS

Performance evaluations are generally conducted annually for all regular full-time and part-time employees. These evaluations are completed in writing, and discussed in a meeting with the employee, his/her supervisor/manager, department director, and the General Manager. During the performance evaluation process, employees and their supervisor/manager should discuss work completed and in progress, successes and lessons learned, strengths and weaknesses, and future goals.

There is no guarantee that a performance evaluation will result in a wage or salary increase. Wage or salary increases are based on merit, as well as budget allowances.

## PERFORMANCE IMPROVEMENT PLANS (PIP)

Periodically it may be necessary or appropriate for a supervisor/manager to implement a PIP for an employee. The purpose of a PIP is to provide a mechanism for performance correction when an employee's job performance falls below established standards in one or more essential job duties or responsibilities. Failure to achieve satisfactory performance as defined in a PIP may lead to disciplinary action as deemed appropriate by the General Manager. The following steps should be considered when implementing performance improvement measures, including a PIP:

1. Managers/supervisors should first counsel unsatisfactory performers as frequently as is reasonable to assist in the improvement of performance, unless circumstances warrant an immediate PIP.
2. If an employee continues to demonstrate unsatisfactory performance, the manager/supervisor must complete a PIP explaining to the employee the areas of deficiency, performance expectations, available assistance, and future consequences if significant specified improvements in performance do not occur. Assistance may include additional training.
3. Typically employees will be placed on a 90-day PIP, although the duration of the PIP may vary depending on the circumstances. If during the PIP, the employee does not show signs of improvement, the employee may be transferred, reclassified, demoted, or terminated from employment.
4. The PIP may be extended at the sole discretion of SEJPA for not more than 120 days. If the employee fails to improve within the 120-day time period, the employee may be transferred, reclassified, demoted, or terminated from employment.

If at any point during the performance improvement period or otherwise, it is determined that the employee's performance is not meeting expectations, or if the employee violates any of SEJPA's policies or procedures, further disciplinary action may be taken, up to and including immediate termination of employment. A PIP does not alter the at-will nature of employment, which means the employee or SEJPA may terminate the relationship at any time, with or without notice or cause.

## **PROMOTIONS, TRANSFERS AND DEMOTIONS**

### Definitions

A promotion is defined as a move up in pay grade, position responsibilities, and skill requirements; a transfer is defined as a lateral move within the same pay grade; and a demotion is defined as a move to a position in a lower pay grade, or a lower pay position having lesser responsibilities and/or required skills.

### Promotions

It is SEJPA's desire to promote from within the organization whenever it is operationally efficient and appropriate based on the skills, knowledge, and other competencies of employees as they relate to vacant position requirements and as they compare to external qualified applicants.

### Transfers

Generally, an employee who requests a transfer to a similar position with the same or a different department is given preference over external applicants, provided the employee is equally or better qualified, and his/her work performance has been exemplary. In order to be eligible for a transfer, an employee must have successfully completed a minimum of 12 months of continuous employment in his/her current position, unless the managers involved in the transfer mutually agree to waive this requirement. An employee on a PIP or disciplinary action is ineligible for transfer unless approved by the General Manager.

### Demotions

SEJPA regards demotions as rare and imposes them only under unusual circumstances. Demotions may be voluntary or involuntary but in either case the affected employee will normally be provided with advance notice of the change of classification. However, SEJPA reserves the right to determine, on an individual basis, how a demotion will affect pay and under what circumstances it is in SEJPA's best interests to demote an employee.

## **EMPLOYEE RECORDS**

SEJPA maintains files of current and former employees and restricts disclosure of employee files only to authorized individuals and as required by law.

Employees wishing to review their personnel file must request an appointment to do so with the General Manager. Such appointments should be made during normal working hours. Files will be reviewed under the supervision of the General Manager or designated SEJPA representative.

Employees may take notes related to documents in their employee file; however, no alterations of these records are permitted nor can a document be added to or removed from the file at the time of an employee's review. Employees may request and receive a copy of any document in their employee file.

## **EMPLOYEE INFORMATION / EMERGENCY DATA**

All employees are required to promptly notify SEJPA's Director of Finance and Administration or designee of any changes to their personal information, including:

- Name
- Home and/or Mailing Address
- Telephone Numbers
- Number, Names, and Status of Dependents
- Change of Emergency Contact Information
- Educational Accomplishments
- Marital Status (including pending divorce proceedings)
- Payroll Deductions
- Benefit Plan Beneficiary

## **EMPLOYMENT VERIFICATIONS**

All employment verification requests, either verbal or written, must be forwarded to SEJPA's Director of Finance and Administration or designee for response. Responses by SEJPA to such requests will be restricted to dates of employment and the last or current job title held by an employee. Requests for salary and any other additional information must be made in writing and accompanied by the employee's signed authorization to release this information except where disclosure is otherwise required by law.

## **OUTSIDE EMPLOYMENT**

Employees may engage in work outside their regular work schedule at SEJPA, provided this work does not detract from their job performance, is not harmful to SEJPA's best interests, and does not present a conflict of interest with their employment at SEJPA. Any outside employment or business activity must be considered secondary to employment with SEJPA. Employees cannot work for a service provider of SEJPA.

SEJPA's workers' compensation insurance will not pay for an illness or injury arising from outside employment or business activity.

Employees who are unable to maintain acceptable performance standards while engaged in outside employment or business activity may be subject to corrective action up to and including termination of employment.

## **USE OF SEJPA VEHICLES**

For the purpose of this section, vehicles are defined as licensed California Department of Motor Vehicles that are allowed to operate on public roads and highways. Other vehicles such as bobcats, forklifts, electric utility carts and other "vehicles" are considered equipment which are subject to SEJPA policies including safety and training policies prior to an employee operating.

Before an employee is allowed to operate any vehicle for SEJPA business, a valid California driver's license, proof of current insurance, and a DMV motor vehicle report must be on file with

the General Manager. In addition, employees are responsible for immediately reporting to their supervisor/manager and the General Manager any changes in their automobile insurance policy or the status of their driver's license such as suspension or revocation. Employees who are uninsurable or who create the potential for an increase in SEJPA's liability insurance premiums may be terminated. Any questions regarding this policy should be directed to the General Manager.

SEJPA, will access Department of Motor Vehicle records for verification of valid California driver licenses, proof of insurance, and to review driving records.

In addition to applying good common sense regarding the safe operation of vehicles, the following rules apply when operating all types of vehicles:

- Any employee who is under the influence of or impaired by any illegal drug, alcoholic beverage or any legal drug that may impair an employee's abilities must not operate any vehicle.
- SEJPA vehicles are to be used by employees only for official business purposes. Only designated employees may drive SEJPA vehicles.
- Use of any vehicle for SEJPA business must have the prior approval of the employee's supervisor/manager.
- Non-employees may not be transported at any time in any vehicle being used for SEJPA business except those who have a legitimate business justification for being transported, such as official SEJPA visitors.
- Any mechanical defects of a SEJPA vehicle should be reported by the employee to his/her supervisor/manager for appropriate corrective action before operating the vehicle for business purposes.
- All employees must immediately report to their supervisor/manager and the General Manager any accident and any moving or non-moving violation for which they are cited while driving an SEJPA vehicle. SEJPA accepts no responsibility for citations issued to an employee by any law enforcement agency while driving a vehicle on SEJPA business under any circumstance. All liabilities created by any citation will be the responsibility of the employee.
- All employees operating vehicles on SEJPA business are required to obey all traffic regulations, including laws regarding the proper use of cell phones while driving.

#### In the Event of an Accident

Employees who are involved in an accident in the course of using any vehicle on SEJPA business are expected to adhere to the following procedure, including completing and submitting to your supervisor/manager the Vehicle Accident Form provided in each SEJPA vehicle:

- Do not argue, do not admit liability, and do not make a statement to anyone except the police, your supervisor/manager, or other appropriate SEJPA management.
- Obtain the names and addresses of:

1. Owner of other vehicle(s);
  2. Insurance Carrier of the other driver(s);
  3. Witnesses;
  4. Injured person(s);
  5. Other driver(s), including the number of and state issuing the driver's license.
- Note these items:
    1. Speed of each vehicle with its direction of travel;
    2. Signal given by each driver, if any;
    3. Point and time of accident;
    4. Any mechanical aspect of the other vehicle which may have caused the accident (e.g., no brake lights, etc.);
    5. If a camera is available, take pictures of the damage, location, or any other relevant things that may be of value.
  - Promptly report any damage done to a customer, the public, SEJPA, an employee, or their property to management.

SEJPA management will promptly handle accident reports and insurance contacts.

## **USE OF PERSONAL VEHICLE FOR SEJPA BUSINESS**

Employees authorized to use their personal vehicle in the course of performing SEJPA business shall be eligible for a mileage reimbursement at the current IRS established business mileage rate. Travel must be confined to only the authorized destination and return location.

Employees who operate their own vehicles on SEJPA business may do so provided the following conditions are followed:

- The vehicle must be in sound and safe operating condition and maintained as such at the employee's own expense;
- The driver and vehicle must be insured in accordance with at least minimum coverage and liability standards established by the State of California;
- The driver must obey all state and local driving laws and observe driving conditions with the utmost care, including but not limited to wearing a seat belt and avoid eating or the use of a cell phone while driving;
- Non-employees may not be transported at any time in any vehicle being used for SEJPA business except those who have a legitimate business justification for being transported, such as official SEJPA visitors; and
- The driver must possess and maintain a valid California driver's license. Employees who are required or may be called upon to use their own vehicle in the course of SEJPA business who have their driver's license suspended, revoked, or receive driving violations other than parking are required to promptly

report these conditions to the General Manager. Employees required to drive in the course of SEJPA business or operations who have their license revoked, suspended or receive driving violations other than parking tickets may be subject to either work modification or termination at SEJPA's discretion.

## **REIMBURSEMENT OF BUSINESS EXPENSES**

Certain employees may incur business expenses in the course of their duties. Employees must be authorized in advance to incur business expenses, and all such expenditures must be documented on an expense report that is submitted to the Finance Department for review and approval. All original receipts for expenses are to be attached to the expense report with an explanation as to the nature of the expense. In the case of promotional or entertainment expenditure, the names of the persons and the business purpose for the meeting must be included.

SEJPA must approve all business expenses, including any airline travel or hotel reservations, before they are incurred. Expenses will be paid by the employee and reimbursed upon submitting an expense report and receipts, unless a travel advance or other arrangements have been made. For questions regarding how particular expenses should be handled, contact the Finance Department before incurring the expenses.

## **BUSINESS RELATED TRAVEL**

Employees will be reimbursed for the cost of authorized travel to any business-related meeting or attendance at training, seminar programs, or attendance at an out-of-area conference. Reimbursement will be made upon written request when accompanied by appropriate receipts, if the travel has been budgeted, scheduled, and previously authorized by the employee's supervisor/manager and approved by the General Manager.

### Covered Expenses

No per diem limit is set; however, employees are expected to use prudent and good judgment in selecting the cost- and time-efficient mode of travel, accommodations, meals, fees, and related incidental costs. Costs deemed excessive by the General Manager may not be reimbursed. Travel expenses for spouses or guests of staff members will not be reimbursed.

Authorized travel expenses include those costs incurred in the use of common carriers, e.g. plane, bus, and/or train from the point of origin to destination and return, rental car fees (where necessary), and bus and taxi fares.

### Example of Allowable Costs

Examples of typical allowable costs include coach rate airfare, train fare, or mileage; hotel; meals; transportation to and from hotel and airport; work-related telephone calls; and auxiliary cost such as tips and parking fees.

### Reimbursement Procedure

Employees requesting reimbursement for expenses incurred in connection with authorized travel shall have the trip scheduled and approved at least 2 weeks prior to travel. Whenever possible, miscellaneous charges should be charged to the hotel bill.

Upon completion of the trip, an expense form must be completed, signed, and submitted to the General Manager for review and payment authorization. Copies of all receipts shall be attached to the statement. Reimbursement will be made for that portion of expenses directly attributable to the authorized business activities.

#### Request for Advance Funds

The General Manager must approve all requests for advance funds for business expenses. Employees must account for all expense advances within 5 working days after returning from an authorized trip. Receipts must be provided, and residual funds returned to SEJPA within 5 working days. If actual approved expenses exceed the amount advanced, SEJPA will reimburse the employee following submission of receipts and an expense report form.

### **CONFLICTS OF INTEREST**

Employees must avoid entering into transactions where it may appear that they are improperly benefiting from their employment with SEJPA. In general, a conflict of interest describes any situation in which the employee's own interest may influence the way he/she handles SEJPA business. This includes the use of an employee's position or relationship with SEJPA for personal profit or advantage, either directly or indirectly. Situations that may involve a conflict of interest between personal interests and the interests of SEJPA must be discussed with the employee's supervisor/manager, department director, and General Manager.

While it is impossible to list every circumstance that may create a possible conflict of interest, the following should serve as a guide to the types of activities that may cause such a conflict:

- Having a direct or indirect financial or ownership interest in an outside concern that does business with or is a provider of SEJPA (except where such financial or ownership interest consists of securities of a publicly owned corporation regularly traded on a public stock exchange).
- Providing managerial, consulting or other services to any outside concern that does business with, renders any services to, or is a service provider of SEJPA, except with the knowledge and written consent of the General Manager.
- Soliciting business for any individual or another entity, redirecting business away from SEJPA's normal services, soliciting existing customers, or interfering with any SEJPA contractual relations or business dealings.
- Accepting loans, kickbacks, or other substantial favors from any outside concern that does or is seeking to do business with SEJPA.
- Representing SEJPA in any transaction in which there may be or is a conflict of interest.
- Disclosing or using confidential information relating to SEJPA for personal profit, advantage, or any other reason.
- Accepting outside employment or work, directly or indirectly, which can or will adversely affect an employee's productivity or availability for a position with SEJPA.



This list is not intended to be all-inclusive or used as a substitute for good judgment. Should an employee become involved in a situation that may possibly give rise to a conflict of interest, immediate disclosure must be made to the General Manager in order to protect the interests of both SEJPA and the employee.

## **CONFIDENTIALITY**

Although SEJPA is a public government agency, information relating to its business and any of its activities, projects, employees, or customers is considered confidential, and employees shall not divulge any of this information to outside parties, without the prior written consent of the General Manager. All such information must be kept confidential during and subsequent to employment with SEJPA. The following examples are intended to serve as a guide to the types of such information and material:

- Proprietary information including, but not limited to, pending proposals, disbursements, costs, contracts and forms, financial statements, pricing, customer lists, all data regarding customers, mailing lists, designs, drawings, models, plans, plans for future expansion or business development, or any other writings or drawings that may contain proprietary information.
- Matters of a non-public, technical nature such as security codes, computer programs, software, and other copyright protected information.
- Confidential data about employees, including employee names, addresses, telephone numbers, automobile identification, work location, pay rates, performance evaluations, and other such personal information.
- Information pertaining to any services or products and the results of all such services or products provided to SEJPA's customers.
- Any information that, if disclosed, could adversely affect SEJPA.

Upon separation of employment, or at any time upon SEJPA's request, employees must deliver to SEJPA any and all copies of confidential information and/or other SEJPA property.

## **SEPARATION OF EMPLOYMENT**

All employment with SEJPA is at-will, meaning an employee or SEJPA may terminate the employment relationship at any time, with or without notice, and with or without cause.

### Voluntary Separation

When an employee resigns or retires, the separation is considered voluntary. Employees are requested to give advance written notice, including all of the reasons for the resignation, to their supervisor/manager. Generally, in order for an employee to leave in good standing, a minimum of 2 weeks' notice is required.

### Involuntary Separation/Termination of Employment

An involuntary separation/termination of employment is one that is initiated by SEJPA for any reason other than a reduction in force.



### Job Abandonment

An employee who has been absent for 3 consecutive scheduled workdays without notification to his/her supervisor/manager, and without extraordinary extenuating circumstances that can be verified, will be considered to have abandoned his/her job and voluntarily terminated his/her employment without notice. The last day worked will be the date of separation.

Failure to return from an approved leave of absence or vacation within the time limits established will also be considered a voluntary termination of employment without notice. The date of the expiration of the leave or vacation will be the separation date.

### Exit Interviews

Whenever possible, exit interviews will be conducted for separating employees. This interview allows employees to communicate their views on working at SEJPA as well as the job requirements, operations, and training needs of the position.

### Final Pay

All accrued vested benefits that are due and payable will be paid upon separation of employment. The employee's final pay will be available either on the last day of employment, the first pay-period after the last day of employment, or as soon as practical.

### Return of SEJPA Property

It is the responsibility of any separating employee to return all SEJPA property that has not previously been returned on or before the last day of work.

## **REDUCTION IN FORCE/LAYOFF**

A layoff is an involuntary termination that is initiated by SEJPA as a result of reorganization, position elimination, declining operations/lack of work, or lack of funds, etc., and not otherwise caused by the affected employee. Layoffs will be determined by position(s) at the sole discretion of SEJPA.

Should more than one employee occupy a position identified for layoff, comparative consideration as to which employee will be laid off shall be given to skills and qualifications possessed, performance records, and work history.

In the event of unusual economic conditions or other business reasons, SEJPA may elect to freeze or decrease pay rates to avoid a layoff or in conjunction with a layoff.

## COMPENSATION AND TIMEKEEPING

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### CLASSIFICATION AND COMPENSATION – Appendix B – SEJPA Administrative Policy B-1

#### COMPENSATION PLAN

Wage/salary pay ranges are established by the Board of Directors. The General Manager may set an employee's compensation anywhere within the pay range. Rates are based upon an employee's job duties, responsibilities, skill sets, and work performance.

### WORK SCHEDULES, WORK WEEK AND HOURS OF WORK – Appendix B – SEJPA Administrative Policy B-3

Scheduled work hours are determined by SEJPA management and subject to change based on operational needs. All employees are expected to be at their workstations at the start of their scheduled shifts, ready to work. Employees are to check with their supervisor/manager regarding their individual work schedules.

Operation's normal business hours are 6:30 a.m. to 4:00 p.m. Administration's normal business hours are 7:00 a.m. to 4:30 p.m. These hours may change based on operational needs, at SEJPA's discretion.

#### PAYDAYS

Wages are paid on a bi-weekly basis. Paydays are on the Friday following the close of the pay period. If a regular payday falls on a holiday, employees will be paid on the preceding business day.

Employees are expected to report any errors on their paychecks to the Finance Department, which will correct those errors on the next payroll or as soon as practical.

## **TIMEKEEPING / TIMESHEETS**

### Timekeeping

It is the responsibility of every non-exempt employee to accurately record time worked. SEJPA must have an accurate record of time worked in order to calculate employee pay, benefits, and legally mandated deductions. Time worked is the time actually spent on the job performing assigned duties.

Overtime work must always be approved before it is performed. All time is rounded to the nearest 15-minutes.

### Time Sheets

A time sheet is an official, legal document, and must accurately record time worked. Time is to be recorded daily and submitted at the end of each pay period to the employee's supervisor/manager for approval who then submits to Payroll not later than 9:00 a.m. on the Monday prior to payday.

It is important that time sheets be kept accurately and in a detailed manner. If an error occurs when completing a timecard, the employee should immediately bring it to the attention of his/her supervisor/manager for proper correction.

It is the employee's responsibility to sign their timesheet certifying the accuracy of all time recorded, that meal and break periods have been taken, and no injuries have occurred during this period. Employees are responsible for the accuracy of their own timesheet. Altering, falsifying, tampering with the timesheet, or recording time on another employee's timesheet is a violation of SEJPA policies and may result in corrective action up to and including termination of employment.

## **REST AND MEAL PERIODS**

Non-exempt employees who work more than 3.50 hours are expected to take a 15-minute period of rest, one in the morning and one in the afternoon. Rest periods or "breaks" should occur as near as possible to the middle of the work period. These breaks are provided to enable employees to take care of their personal needs and may not be extended, added onto meal breaks, or used to compensate for late arrivals or early departures. When employees are not on a break, they are expected to devote their full efforts to their duties.

Any employee working 5 or more hours per day is expected to take a 30-minute meal period. Normally, employees are relieved of all active responsibilities and restrictions during meal periods and are not compensated for that time. Meal periods are expected begin no later than 5 hours after the start of the shift.

Employees are responsible for making sure they take their breaks and meal period. Employees are also responsible for documenting on their timecards that they have taken meal periods.

It is understood that circumstances may arise when employees cannot take their break or meal period because of equipment failure, the engagement in a critical task, or an emergency. All non-exempt employees are to advise their supervisor as soon as practical and receive approval to work through their break and/or lunch period. In this event, the employee will be paid for one extra

hour at the employee's regular rate. It is a violation of SEJPA policy for non-exempt employees to work through their meal period without their supervisor's approval.

Any non-exempt employee who is unexpectedly ordered back to work for 2 or more hours beyond the employee's scheduled workday/shift due to an emergency shall be entitled to reimbursement of a meal and non-alcoholic beverages up to the maximum amount established by SEJPA (see Appendix C Salary And Benefits Resolution– Section G) upon submission of an acceptable receipt.

Employees who are working in high heat conditions (85° F in heat and 80° F in shade) shall receive a heat recovery break no less than 5 minutes at a time when they feel the need to do so to protect themselves from overheating. Such access to shade shall be permitted at all times.

### **OVERTIME – Appendix B – SEJPA Administrative Policy B-3**

Under normal operations, employees will not be asked to work for 24 consecutive hours. A work day is defined as any consecutive 24-hour period beginning the same time each calendar day, which is 6:30 am for non-exempt operational staff, and 7:00 am for non-exempt administrative staff. The shifts are defined as 6:30 am to 4:00 pm, and 7:00 am to 4:30 pm. As the new workday cycle begins, so do the overtime rules for staff. Therefore, if an employee begins a shift at 6:30 am and works continuously for a 24-hour period, the pay rate reverts to straight time at 6:30 am the following morning, which is a new work day and new shift.

### **COMPENSATORY ("COMP") TIME – Appendix B – SEJPA Administrative Policy B-3**

#### **MAKE-UP TIME**

SEJPA allows non-exempt employees to request time off from work and make-up the time during the same work week under the following conditions:

- The request must be made in writing, with the employee's signature, on a form provided by SEJPA;
- The make-up time must be made up in the same work week;
- The immediate supervisor/manager must approve the make-up time prior to taking the time off;
- The request should be made 24 hours in advance; and
- The employee cannot work more than 12 hours in any one workday.

Requests for make-up time by non-exempt employees will be considered for approval based on the legitimate operational needs of SEJPA at the time the request is submitted. A separate written request is required for each occasion that the employee requests make-up time and should be attached to the payroll sheet.

If the time is taken off and the employee is unable to work the scheduled make-up time for any reason, the hours missed will be unpaid or deducted from accrued leave, if available. SEJPA may require make-up time worked in advance of the time planned to be taken off to be taken even if the need no longer exists.

An employee's use of make-up time is completely voluntary and will not be considered overtime hours within the 9/80 work schedule.

## **PAYROLL DEDUCTIONS**

SEJPA is required to withhold a portion of an employee's pay for taxes, government-mandated benefit programs, and other mandatory deductions from time-to-time. These legally required deductions include, but are not limited to the following items:

- Federal Income Tax
- State Income Tax
- Social Security Medicare Deduction
- CalPERS Retirement Plan contributions
- Court Ordered Deductions (such as garnishments) and Tax Liens

Additionally, employees may authorize certain deductions to be made from their paychecks each month for reasons such as payment of group medical insurance premiums and optional benefit plans. All deductions, whether they are legally required or voluntary, are itemized on each employee's paycheck stub, or "pay advice" for using direct deposit.

## **PAYCHECK DIRECT DEPOSIT**

SEJPA offers direct deposit of wages to any bank, savings and loan, credit union, or any other financial institution that is a member of the Federal Reserve System. Employees may have the deposit designated to multiple accounts. To initiate direct deposit, employees must complete a designation form. Information required will include account tracking number(s), financial institution name(s), and amount(s) desired. A voided check is requested to ensure the correct account information.

Paycheck information may be viewed through SEJPA's payroll service, including all payroll deductions, information, and the net deposit made. Any questions regarding the payroll deposit or paycheck should be made as soon as practical.

## **AUTHORIZED PAYCHECK PICK-UP**

Paychecks will not be given to anyone other than employees or their supervisor without prior written authorization. The person picking up the check must show proper identification and sign for it. This policy was created to protect both the employee and SEJPA.

## **PAY ADVANCES**

SEJPA does not permit wage, salary, or pay advances to any employee, regardless of the reason.

## **SHOW-UP AND REPORTING PAY**

Non-exempt employees who are required to report to work and are sent home because work is not available will be paid for one-half the number of hours of the scheduled shift, but in no event less than 2 hours or more than 4.5 hours at their regular rate of pay. At SEJPA's option, employees in these circumstances may be assigned to other work not normally performed by the employee, instead of being sent home.

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

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

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

## **CALL-BACK PAY – Appendix C - Salary and Benefits Resolution**

Non-exempt employees who are called back to work outside their normally scheduled workweek and/or normally scheduled working hours, or if their normal schedule has been changed within 72-hours of the posted work schedule, will be paid at the rate of one and one-half times the employee's regular pay rate for actual time worked, or for a minimum of 2 hours, whichever is greater. Call-back on holidays, weekdays, or weekends after midnight, and before the start of the employee's regular shift, are paid at the rate of two times the employee's regular pay rate. Since call-back time is paid at these premium rates, the time will not be included for overtime pay eligibility based on the total number of hours actually worked in the workweek.

Reasonable meal reimbursement costs will be provided to those employees called back under emergency conditions. For emergency call-back, the employees should wear their uniform; however, in the event employees are unable to wear their uniform, they must wear long pants, shirt, work boots, and appropriate safety equipment necessary for the required work. Clothing that has become soiled or contaminated should be left on site for appropriate laundering.

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

## **ON-CALL/STANDBY PAY – Appendix C - Salary and Benefits Resolution**

All on-call/standby assignments will be made for specific days, dates, and hours among those employees whose jobs necessitate their availability to independently respond to SEJPA

operational needs and/or emergencies that may arise during abnormal operating days and hours. Generally, these assignments are made in advance with qualified employees by their supervisor/manager and to the extent possible on a rotating or voluntary basis. However, unexpected conditions may arise when advance notice is not possible. In these situations, employees are expected to assume such assignments as a condition of employment.

When a non-exempt employee is assigned an on-call status, on-call/standby time is paid as specified in Appendix C (Salary and Benefits Resolution). Such on-call pay is compensation given to an employee for hours in which he/she agrees to respond should there be a requirement to report for work or to respond to a telephone advisory situation. If the on-call/standby employee is required to respond to an on-site operational need, then the employee will be paid under call-back conditions. In that instance, the employee will resume his/her on-call/standby pay rate upon completion of the call-back work.

Employees who are assigned on-call/standby duty are encouraged to take a SEJPA vehicle home to be used for emergency call-back only. If the employee opts to not use SEJPA vehicle, he/she must have his/her vehicle equipped with the proper clothing, boots, and PPE for the required work. Further, an employee on on-call/standby is expected to use an assigned cell phone to ensure continuous contact during the hours of on-call/standby duty, and to maintain a normal state of mental, emotional, and physical ability as might be exercised for the performance of his/her regular duty.

If deemed necessary, the supervisor/manager has the discretion to reassign the on-call duty schedule.

#### **SHIFT DIFFERENTIAL PAY/A SCHEDULED WORK SHIFT – Appendix C - Salary and Benefits Resolution**

Non-exempt employees assigned to other than standard “core” working hours shall be paid shift differential pay in addition to their base rate of pay for actual hours worked. Shift differential pay shall be calculated into the employee’s regular rate of pay for purposes of determining the employee’s overtime pay rate. Example: If an employee were scheduled to work from 1:00 pm to 10:00 pm, the employee would be eligible for shift differential pay, even though the hours may overlap a regular work schedule.

#### **WORKING OUT-OF-POSITION-SPECIFICATION – Appendix C - Salary and Benefits Resolution**

An out-of-position-specification assignment shall be recommended in writing by the department director or General Manager and submitted to the General Manager. The recommendations must be approved by the General Manager.

A regular employee in an out-of-position-specification assignment need not meet all the minimum qualifications of the higher classification.

## **ATTENDANCE AND PUNCTUALITY**

Employees of SEJPA are expected to be punctual and maintain regular attendance. Tardiness and absenteeism place an additional burden on other employees and may cause assignments to be rescheduled. Good attendance is an essential element in determining satisfactory job performance. An unsatisfactory attendance record of tardiness and absences is considered unsatisfactory and can result in corrective action up to and including termination of employment.

An absence is the failure to report for work as scheduled, be at a designated work area, begin or end a rest break or meal period on time, and/or leave prior to the end of a workday as scheduled.

### Reporting an Absence and Health Care Provider's Statement

Employees are requested to speak with or leave a message with their supervisors for any absence or tardiness whenever practical. Not following this policy may result in corrective action up to and including termination of employment.

A health care provider's statement may be required, at management's discretion, for any absence due to illness or injury of more than 3 days. SEJPA may request an evaluation of an employee's medical condition from an appointed health care provider at SEJPA's expense. Alternatively, SEJPA may require a health care provider's verification that employees are capable of resuming their job responsibilities before being permitted to return to work.

Any falsification, misrepresentation, or other violation of an attendance obligation to SEJPA can result in corrective action up to and including termination of employment.

## **APPROVED TIME OFF**

If time off from work is required, employees are required to schedule and obtain approval prior to the absence by submitting a request to their supervisor for time off in accordance with the applicable procedures in this Handbook.

Planned time off includes any situation that might prevent an employee from reporting to work on time for any scheduled workday, or any time off that needs to be scheduled (e.g., vacations, doctor's appointments, personal obligations, leaves of absence, etc.). If prior arrangements have not been made, employees must discuss an absence or inability to be at work on time directly with their supervisor.

SEJPA recognizes that it is sometimes necessary for employees to take care of personal business during the workday. However, personal business should be kept to a minimum and should be conducted during break times whenever possible.

## **SICK LEAVE SHARING**

### Personal Hardship

Employees who have exhausted all accrued leave (sick, administrative, vacation) may request sick leave donations. The sick leave sharing policy applies to employees suffering from a catastrophic illness or other medical emergency.

### Eligibility



Employees who are experiencing hardship due to the employee's or a family member's catastrophic illness or medical emergency and who have exhausted all accrued leave (including sick leave, administrative leave, and vacation leave) are eligible to request and receive donations of accrued sick leave from other employees who have agreed to surrender leave to SEJPA sponsored leave bank.

### Requests for Donations

A written request for sick leave donations shall be submitted to the General Manager. The General Manager will verify the employee's eligibility, and make a written determination which will be given to the employee as soon as practical.

### Donations of Sick Leave

Employees who have more than 40 hours of accrued sick leave and who wish to donate sick leave to SEJPA sponsored leave bank on behalf of an eligible employee shall complete a Sick Leave Donation Form indicating the number of sick leave hours to be donated and the employee, if any, who the employee requests receive the benefit of the donation. All such donations are voluntary and irrevocable.

1. Donating employees must maintain a minimum of 40 hours of accrued sick leave after reducing their accrued leave balance to effect the donation.
2. In any 12-month period, no employee may donate more than 40 hours to any one eligible employee or more than a total of 100 hours.
3. Voluntary donations of accrued sick leave are final upon submission of a signed Sick Leave Donation Form that satisfies the conditions established by this Policy. The donating employee's accrued sick leave balance account shall thereupon be reduced by the hours donated.
4. Donated hours not used by the eligible employee during the hardship period shall remain in the eligible employee's accrued sick leave account balance.
5. The names of donating employees, hours donated, and the value of such donations shall be kept confidential to the extent permitted by law.

### Valuation of Donated Accrued Sick Leave

The value of the donated sick leave shall be determined by multiplying the number of hours donated by the donating employee's current hourly rate to determine the value of the donation in dollars ("Donation Value"). The Donation Value shall then be divided by the eligible employee's current hourly rate to determine the number of sick hours to be added to the eligible employee's sick leave balance account. The Director of Finance and Administration shall periodically notify the eligible employee of donations made pursuant to this policy. The eligible employee may then request to receive payment for these hours, which will be treated as taxable "wages" to such eligible employee, as part of any subsequent regularly scheduled payroll. No employee shall receive payment for more than 80 hours of sick leave, whether accrued or donated, during any regular bi-weekly pay period unless required by state or federal law.

## EMPLOYMENT BENEFITS

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### HEALTHCARE: GENERAL INFORMATION AND ELIGIBILITY

This section of the Handbook is intended to provide a general overview of the benefits currently available to eligible employees of SEJPA. State and/or federal laws govern some of these benefits, while others are determined by SEJPA or governed by a benefit provider. Should there be a discrepancy between the contents of this Handbook and a provision of an applicable law, benefit plan, or contract, then the law, plan document, or contract will prevail.

All employees receive information regarding benefits plans during their Introductory Period and as changes occur. This information includes Summary Plan Descriptions (SPD), which are detailed benefit documents. Employees having questions regarding benefit matters should contact the General Manager.

SEJPA reserves the right to change, suspend, or eliminate any benefit at its sole discretion. When conditions warrant, and following Board approval, employees will be notified of any changes in employee benefit programs.

#### Eligibility

Regular full-time and part-time employees are eligible to enroll in the group benefit plans. Coverage is effective the first day of the following month from the date of employment. All other employees (temporary employees or interns) are not eligible for coverage under any of SEJPA's group insurance plans except for employees returning from Military Leave of 30 or more days and who otherwise meet qualifying criteria. Coverage is effective on the first day of the month following eligibility and confirmed enrollment.

#### Insurance Enrollment

Eligible employees must take the initiative to enroll themselves and their dependents in the group insurance program. The enrollment forms are provided as part of a new hire packet, and during annual open enrollment periods. It is the employee's responsibility to contact the General Manager during the first 5 business days of employment to sign up for insurance coverage. Failure to enroll within the first 30 days of employment may result in the inability to enroll for insurance coverage until the next open enrollment period.

SEJPA currently offers the following group benefits to its eligible employees:

- Medical
- Dental
- Vision
- Basic Life Insurance and Accidental Death and Dismemberment (AD&D)
- Supplemental Life Insurance
- Short Term Disability (STD)
- Long Term Disability (LTD)

Qualified dependents of enrolled employees may also enroll in the medical, dental, and vision insurance plans selected by the employee. For details regarding these insurance plans, together with a schedule of specific benefits provided by each plan, contact the General Manager.

## SEJPA Contribution to Health, Dental Insurance, Vision Care Plan and Welfare Plans – Appendix C - Salary and Benefits Resolution

For additional information on group insurance coverage, contact the General Manager.

### **FLEXIBLE SPENDING ACCOUNT — SECTION 125 PLAN**

Full-time and part-time employees may make pre-tax contributions to SEJPA-sponsored IRS Section 125 Cafeteria/Flex Spending Plan that will allow the employee's health insurance premium payments and other qualified health care and child care costs to be deducted from pre-tax income.

Flexible spending reimbursement accounts can be used to set aside a predetermined dollar amount to cover eligible expenses that are not covered by the group medical, dental, and vision care plans. Employees may elect to contribute to the accounts through payroll deductions.

- The Health Care Reimbursement Account allows for eligible expenses not paid by the group medical plan, such as deductibles, co-payments, chiropractors, and orthodontists, to be paid from pre-tax contributions.
- The Dependent Care Account allows for eligible dependent care expense, such as child day care or adult home care, to be paid from pre-tax contributions.

For further details on the Section 125 Cafeteria/Flex Spending Plan, contact the General Manager or the Director of Finance and Administration.

### **CONTINUATION OF GROUP HEALTH INSURANCE (COBRA)**

COBRA (the Consolidated Omnibus Budget Reconciliation Act) is a federal law that requires most employers sponsoring group health plans to offer covered employees and qualified beneficiaries the opportunity for a temporary extension of health coverage ("continuation coverage") in certain instances where coverage under the plan would otherwise end. This extension of coverage is offered at group rates plus an administrative fee, the cost of which is fully borne by the employee or beneficiary.

Employees and dependents covered by SEJPA's health insurance plan may have the right to choose continuation coverage if they lose group health coverage due to: termination of employment, reduction in hours, leave of absence, death, divorce or legal separation of an employee, employee's entitlement to Medicare, or a dependent child who no longer meets eligibility requirements. In order to ensure rights to benefit continuation, it is the employee's responsibility to notify SEJPA in writing within 30 days of a qualifying event. Questions concerning COBRA qualifying events and eligibility requirements should be addressed to the General Manager.

#### Certificate of Coverage

Under the Health Insurance Portability & Accountability Act of 1996 (HIPAA), SEJPA or the benefit provider will provide a certificate of prior insurance coverage whenever: an employee loses coverage or when COBRA coverage begins; when COBRA coverage ends; or upon request by an employee within 24 months after coverage ends under SEJPA's health insurance plan.

## **RETIREMENT PLAN**

### CalPERS Defined Benefit Plan (Plan)

SEJPA participates in the California Public Employees Retirement System (CalPERS), a defined benefit retirement program. Specific benefits are defined by SEJPA Board of Directors and approved by resolution. Additional information can be obtained from the General Manager.

Both regular full-time and part-time employees are eligible for and automatically enrolled in the Plan effective the first of the month following initial employment. Vesting occurs for each year in which an eligible employee works 1,000 or more hours, and employees become fully vested after the completion of 5 years of qualified service with SEJPA or other CalPERS plan.

Additional information concerning this Plan can be obtained from the General Manager or by contacting CalPERS.

### Social Security

SEJPA does not participate in Social Security; however, employees are required to have the Medicare portion of Social Security deducted from their payroll for future Medicare benefits.

## **DEFERRED COMPENSATION PLAN**

SEJPA provides an opportunity for all regular full-time and part-time employees to participate in SEJPA's Deferred Compensation Plan as a supplemental means of investing toward retirement. Employees are eligible to enroll in this plan effective upon their date of hire.

SEJPA will match up to 4 percent of base pay for each eligible employee's contribution to this Plan. Employees may contribute up to the maximum amount allowed under IRS rules. Employee contributions are made on a pre-tax basis; therefore, contributions are deducted from the employee's gross taxable wages each applicable pay period within annual contribution limits established by the Plan Administrator and IRS regulations.

Employees having questions or interest in learning more about the eligibility, investment options, contribution limits, and other features of SEJPA's Deferred Compensation Plan should contact the General Manager or the Director of Finance and Administration for further information.

## **WORKERS' COMPENSATION INSURANCE**

All employees are covered by workers' compensation insurance, effective the first day of employment. Workers' compensation insurance provides employees and/or their beneficiaries with certain benefits in the event of job-related illness, injury, or accidental death.

If an employee sustains a job-related illness or injury, they must report the illness or injury to their supervisor/manager and the General Manager. Failure to immediately report could result in a delay of benefits by the insurance carrier.

All payments due to a job-related illness or injury, including medical treatment, will be made by the workers' compensation insurance carrier as required by law. Workers' compensation

insurance payments may be coordinated with any accrued sick leave or vacation taken as part of a medical or disability leave of absence. Contact the General Manager for more information about workers' compensation insurance benefits.

SEJPA-Provided Physician (also read "Occupational Health and Safety" under heading "Employee Health and Safety")

SEJPA provides medical treatment for work-related injuries through California Sanitation Risk Management Authority's (CSRMA) Workers' Compensation Medical Provider Network (MPN). The MPN provides appropriate medical care to the injured employees.

Employees who are injured in a work-related accident will be referred to the clinic assigned by SEJPA unless SEJPA has received a prior written notice that the employee wishes to be treated by his/her own health care provider. Pre-Designation of Personal Physician forms are available from the General Manager and must be signed by the employee and his/her doctor annually. The forms must be submitted to the General Manager prior to any injury.

#### Workers' Compensation Fraud

Employees and former employees may be encouraged by outside persons, including attorneys or other professionals, to file fraudulent workers' compensation claims. California law makes it a crime to knowingly file a false or fraudulent claim for workers' compensation benefits, or to knowingly submit false or fraudulent information in connection with any workers' compensation claim. Violation of this law is punishable by imprisonment of up to 5 years, a fine of up to \$150,000, or both. Filing a false or fraudulent workers' compensation claim is also a violation of SEJPA policy, and may result in corrective action up to and including termination of employment.

SEJPA's workers' compensation insurance carrier has the right to investigate any claim submitted. Fraudulent claims may be referred to the California Department of Insurance, Fraud Division.

### **LIFE INSURANCE – Appendix C - Salary and Benefits Resolution**

#### **SHORT TERM DISABILITY INSURANCE**

SEJPA pays for a short-term disability (STD) plan for all full-time, part-time, and temporary employees, effective the first day of the month from the date of employment. This insurance plan provides employees with certain benefits in the event of a non-job-related illness or injury, for up to 13 weeks. The benefit received is taxable income and pays 60% of the employee's normal weekly earnings (maximum of \$1,000.00 per week). Not all forms of disability are covered under this plan. Employees who are covered by the STD plan may receive benefits beginning on the first day of absence for accidents or on the 8<sup>th</sup> day for sickness.

STD payments are coordinated with any other non-work related disability payments received by an employee. STD payments may be supplemented by accrued vacation, holiday, or comp time as part of a medical or disability leave of absence up to a maximum allowed by the Summary Plan Description. If all available forms of paid leave are exhausted or not sufficiently accrued for coordination with STD, only STD payments will be made so long as the affected employee complies with all required documentation conditions related to the disability. STD benefit claim forms and further information pertaining to benefits and limitations are available from the General Manager or the plan carrier.

## **LONG TERM DISABILITY INSURANCE**

SEJPA pays for a long-term disability (LTD) plan for all full-time and part-time employees, effective the first day of employment. This insurance plan provides employees with certain benefits in the event of a non-job-related illness or injury, for a maximum period as defined in the Summary Plan Description. The benefit amount is 66-2/3% of normal monthly earnings (maximum taxable benefit of \$7,500.00 per month). Not all forms of disability are covered under this plan. Employees who are covered by the LTD plan may receive benefits following 90 continuous days of absences due to a covered accident or sickness.

LTD payments are coordinated with any other non-work related disability payments received by an employee, and may be supplemented by accrued time off as allowed by the Plan, vacation, holiday, or comp time taken as part of a medical or disability leave of absence up to a maximum of the employee's normal base pay. If all available forms of paid leave are exhausted or not sufficiently accrued for coordination with LTD, only LTD payments will be made so long as the affected employee complies with all required documentation conditions related to the disability.

LTD benefit claim forms and further information pertaining to benefits and limitations are available from the General Manager or Plan carrier.

## **UNEMPLOYMENT INSURANCE**

SEJPA pays an annual premium to the state unemployment compensation reserve account. Employees do not contribute for this benefit. Unemployment compensation provides a weekly benefit for a specified period of time due to a qualifying condition of unemployment, and may be taxable. These benefits are established by state and federal law and subject to change.

Unemployment insurance benefits are not available to employees who voluntarily quit without good cause or who are terminated for cause. At the time of employment separation, employees will be provided with a booklet published by the Employment Development Department explaining benefits, eligibility, and claim filing procedures.

## **ADMINISTRATIVE LEAVE – Appendix C - Salary and Benefits Resolution**

### **HOLIDAYS – Appendix C - Salary and Benefits Resolution**

### **VACATION – Appendix C - Salary and Benefits Resolution**

SEJPA offers paid vacation benefits that may be used for time off for personal appointments, doctors' appointments, family matters, school activities, religious observances, personal obligations, or for other purposes as defined in this Handbook. Employees on unpaid leave do not accrue vacation benefits.

#### Holidays During Vacation

Eligible employees on vacation will be paid holiday pay rather than vacation pay for SEJPA-observed holidays occurring during scheduled vacations.



### Scheduling a Vacation

Vacation requests are to be submitted for approval to your supervisor at least 2 weeks in advance of the desired vacation time in order to determine staffing requirements and allow scheduling of coverage in the department. SEJPA will make every effort to accommodate vacation requests but reserves the right to approve or deny requests in its sole discretion.

Vacation requests will generally be approved in the order they are submitted. If a conflict arises where two employees simultaneously request the same dates for vacation and only one can be accommodated, the priority will generally be based on length of service.

Vacation pay will be based on the employee's regular pay rate in effect at the time such vacation is taken.

Exempt employees may take vacation leave only in increments of half or whole days. Non-exempt employees may take vacation in increments of 30 minutes or more.

### **SICK LEAVE – Appendix C - Salary and Benefits Resolution**

Employees accrue sick leave at a rate of 8 hours per month accumulated on a bi-weekly basis. The benefit accrual rate for part-time employees will be prorated based on the number of hours worked per week but in no event will be less than 1 hour of sick leave per 30 hours worked. Sick Leave benefits may be accrued up to a maximum of 1,000 hours, after which accrual ceases until the balance of maximum accrued hours falls below the maximum accrual rate. Sick leave may be used at the oral or written request of an employee for themselves or a family member for: the diagnosis, care, or treatment of an existing health condition; preventive care; or other specified purposes for an employee who is a victim of domestic violence, sexual assault, or stalking. Family members include the employee's parent, child, spouse, registered domestic partner, grandparent, grandchild, and sibling.

If while on vacation, an employee becomes ill, he/she may have the period of illness charged to his/her accumulated sick leave instead of vacation.

Exempt employees may take sick leave in increments of 2 hours. Non-exempt employees may take sick leave in increments of 30 minutes or more.

### **BEREAVEMENT LEAVE – Appendix C - Salary and Benefits Resolution**

### **JURY DUTY**

An employee shall be granted leave with pay for actual time spent on mandatory jury duty. Pay for the jury duty service shall not exceed the employee's regularly scheduled number of work hours. Employees who work for a governmental entity such as SEJPA are required by the court to waive the normal daily jury duty service fee. The employee may retain any travel allowance provided by the court.

Within 3 days of receiving a Jury Duty notice, employees must provide a copy of the notice to his/her supervisor/manager and to the General Manager for retention in his/her personnel file before reporting for Jury Duty service.

When on Jury Duty, employees must report for work whenever their presence is not required at court, including during “phone in” or “on call” status. If an employee is required to spend 6 or more hours at jury duty during any single day, s/he is excused from the remainder of his/her normal SEJPA workday shift. Employees who cannot report to work due to Jury Duty may be required to show proof of jury service or appearance. SEJPA may submit a request for a postponement in the event of conflicting compelling business reasons. No compensation shall be paid by SEJPA for jury duty served on an employee’s regularly scheduled day off.

## **WITNESS DUTY AND SUBPOENAS**

An employee shall be granted time off to appear in court as a witness, similar to jury duty, as required by law, if the employee gives reasonable prior notice to SEJPA of the required appearance.

If the employee’s presence as a witness is compelled by a properly issued subpoena, the employee shall receive such time off without loss of compensation. If the employee is a party to the proceeding or an expert witness and receiving pay for services rendered, then the employee must use vacation leave to appear as a witness.

To receive paid time as provided above, the employee must provide SEJPA a copy of the subpoena and any witness fees actually received, except mileage.

An employee who serves as a witness within the course and scope of his/her employment, on a day that is a regularly scheduled day off, shall be paid at the employee’s regular base rate of pay or at time and one-half, if the employee otherwise qualifies for overtime compensation, for all hours the employee actually is required to be in court.

No compensation shall be paid by SEJPA for witness service on an employee’s regularly scheduled day off if that service is not related to SEJPA business or the employee’s SEJPA job duties.

## **SEMINAR ATTENDANCE AND CONTINUING EDUCATION** – Also see Appendix C - Salary and Benefits Resolution

SEJPA encourages employees to attend training and continuing education programs, seminars, conferences, lectures, meetings, or other outside activities for the benefit of SEJPA and the individual employee. Attendance at such activities may be required by SEJPA or requested by individual employees. However, attendance will not be considered an officially authorized activity, subject to the following policies on reimbursement and compensation, unless prior written approval has been issued from the General Manager.

Employees wishing to attend an activity must submit a written request to their supervisor/manager and, if approved, to the General Manager detailing all relevant information, including date, hours, location, cost, expenses, nature, purpose, and justification for attendance.

### Seminars

Where attendance is required or authorized by SEJPA, SEJPA will reimburse reasonable expenses that generally include registration fees, materials, meals, transportation, and parking. Reimbursement policies regarding these expenses should be discussed in advance with the employee’s supervisor/manager, department director, and/or the General Manager. Employee



attendance at such authorized outside activities will be considered time worked and will be compensated in accordance with normal payroll practices.

### Continuing Education

The continuing education program is available to all regular full-time and part-time employees. Educational assistance provided to part-time employees will be prorated. Only courses of study taken through accredited colleges, universities, correspondence schools, or recognized professional organizations qualify for reimbursement. These courses of study must meet at least one of the following criteria:

- Directly related to the employee's current position and job duties;
- Related to work which the employee can reasonably be expected to perform in the future; or
- Required for additional professional licenses required within their current or related department.

The General Manager will consider applications for financial assistance to cover tuition and certain other educational material costs of a broad range of educational courses that may be taken by a requesting employee outside of work hours. These funds will be available under the provisions of this program on a first come, first served basis. When available funds have been fully utilized, no additional educational assistance request can be approved without prior Board authorization.

In order for a course to be eligible for reimbursement, an employee must complete all of the following requirements:

1. Submit a course approval request to and obtain approval from the department director and General Manager prior to starting the course.
2. Submit a copy of the grade card or similar document from the educational institution, indicating the course of study completed.
3. Receive a passing grade of "C" or better (or "Pass" for courses having a Pass/Fail grading system).
4. Submit the request for reimbursement to the General Manager, including original receipts for all claimed reimbursement.

If an employee is requested by SEJPA to take an educational course, the employee will be paid for his/her time and all related course costs if the course is taken during normal business hours.

If an employee is eligible for scholarship, grant, and/or Veteran's education benefit from either federal or state governments, they must exhaust those benefits prior to receiving education assistance from SEJPA.

Should the employee receive an unsatisfactory grade or less than a "C", at the discretion of the General Manager, the employee will not be reimbursed and may be ineligible to participate in the program for the rest of the fiscal year.

### Membership in a Professional Organization

Professional development may be provided through membership and participation in organizations relating to the employee's area of responsibility. Participation in professional organizations benefits both SEJPA and the employee by providing:

- Information on new laws, procedures, and policies;
- Information on issues of importance to the profession; and
- Opportunity to increase knowledge and resources in the profession which benefits SEJPA.

The employee's membership, participation, and fees shall be determined and approved by his/her supervisor/manager and the General Manager.

Involvement in professional organizations will not take precedence over job responsibilities.

## **PROFESSIONAL CERTIFICATIONS**

Water and wastewater treatment operators, engineers, laboratory analysts, mechanical technologists, backflow prevention specialists, water distribution operators, and electrical/instrumentation specialists who work in water/wastewater facilities may be required by state law to be certified in their field from either State Water Resources Control Board, Department of Health Services, the California Water Environment Association, or the American Water Works Association.

SEJPA will pay the fees for up to two certification exam preparatory classes, the application, and examination fees for those employees who are required to have certification as a condition of continued employment, or at the employee's request provided the General Manager approves. In addition, SEJPA will provide up to a maximum of 2 days with pay. The employee may use holiday, comp time, or vacation hours if additional time is required which is subject to the General Manager's approval. Supervisor approval is required for time off which is dependent on operational requirements.

Certification fees and renewals will be paid by SEJPA provided the request for reimbursement is submitted no later than 3 months after the certification due date.

Prior to enrolling in a certification preparatory class, a completed form and/or application fee should be submitted to the employee's supervisor/manager for approval. SEJPA will pay for certification applications, and examination fees for each level of certification, and up to two preparatory classes. For exam reimbursement, proof of a passing grade must be submitted; and proof that certification requirements have been met prior to reimbursement or direct payment.

## **EMPLOYEE ASSISTANCE PROGRAM**

### Personal Wellness

SEJPA has established an Employee Assistance Program (EAP) to provide confidential services for our full- and part-time employees who may be faced with personal, family, or financial challenges. A limited number of hours for these services are paid for by SEJPA and use is voluntary. Employees may call the service provider at the telephone number listed on the bulletin board posting of this program. The only information SEJPA receives from this service provider is a case number and the number of hours used.

### Legal/Financial Benefits

SEJPA also pays for certain legal and financial professional services for eligible employees as part of the EAP. These services may include telephone consultation on legal matters, discounted legal fees, preparation of simple wills, dispute resolutions, and various financial planning and assistance services. Prescribed services and limitations of this Plan are available from the General Manager.

### Disciplinary Action

Under extraordinary circumstances, and as a possible alternative to severe disciplinary action including possible termination of employment, SEJPA may refer an employee to mandatory participation in the EAP. In these rare instances, the full and complete participation and cooperation of the employee becomes a condition of continued employment. The EAP keeps the employee information confidential. The only information received by the General Manager and/or the General Manager is periodic confirmation that the referred employee is in compliance with attendance and outcome conditions. To authorize SEJPA to receive such information, the referred employee will be required to sign an authorization for the EAP to release this information.

## LEAVES OF ABSENCE

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### GENERAL INFORMATION

Accruals such as sick, vacation, and holiday benefits will be suspended during unpaid leaves of absence, and will resume upon the employee's return to active employment. Any employee who uses a leave of absence for other employment, unless approved by the General Manager, may be terminated from SEJPA. Employee performance and wage and salary review dates may also be adjusted by the total amount of time taken for leaves of absence exceeding 30 consecutive calendar days.

SEJPA will attempt to accommodate employees returning to work from injuries or illnesses with modified duty assignments when practical. Such accommodations may be made depending upon the extent and nature of the work restrictions imposed by the health care provider, the anticipated duration of the restrictions, the availability of modified duty assignments, and other relevant considerations.

Employees on medical leave of absence (MLOA) or Other Disability Leave who are not eligible for continued paid coverage may continue their group health insurance coverage in conjunction with the federal COBRA guidelines by making applicable monthly premium payments. Employees should contact the General Manager for further information.

### PREGNANCY DISABILITY LEAVE

SEJPA provides pregnancy disability leaves of absence without pay to eligible employees who are temporarily unable to work due to a disability related to pregnancy, childbirth, or related medical conditions. Employees should make requests for pregnancy disability leave to the General Manager at least 30 days in advance of foreseeable events, and as soon as possible for unforeseeable events. A health care provider's statement must be submitted, verifying the need for such leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to the General Manager. Employees returning from pregnancy disability leave must submit a health care provider's verification of their fitness to return to work.

SEJPA will make a good faith effort to provide reasonable accommodations and/or transfer requests when such a request is medically advisable based on the certification of a health care provider. When an employee's health care provider finds it medically advisable for an employee to take intermittent leave or a reduced work schedule and such leave is foreseeable based on planned medical treatment because of pregnancy, SEJPA may require the employee to transfer temporarily to an available alternative position. This alternative position will have an equivalent rate of pay and benefits and must better accommodate recurring periods of leave than the employee's regular job.

Eligible employees are normally granted unpaid leave for the period of disability, up to a maximum of 4 months (17-1/3 weeks or 693 hours) per pregnancy. Employees will be required to use any accrued sick time during any unpaid portion of pregnancy disability leave. Employees may also elect to use any accrued vacation time during any unpaid portion of pregnancy disability leave. If an employee is receiving benefit payments pursuant to a disability insurance plan, the employee

and SEJPA may mutually agree to supplement such benefit payments with allowable accrued available leave.

Benefit accrual, such as vacation, sick leave, and holiday benefits, will be suspended during the approved pregnancy disability leave period and will resume upon return to active employment. Group health benefits will be maintained during the approved pregnancy disability leave. However, employees must continue to pay the employees' share of applicable premiums (for the employee and any dependents) during the leave.

So that an employee's return to work can be properly scheduled, an employee on pregnancy disability leave is requested to provide SEJPA with at least 1 week's advance notice of the date the employee intends to return to work.

When an approved pregnancy disability leave ends, the employee will be reinstated to the same position, unless the job ceased to exist because of legitimate business reasons. An employee has no greater right to reinstatement to the same position or to other benefits and conditions of employment than if she had been continuously employed in this position during the pregnancy disability leave or transfer. If the same position is not available, the employee will be offered a comparable position in terms of pay, location, job content, and promotional opportunities, if one exists. An employee has no greater right to reinstatement to a comparable position or to other benefits or conditions of employment than an employee who has been continuously employed in another position that is being eliminated.

Employees with questions regarding pregnancy disability leave should contact the General Manager.

## **PARENTAL LEAVE FOR NEW PARENTS**

SEJPA provides up to 12 weeks of unpaid parental leave to bond with a new child within 1 year of the child's birth, adoption, or foster care placement. Eligible employees are those who have at least 1,250 hours of service during the previous 12-month period. The 12-month period shall be counted backward from the first day of the requested leave.

An employee who is granted parental leave may apply for Paid Family Leave benefits or utilize accrued vacation benefits during the period of his/her leave. Any portion of the leave that occurs after accrued benefits have been exhausted shall be without pay. Neither sick leave nor vacation will accrue during any unpaid period of parental leave. Employees on unpaid parental leave also do not receive holiday pay.

An employee who requires parental leave must notify the General Manager in writing at least 30 calendar days prior to the start of the parental leave or as soon practical if the need for leave is not foreseeable.

SEJPA will maintain and pay for coverage under SEJPA's group health plan for employees who meet the requirements for parental leave of absence. Should the employee fail to return to work when the parental leave expires other than for the continuation, recurrence, or onset of a serious health condition or other circumstances beyond the control of the employee, the employee may be required to reimburse SEJPA for the employee's group health care costs incurred by SEJPA during the parental leave of absence.

## MEDICAL LEAVE OF ABSENCE

Any regular full-time or part-time employee who is temporarily disabled and unable to work due to a medical condition and who is not otherwise permitted by law to take a leave of absence will, upon request, be granted a medical leave of absence without pay (MLOA). An MLOA period extends for the duration of the disability, up to a maximum of 120 calendar days. The term "medical condition" as used here encompasses all temporary, non-work related medical disabilities including but not limited to pregnancy, childbirth, and other related medical conditions.

An employee who is granted an MLOA shall utilize any accrued sick leave benefits and may utilize any other accrued benefits during the period of his/her leave unless it would interfere with the employee's right to obtain Disability Insurance benefits. Any portion of the leave that occurs after sick leave and/or other accrued benefits have been exhausted shall be without pay. The total period of all absences related to the same medical condition shall be considered part of the same leave and may not exceed 120 calendar days in any 12-month period. The 12-month period shall be counted backward from the first day of the requested leave. For purposes of this 120-calendar day limitation, all paid and unpaid portions of the leave shall be added together.

SEJPA will continue to provide any health, dental, and vision insurance benefits ordinarily provided by SEJPA, for which the employee is otherwise eligible, for the duration of the maximum duration of the MLOA, except that the employee will be required to continue to pay any existing employee contribution amount in order to maintain this insurance during the MLOA period. If the employee does not return to work at the end of the MLOA for reasons other than inability to do so due to the condition for which the MLOA is taken, SEJPA may require the employee to reimburse SEJPA for the cost of any such benefits provided. Neither sick leave nor vacation will accrue during any unpaid period of MLOA. Employees on unpaid MLOA also do not receive holiday pay.

An employee who requires an MLOA must notify the General Manager in writing as soon as the employee learns that he/she is, or will become, temporarily disabled and unable to work. Such notice should be provided at least 30 calendar days prior to the start of the MLOA or as soon practical. This written notice should specify the commencement date and the expected duration of the leave. A signed licensed physician's or health care provider's statement confirming the existence of a disability and the expected period of time the employee will be unable to work due to the disability is required.

When an unplanned medical situation or emergency occurs that does not allow the employee to provide advance notification of the need for an MLOA leave, the employee (or a family member, if the employee is unable) must notify SEJPA within 3 working days of an absence. If an employee is absent more than 3 working days without notifying SEJPA, the employee will be considered to have voluntarily abandoned his/her job and voluntarily terminated his/her employment without notice.

An MLOA will end when: 1) the employee receives medical verification that he/she is able to return to work; 2) a signed medical statement by a licensed physician or health care provider that the disability is permanent; 3) the employee fails to return to work on the next regularly scheduled work day after the last day of the approved MLOA; or 4) the 120-calendar day maximum period of an MLOA has been reached.

SEJPA requires written verification from a licensed physician or health care provider that an employee's disability does not impair the employee's ability to perform the essential functions of his/her job before permitting the employee to return to work.

Although SEJPA is unable to guarantee reinstatement in all cases, an employee who returns to work at the end of his/her MLOA will be returned to his/her former position, if available, or will be offered the first available opening in a comparable position for which he/she is qualified. Such an employee will be credited with all service prior to the commencement of his/her disability, but not for the period of his/her disability.

If conditions require a reduction in force, employees on an approved MLOA will be considered for layoff, and treated in the same manner as active employees.

## **OTHER DISABILITY LEAVE**

In addition to medical or pregnancy-related disability leaves, employees may take a temporary disability leave of absence if necessary to reasonably accommodate an ADA-qualified disability. Any disability leave for this purpose may run concurrently with an MLOA. Disability leaves under this section will be unpaid. SEJPA will continue to provide any health, dental, and vision insurance benefits ordinarily provided by SEJPA for up to 120 days of the leave period. The employee will be required to continue to pay any existing employee contribution amount in order to maintain this insurance during the leave period. The duration of a disability leave for this purpose shall not extend past the date on which an employee becomes capable of performing the essential functions of his/her position, with or without reasonable accommodation.

## **PERSONAL LEAVE OF ABSENCE**

Requests for personal leaves of absence will be considered on a case-by-case basis. Consideration is typically based on factors related but not limited to staffing levels in the department among similar jobs, existing or projected workload demands, the requesting employee's work record, and the basis of the request. Personal leaves are generally considered for reasons such as a verifiable family or personal emergency not provided for by legally mandated leaves of absence, to complete a short-term educational requirement not associated with a condition of the employee's present job, or to attend to a medical condition not otherwise eligible or qualified under legally mandated leaves of absence.

Personal leaves requested in writing by a regular full-time or part-time employee and approved by the employee's supervisor/manager and the General Manager shall be for an initial period not to exceed 60 calendar days. Requests for an extension of the initial leave will not be considered unless submitted in writing with reasons for the extension prior to the expiration of the initial period granted, and shall not exceed an additional 30 calendar days.

Personal leaves granted must be taken with accrued vacation time, holiday, or comp time (including administrative time). If no such time is available or is exhausted during a personal leave, the time will be without pay or continuation of employment benefits. If the employee is disabled during a personal leave and sick leave use is authorized, such sick leave will be coordinated with any available disability benefits, whether SEJPA provided or under a private plan, up to a maximum of the employee's normal full base pay to the extent sick leave is available.



While SEJPA may endeavor to allow the employee to return to their same job, SEJPA is not required to reserve the job of any employee who takes an authorized personal leave of absence, and such employees should not have a right or expectation to return to the same or similar job upon completion of a personal leave of absence.

## **WORKERS' COMPENSATION LEAVE**

Workers' compensation leave, without pay, is granted for situations in which there is a health care provider's written statement that a leave is required because of work-related illness, injury, or other physical disability. The health care provider's statement must provide complete details regarding the nature of the disability and the anticipated length of absence from work. Leaves involving questionable work-related disabilities, as permitted by prevailing state and federal laws, may be investigated by SEJPA and the workers' compensation insurance carrier.

An approved leave for a work-related disability will be extended for the duration of the disability until an employee: is released for either full or partial duty; is determined to be permanently disabled and unable to return to work; or informs SEJPA that he/she does not intend to return to work. If an employee is unable to return to his/her usual and customary position, SEJPA will enter into the interactive process with the employee as required by law.

Prior to returning to work, an employee must obtain and provide the General Manager with a health care provider's written release. The release must include specific restrictions, if any, that affect the employee's ability to return to work, and the anticipated duration of the restrictions. Failure to provide such health care provider's release will result in the employee not being allowed to begin work. In some cases, an additional medical release may be required from a physician appointed and paid for by SEJPA.

## **MILITARY LEAVE**

Military leaves of absence shall be granted for a period of up to 5 years consistent with state and federal law. To be eligible, employees must submit written verification from the appropriate military authority. Recognized military service shall mean active military reserve duty by a person in the armed services, to include the National Guard, during a state of national security emergency, a militia emergency, or to combat terrorism ("U.S. Military Armed Forces Reserve").

The employee shall submit, upon receipt, the active duty orders to his/her supervisor, who shall forward a copy to the General Manager.

An employee who is assigned to a U.S. Military Armed Forces Reserve organization and is subject to active or inactive duty training will be granted leaves of absence without pay, generally for up to 2 weeks. An employee may use his/her accrued, unused vacation, holiday or comp time benefits for all or part of an unpaid leave of absence for Reserve training to supplement his/her military pay so as to equal the amount of pay that would have been received from SEJPA during the leave of absence. Any portion of a leave that occurs after all available accrued vacation, holiday, or comp time benefits have been used will be without pay.

A military leave of absence without pay will be granted to an employee who is called to active duty in the U.S. Military Armed Forces. An employee returning from military duty shall be offered re-employment in accordance with the Uniformed Services Employment and Re-Employment Rights Act of 1994 (USERRA). If an employee fails to notify SEJPA of his/her intent to return to



work within the time period allowed by law, the employee will be considered to have abandoned his/her job and voluntarily terminated employment without notice.

SEJPA shall reinstate employees returning from military leave to their same position or comparable position, status, and pay if they meet the following three conditions:

- Have a certificate of satisfactory completion of military services;
- Apply within 90 days after release from active duty or within such extended period, if any, as their rights are protected by law; and
- Are qualified or able to become re-qualified with reasonable efforts to fill their former position.

Exceptions to this policy shall be made consistent with applicable federal and state laws and policies.

## **MILITARY SPOUSE LEAVE**

Qualified employees are eligible for up to 10 days of unpaid leave when their spouse or registered domestic partner is on leave from military deployment. A qualified employee is one who regularly works more than 20 hours per week and whose spouse or registered domestic partner is a member of the U.S. Military Armed Forces Reserve, and is on leave from deployment during a period of military conflict.

If you are eligible for such leave, please submit a written request for leave to the General Manager within 2 business days or as soon as practical of receiving official notice that your spouse or registered domestic partner will be on leave from deployment. You will also be required to provide written documentation certifying that your spouse or registered domestic partners will be on leave from deployment.

Non-exempt employees must use vacation, holiday, and comp time in order to receive compensation for this time off. If no accrued time is available, the employee may take this time off without pay. An exempt employee is required to charge any absence of 4 or more hours under this policy to his/her vacation time account, if any. Otherwise, exempt employees will be compensated to the extent required by applicable law.

## **DOMESTIC VIOLENCE AND SEXUAL ASSAULT LEAVE**

Employees who are victims of domestic violence or sexual assault are eligible for unpaid leave. Leave may be requested if an employee is involved in a judicial action, such as obtaining restraining orders, appearing in court to obtain relief to ensure the health, safety, or welfare of the employee or the employee's child. SEJPA will allow affected employees to use accrued vacation, holiday, and comp time for this purpose or, in the case of certification by a health care provider that the affected employee is disabled from performing their job for a specified duration, accrued sick leave may be used for this form of absence.

Notice and certification of the need to take leave under this policy must be provided to the General Manager. Certification may be any of the following:

- A police report indicating that the employee was a victim of domestic violence, or documentation from legal counsel.
- A court order protecting or separating the employee from the perpetrator of an act of domestic violence, or other evidence from the court or prosecuting attorney that the employee appeared in court.
- Documentation from a medical professional, domestic violence services advocate, health-care provider, or counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence.

SEJPA will, to the maximum extent possible and as required by law, maintain the confidentiality of an employee requesting leave under this provision. The length of unpaid leave an employee may take is limited to 90 calendar days.

## **VICTIMS OF CRIME LEAVE**

An employee who is a victim or who is the family member of a victim of a violent or serious felony may take time off from work under the following circumstances:

- The crime must be a violent or serious felony, as defined by law; and
- The employee must be the victim of a crime, or an immediate family member, a registered domestic partner, or the child of a registered domestic partner of a victim.

An immediate family member, as defined by this law, includes a spouse, registered domestic partner, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father or stepfather. SEJPA further extends this leave to include a grandparent, grandchild, niece, nephew, domestic partner, or child of a domestic partner.

A registered domestic partner means a domestic partner who is registered in accordance with California state law.

The absence from work must be in order to attend judicial proceedings related to a crime listed above. Before an employee is absent for such a reason, documentation of the scheduled proceeding must be provided to the General Manager. Such notice is typically given to the victim of the crime by a court or government agency setting the hearing, a district attorney, prosecuting attorney's office, or a victim/witness office.

If advance notice is not possible, employees must provide appropriate documentation as soon as practical, but no later than 30 days after the absence. Any absence from work to attend judicial proceedings will be unpaid unless employees choose to take paid time off, such as accrued vacation, or sick leave where conditions would warrant the use of sick leave.

## **ADULT LITERACY LEAVE**

Pursuant to California law, SEJPA will reasonably accommodate any eligible employee seeking to enroll in an adult literacy education program provided the accommodation requested will not result in an undue hardship to the employer. SEJPA does not provide paid time off for participation

in an adult literacy education; however, you may utilize accrued vacation, holiday, and comp time to the extent such time is available. Employees who do not have accrued time available will be permitted to take the time off without pay.

## **ALCOHOL AND DRUG REHABILITATION LEAVE<sup>1</sup>**

Pursuant to California law, SEJPA will reasonably accommodate any eligible employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program provided that the accommodation does not impose an undue hardship on SEJPA. SEJPA does not provide paid time off for participation in an alcohol or drug rehabilitation program. However, you may utilize accrued vacation, holiday, comp time, or sick leave should you want compensation for this time off. If you do not have accrued time available, you will be permitted to take the time off without pay.

This policy in no way restricts SEJPA's right to discipline an employee, including actions up to and including termination of employment, for violation of SEJPA's drug and alcohol abuse policy.

## **EMERGENCY DUTY/TRAINING LEAVE**

Non-exempt employees will be granted time off without pay to perform emergency duties as a volunteer firefighter, reserve peace officer, or emergency rescue personnel. Employees who are volunteer firefighters are also eligible for leave up to 14 days per calendar year for fire or law enforcement training. If you are participating in this kind of emergency duty/training and need time off, please notify your supervisor.

Emergency Duty/Training Leave is unpaid. Non-exempt employees may choose to use accrued vacation, holiday, and comp time to receive compensation for emergency duty or training. Exempt employees who work any portion of the workweek in which they perform emergency duties or receive training will receive their full salary for that workweek. Exempt employees will not be paid for emergency duties or training for any workweek where no SEJPA work is performed, and may use accrued time off other than sick time.

## **LEAVE FOR BONE MARROW AND ORGAN DONORS**

Pursuant to California law, SEJPA will provide up to 5 days of paid leave within a 1-year period to an employee who donates bone marrow to another person; SEJPA will also provide up to 30 days of paid leave within a 1-year period to an employee who donates an organ to another person. SEJPA requires that bone marrow donors use up to 5 days of available accrued sick or vacation time during the course of the leave. Organ donors must use up to 10 days of available accrued sick or vacation time during the course of the leave.

To qualify for this leave, an employee must have been employed at least 90 days prior to the commencement of the leave and must provide written verification of his/her status as an organ or bone marrow donor, and the medical necessity for the donation. During such leave, SEJPA will continue coverage under its group medical insurance plan, if applicable. Employees should give their supervisor/manager and the General Manager as much notice as possible of the intended dates upon which the leave would begin and end.

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<sup>1</sup> Only applies when SEJPA has 25 or more employees.

## **RETURNING FROM A LEAVE OF ABSENCE**

When an employee is returning from an approved leave with or without pay, the employee must notify their supervisor/manager at least 7 calendar days prior to the scheduled return date. SEJPA, at its discretion and based on anticipated business needs and operational concerns, may or may not be able to hold an employee's position open during a leave of absence.

If the position held no longer exists upon an employee's return, placement in another available position will be made, if such employee is reasonably qualified. If placement in another position cannot be accomplished, such employee will be laid off. Reinstatement after leaves involving pregnancy related disabilities, U.S. Military Duty, Jury Duty, those leaves covered by Workers' Compensation, or other leaves regulated by law will be in accordance with applicable state and federal laws in effect at that time.

## **TERMINATION DURING A LEAVE OF ABSENCE**

Employees will be replaced or terminated during a leave of absence for any of the following reasons:

- Notice of intent to resign is given or demonstration of intention not to return to work.
- Employee fails to return to work within the time specified for the leave without having obtained an SEJPA approved extension of the original leave expiration date.
- Employee fails to supply a physician's or health care provider's certificate or other requested documentation to substantiate the need for a leave or a leave extension.
- Employee fails to accept their former position upon return, or if not available, another position for which they may be reasonably qualified.
- Employee refuses to undergo a medical evaluation by an appointed health care provider at SEJPA expense when requested.
- Employee accepts other employment at any time during the leave of absence.
- Employee's position no longer exists at the conclusion of his/her leave.

## **SUSPENDED PUPIL/CHILD LEAVE**

Pursuant to California law, SEJPA will provide time off for parents required to visit a child's school where this child has served a period of suspension from school. To be eligible for time off to attend a child's school, the employee must be the parent of a child in kindergarten or in grades one through twelve and must present to his/her supervisor the school's letter which requests the employee's appearance at the school, at least 2 days before the requested time off. Employees may use accrued vacation, holiday, and comp time while attending a child's school under these circumstances. If no accrued time is available, Suspended Pupil/Child Leave will be unpaid.

## **SCHOOL ACTIVITIES TIME OFF<sup>2</sup>**

California law allows a parent or guardian to take up to a total of 40 hours of time off each calendar year, but no more than 8 hours in 1 month, without pay to participate in their children's activities at school (grades K through twelve) or licensed day care facility. Employees may be required to provide their supervisor/manager with documentation from the school verifying that the employee participated in a school activity on the day of the absence.

Employees may use their accrued vacation, holiday, and comp time to receive this time off.

California law and SEJPA policy provide for a maximum of 40 hours of time off regardless of the number of dependents. Additional time may be approved by the General Manager.

## **TIME OFF TO VOTE**

SEJPA encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees are able to find time to vote either before or after their regular work schedule. If employees are unable to reach a polling place during their non-working hours, SEJPA will grant up to 2 hours of paid time off to vote.

Employees must request time off to vote from their supervisor/manager at least 2 working days prior to the election day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the workday/shift, whichever causes the least disruption to the normal work schedule. Employees must submit documentation of their polling place and a voter's receipt on the first working day following the election to qualify for paid time off.

## **CIVIL AIR PATROL LEAVE**

Pursuant to California law, SEJPA will provide unpaid leave to employees who are volunteer members of the California Wing of the Civil Air Patrol and who have been duly directed and authorized to respond to an emergency operational mission of the California Wing of the Civil Air Patrol. Employees must be employed for at least 90 days immediately preceding the commencement of leave in order to be eligible.

Employees are required to give SEJPA as much notice as possible of the intended dates upon which the leave would begin and end. SEJPA will restore the employee to the position he/she held when the leave began or to a position with equivalent seniority status, employee benefits, pay, and other terms and conditions of employment, unless the employee is not restored because of conditions unrelated to the exercise of the leave rights by the employee. The time off is unpaid. However, an employee may utilize accrued vacation.

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<sup>2</sup> Only applies when SEJPA has 25 or more employees.

## **EMPLOYEE RELATIONS AND CONDUCT STANDARDS**

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### **EMPLOYER-EMPLOYEE ORGANIZATION RELATIONS – Appendix B – Administrative Policy B-2**

#### **OPEN DOOR / SUGGESTIONS AND QUESTIONS/REPORTING FINANCIAL IMPROPRIETIES**

Work-related questions or suggestions are best addressed by frank and prompt discussions. Accordingly, SEJPA promotes the following “Open Door” practices:

- SEJPA is always looking for better ways of operating our business and serving the community. Employees who have ideas for improving SEJPA’s services or doing a job more simply and economically are encouraged to give their suggestions to their supervisor/manager, department director, or the General Manager. Management will be glad to review and discuss all such suggestions.
- All employees are encouraged to express their views on SEJPA policies to management, either verbally or, preferably, in writing. Employees are expected to express such views in a calm, reasonable, and constructive manner. Anonymous suggestions may be submitted to the General Manager, department directors, or the General Manager.
- Suggestions and questions will be answered as soon as practical.

Employees who have a reasonable, good faith belief that an SEJPA employee, contractor, or other third-party is engaging in financial misconduct relating to SEJPA operations, or is engaging in conduct which results in the waste of the financial resources of SEJPA, should report this misconduct to the General Manager. If the employee feels uncomfortable about making a report to the General Manager, or if the General Manager is involved in the alleged misconduct, the report should be made to SEJPA’s Board of Directors’ Chairperson or the hotline number maintained by the law firm of Procopio, Cory, Hargreaves & Savitch LLP (Procopio) at 760-444-1704.

The General Manager, Board Chairperson, or SEJPA’s legal counsel will promptly investigate any such report of financial misconduct or waste of financial resources, preserving confidentiality to the fullest extent possible. Retaliation against SEJPA employees or any other person for reasonable, good faith reporting under this policy will not be tolerated.

#### **COMMUNICATIONS / BULLETIN BOARDS**

All SEJPA employees are encouraged to openly and honestly communicate while maintaining tact, courtesy, respect, dignity, and professionalism.

### Staff Meetings

Staff meetings are held on an as-needed or pre-scheduled basis. All employees scheduled to work on meeting days are expected to attend, while unscheduled employees are expected to learn about the content of meetings on their next scheduled workday. These meetings are held to provide information, promote employee participation, contribute constructive ideas in solving problems, improve SEJPA, and allow us to operate more efficiently. It is an opportunity to exchange ideas, set goals, discuss opportunities for growth, and solve any problems with particular projects or assignments. If unable to be present, employees should notify their managers and offer to submit ideas in writing.

### Bulletin Boards

Bulletin boards are used to display required documents and to provide employees with information about job openings, changes in SEJPA, or information of general interest relative to our operations. SEJPA e-mails also are used to disseminate information to employees.

Posting of any notice or document on bulletin boards or elsewhere on SEJPA premises or website must be approved by management. Employees are generally not permitted to post personal notices and solicitations on SEJPA bulletin and electronic message boards without prior approval from management.

## **WORKING RELATIONS**

All employees are expected to be courteous and considerate of one another and to work with a “team player” attitude, including assisting and providing helpful information to other employees. All employees should accept the suggestions or instructions given to them in proper spirit. Problems should be discussed in private. If differences persist, employees should discuss them with their supervisor/manager, department directors, the General Manager, or the General Manager.

## **PERSONAL POSSESSIONS**

Employees are encouraged to avoid bringing expensive items or personal possessions that have monetary or sentimental value to work and to take all precautions to safeguard all such items.

Employees who bring any kind of personal items and possessions to work do so at their own risk. SEJPA accepts no responsibility for any items or possessions that are stolen, lost, or damaged in any way.

## **PERSONAL MAIL, TELEPHONE CALLS, AND VISITORS**

In general, SEJPA facilities are available for SEJPA business. Due to the volume of business calls required during the business day, personal calls on SEJPA telephones during working hours are to be kept to a minimum. Personal telephone calls, including cell phone calls, should be handled during rest breaks and meal periods.

While in the office during working hours, employees are to keep their cell phones on vibrate or silent mode when possible so as not to disturb others. Use of SEJPA telephones for personal long distance or toll calls is not permitted.



Additionally, SEJPA will assume that all mail addressed to the office is official SEJPA mail, even though it may be addressed to an individual. Employees should not have personal mail sent to them at SEJPA.

All employees should keep personal visitors to a minimum so as not to disrupt work or interfere with others.

## **PERSONAL USE OF SEJPA PROPERTY**

SEJPA resources are to be used only for legitimate SEJPA business purposes. SEJPA property includes equipment and tools, vehicles, and supplies, etc. Using, borrowing, or removing any SEJPA property for personal use without approval is prohibited. Unauthorized use, borrowing, or removal of SEJPA property by an employee is subject to corrective action up to and including termination of employment.

## **SOLICITATION/DISTRIBUTION OF LITERATURE**

In order to avoid disruption of operations, the following rules apply to solicitation and distribution of literature on SEJPA property or premises.

### Outsiders

Persons who are not employed by SEJPA may not solicit or distribute literature on SEJPA premises or property at any time for any purpose.

### Employees

Employees may not solicit or distribute literature during “working time” or in “working areas” at any time for any purpose. Working time includes both the working time of the employee doing the soliciting or distributing and the working time of the employee to whom the soliciting or distributing is being directed. Working time does not include meal periods, or any other specific periods during the workday when both employees are properly not engaged in performing their work assignments.

Further, it is strictly prohibited for any employee to solicit or imply their availability to perform private work for any customer or service provider of SEJPA. The solicitation of private work, for pay or no pay, on or off duty, shall result in disciplinary action up to and including termination of employment.

## **TECHNOLOGY AND COMMUNICATION**

The agency’s technology and communications systems include, but are not limited to, all computer, messaging, software, data, cell phones, and Internet.

**Computer Systems:** All computers and computer systems of any type (including, but not limited to, networks and file servers; desktop and laptop computers; smartphones; storage devices; or any other devices) are the property of the agency and are made available to employees for the purpose of conducting agency business. Use of an employee’s personal computers and/or storage devices



(including, but not limited to, USB flash drives, zip drives, or any other such data storage device) for work product is not permitted without prior approval from your supervisor/manager.

**Messaging:** E-mail, voice mail, Internet access, and any other electronic communications systems are SEJPA property and are intended for carrying out SEJPA business. All messages transmitted via these systems will be treated as business messages. Any employee who sends a personal message on these systems should be aware that such messages will be considered business messages. Accordingly, no messages are personal, confidential messages of the employee, and all are subject to public record requests.

SEJPA confidential or proprietary information should not be transmitted via these systems outside the organization or even to employees within the organization unless such recipients are authorized to receive such information. Employees must not copy and send by e-mail or the Internet any information or software that is protected by copyright or other intellectual property laws. No software licensed to SEJPA may be duplicated or installed for use on another computer, unless SEJPA purchases a special multi-user license software package. Installation must be limited to the number of licenses.

All employees should keep e-mail, Internet, and voice messages businesslike and refrain from using the systems for gossip, personal messages, chat rooms, or chain letters. E-mail and voice messages should not be profane, vulgar, defamatory, or harassing. No one may use the voice mail, e-mail, the Internet, or other computer systems to download, send, or forward to others any discriminatory or threatening messages, ethnic or racial slurs, indignities, obscenities, sexual or offensive comments, off-color jokes, lewd graphics or pictures, pornography, or anything that may be construed as harassment or showing disrespect for others. Nor may employees use voice mail, e-mail or the Internet to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters. Any employee misusing the voice mail, e-mail, the Internet or computer systems, including giving another employee a personally assigned password, will be subject to disciplinary action up to and including termination of employment.

**Internet:** Employees are not to load any software programs or download from the Internet any software, screen savers, files, etc. without obtaining approval from SEJPA's Computer Network Administrator.

**Network Security:** Employees should take reasonable care to prevent introduction or spread of computer viruses into or through SEJPA's technology and communication systems and equipment. Employees shall not download, upload, open, or use any file, programs, or e-mail attachment from a source other than SEJPA until it has been scanned with an SEJPA-authorized anti-virus utility.

**No Right to Privacy:** There is no individual right to privacy relative to the use of SEJPA electronic communications or Internet systems. SEJPA may conduct random monitoring, inspections, and access communications to ensure that use complies with SEJPA's policy.

**Public Records:** Information stored in SEJPA technology and communications systems and equipment, including e-mail attachments and voicemail messages, may become public records.

## RETENTION OF E-MAIL

Users of e-mails are solely responsible for the management of their mailboxes. All computer users must review e-mail at least weekly and any permanent e-mails that are needed for SEJPA business should be filed appropriately either in a network location, or printed out (either hardcopy or pdf) and filed in the appropriate subject file. All incoming, sent, and deleted e-mails that are older than 90 days may be deleted automatically from the e-mail system on a daily basis. Items in the deleted items folder may be permanently deleted after 90 days.

## **SOCIAL MEDIA**

Employees are required to comply with all SEJPA policies whenever their social media activities may involve or implicate SEJPA in any way, including, but not limited to, the policies contained in this Handbook. Employees should be professional, courteous to their fellow employees and SEJPA's customers, and in addition, refrain from any discriminatory, harassing behavior. Employees should comply with all federal and state laws. Finally, employees may not speak on behalf of SEJPA.

## **INSPECTION OF FACILITIES/RIGHT TO SEARCH**

SEJPA provides offices, desks, cabinets, lockers, computers, equipment, vehicles, and other property that employees use in the performance of their job duties. These facilities are the sole and exclusive property of SEJPA. Accordingly, SEJPA reserves the right to inspect such facilities and property at any time, with or without advance notice. This policy applies to all SEJPA property, regardless of whether it is for an employee's exclusive use and whether an employee is allowed to maintain a lock or other means to limit access to the property. To facilitate enforcement of this policy, employees also may be questioned, and their personal possessions inspected upon entering and/or leaving the premises with reasonable suspicion.

Employees are expected to cooperate as a condition of employment. Refusal to consent to inspections may result in corrective action up to and including termination of employment.

## **USE OF FACILITIES – OFF DUTY**

Employees are prohibited from remaining on SEJPA premises or making use of SEJPA facilities while not on duty. Employees are prohibited from using SEJPA facilities, property, or equipment for personal use or outside employment (including self-employment).

## **FALSIFICATION OF RECORDS**

SEJPA prohibits the falsification of the employment application, personnel, timekeeping, work orders, customer account information, injury report, or any other report, document, or record pertaining to SEJPA employment, operations, business, or compliance with any applicable federal and state laws. Any employee who engages in the falsification of any records shall be subject to disciplinary action up to including immediate termination of employment in addition to possible prosecution regardless of when the falsification occurred.

## **SMOKING AND TOBACCO PRODUCTS**

Research has repeatedly demonstrated the health hazards of the use of tobacco products, including smoking, breathing of second-hand smoke, chewing tobacco, and E-cigarettes. In the best interest of the health and safety of employees and the general public, E-cigarettes, chewing, and smoking of tobacco products is expressly banned within SEJPA buildings, process areas, confined spaces, and in SEJPA vehicles. Those who chew or smoke on SEJPA property must do so outdoors only in designated smoking areas, but not closer than within 25 feet of any entrance to SEJPA facilities, during regularly scheduled rest breaks and meal periods. Chewing or smoking is prohibited when working around combustible materials, or out in the field.

The success of this policy depends on the thoughtfulness, consideration, and cooperation of smokers and non-smokers. All SEJPA employees are responsible for advising members of the public or other visitors who are observed smoking or using tobacco products on SEJPA property, of SEJPA's policy. Employees should notify management of any person or persons who fail to comply with SEJPA's policy after proper communication.

## **DRESS CODE**

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

Certain positions with SEJPA require a uniform to be worn during working hours to protect personal health and safety. Employees whose position requires a uniform may not perform their job duties without wearing the required uniform. Uniforms should always be neat and clean. SEJPA provides uniforms to its employees which may not be removed from the premises or worn to or from work unless reporting on call-back duty or specifically authorized, by a supervisor.

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

## **UNIFORMS – Appendix C – Salary and Benefits Resolution**

### **IDENTIFICATION**

During new hire processing and orientation, each SEJPA employee will receive an employee identification with his/her photograph. The identification is to be in the employee's possession for identification purposes.

If the identification is lost or stolen, or the employee has had a name change, a request must be made to the General Manager for issuing a replacement identification. Lost or stolen identifications should be reported promptly to the employee's supervisor/manager or the General Manager.

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

## **USE OF TOOLS AND EQUIPMENT**

When using equipment or tools, employees are expected to exercise proper care and follow all operating and maintenance instructions, safety standards, and guidelines. No employee is to attempt to repair any equipment without the express authorization of the supervisor/manager. Use equipment and tools only for the purpose for which they were designed. Do not attempt to operate any equipment or machine until properly trained.

If any SEJPA equipment, machine, or tool is broken, malfunctioning, damaged, defective, or in need of repair, immediately, or as soon as practical, notify your supervisor/manager. Prompt reporting of damage, defects, and need for repairs may prevent deterioration of equipment and possible injury to employees or others.

The improper, careless, negligent, destructive, or unsafe use or operation of tools or equipment, including the removal from SEJPA premises, may result in corrective action up to and including termination of employment.

## **CELL PHONE USAGE**

Employees must adhere to all federal, state, and local rules and regulations regarding the use of cell phones while driving. Accordingly, employees must not use cell phones if such conduct is prohibited by law, regulation, or other ordinance.

## **PRIVACY**

It should be understood that records and information about our customers and personnel information about our employees are considered strictly confidential and only those that have a job-related need and authority to know have a right to access and use such information.

Failure on the part of an employee to maintain the confidentiality and privacy of customer and employee information can result in disciplinary action up to and including termination of employment.

## **STANDARD OF CONDUCT AND CORRECTIVE ACTIONS**

SEJPA expects all employees to demonstrate professional behavior while at work. As with all businesses, SEJPA considers certain conduct unacceptable. It is not possible or practical to list every type of unacceptable conduct. The following behaviors are examples of conduct that should not take place in the work environment:

- Obtaining employment based on false or misleading information. Falsifying information or making material omissions in any SEJPA documents or records, including time sheets.
- Willful destruction or damage to SEJPA property or supplies, or to the property belonging to another employee, a customer, a supplier, or a visitor.
- Theft or unauthorized removal of property that belongs to SEJPA, another employee, a customer, a supplier, or a visitor.

- Misappropriation or unauthorized use of money, credit, property, or equipment of SEJPA or belonging to another employee, a customer, a supplier, or a visitor.
- Dishonesty of any kind, including asking another employee to lie, or withholding the truth from management.
- Rude, abusive, or threatening language or outbursts of anger toward management, employees, the public, or others.
- Possessing firearms or weapons on SEJPA property.
- Willful violation of any law, rule, or regulation (other than minor traffic violations or similar offenses) or pleading guilty to or being convicted of a felony or a misdemeanor that affects an employee's suitability for continued employment.
- Violation of SEJPA Policies of Conflicts of Interest and Confidentiality.
- Possessing or communicating confidential information without proper authorization.
- Malicious gossip and/or spreading rumors, engaging in behavior that creates discord or disharmony in the workplace, interfering with another employee on the job, or restricting work output or encouraging others to do the same.
- Unsatisfactory attendance, excessive absenteeism, repeated tardiness, not being ready to work at the start of a workday, stopping work before end of the workday, or leaving work early.
- Insubordination, including failure to follow job instructions, refusal to do assigned work, or refusal to perform work in the manner described by an employee's supervisor.
- Unlawful or unauthorized possession of alcohol or drugs while on duty or on SEJPA premises, or reporting to work under the influence of alcohol or drugs, including prescription drugs that may interfere with an employee's ability to safely and effectively do his/her job.
- Participating in an unsafe work practice, failing to observe safety rules or procedures, or disregarding any established safety rule, including not wearing required safety equipment or tampering with SEJPA equipment.
- Negligence, or any other action that results in regulation non-compliance, creates a negative impact to the environment, endangers other people or SEJPA property, or that disrupts work.
- Gambling while on the job or on SEJPA premises.
- Violating any security rules or procedures.
- Harassing, threatening, intimidating, or coercing any employee or another person, including violation of SEJPA's Policy Against Harassment.
- For employees in positions requiring the use of a vehicle for SEJPA business, becoming uninsurable by the organization's insurance carrier due to a Department of Motor Vehicles record, driver's license suspension or revocation, or cancellation of the employee's automobile liability insurance policy.
- Any other violations of SEJPA rules and policies, or those laws governing SEJPA employment and operations.

To ensure proper employee conduct in the workplace, violations of SEJPA policies or standards will result in corrective action based on the employee's conduct.

## **DISCIPLINE**

Corrective action procedures may include, among other measures, verbal counseling, written warnings, suspension, demotion, and termination of employment. SEJPA may use any form of corrective action deemed appropriate for the situation. Factors to be considered are:

- The number and type of offenses that are involved;
- The severity of the misconduct;
- The time interval and employee response to prior disciplinary action(s); and
- Previous work history of the employee.

For serious offenses, such as fighting, theft, insubordination, threats of violence, the sale or possession of drugs or abuse of alcohol on company property, etc., termination of employment may be the first and only disciplinary step. Any step or steps of the disciplinary process may be bypassed at the discretion of SEJPA based on the results of its investigation of the offense.

### **Levels of Discipline**

**Counseling** – Counseling includes any discussion with an employee designed to assist the employee in clarifying and remedying a problem. The counseling discussion brings minor performance issues to an employee's attention, and assists the employee to correct them. A "Counseling Interview Memorandum" form will be used.

Counseling is normally given by the immediate supervisor.

**Verbal Warning** – A verbal warning notifies the employee that his/her performance or behavior must be improved for cases involving greater performance issues or when previous counseling has not changed behavior or performance.

A verbal warning defines the areas in which improvement is required, sets up goals leading to improvement, and notifies the employee that failure to improve will result in more serious action.

A verbal warning is normally given by the immediate supervisor, department director, and the General Manager. This action shall only be imposed upon review and approval of the department director and the General Manager. The "Employee Counseling Report" form will be used.

The "Employee Counseling Report" is kept in the employee's personnel file. A copy of the verbal counseling report is given to the employee.

**Letter of Reprimand / Written Warning** – A written warning is a notice to the employee that further disciplinary action may be taken unless performance or behavior improves and is generally given in cases of misconduct or when previous discipline has not changed behavior or performance.



A written warning admonishes an employee for misconduct and advises him/her of the consequences of failing to improve his/her performance or behavior. It generally contains the following information:

- what occurred;
- date and time of the performance or behavior;
- specific rule or policy violated;
- reference to previous conversations, counseling, and/or oral warnings;
- what the employee is expected to do to improve; and
- an outline of subsequent meetings or assignments to ensure that the employee has followed the directions for corrective action.

A written warning is normally given by the supervisor, department director and the General Manager. The General Manager's review and approval for additional disciplinary action will be required.

Copies of written warnings are given to the employee and the originals are placed in the employee's personnel file. The employee can request that verbal warnings and written warnings be removed after 3 years, unless other disciplinary problems have occurred within that time. Violations of the Violence in the Workplace Policy, the Drug and Alcohol Policy, or Sexual Harassment Policy, shall be permanently retained in the file.

**Suspension** – Suspension is the temporary removal of an employee from his/her duties without pay. Suspensions are normally given in cases involving serious misconduct or chronic behavioral problems for which previous discipline has not changed behavior or performance.

A suspension is usually given by the General Manager, department director and the General Manager. This action shall only be taken upon the review and approval of the General Manager.

Copies of suspension notices are given to the employee and the originals are permanently placed in the employee's personnel file.

## INVESTIGATIONS

It may be necessary for SEJPA to conduct an investigation into an alleged or suspected form of misconduct by an employee. Employees should understand that SEJPA has a legal obligation to conduct, or have conducted, such investigations to ensure that the workplace remains efficient, safe, honest, respectful, ethical, legally compliant, and in other ways professional at all times. Therefore, the reporting of any suspected inappropriate act by any person, and cooperation with any resulting investigation, are both an expectation and condition of employment. Any employee who has information concerning an act of misconduct, or believes that such an act may have occurred, is required to promptly report all known information about the incident to the General Manager, their supervisor, department directors, or the General Manager. Employees should refrain from discussing the matter with other persons.

Failure to report a known or suspected violation of SEJPA's policies, practices, procedures, administrative directives, or violations of any law is considered an act of dishonesty and will be subject to disciplinary action up to and including termination of employment.

**Investigative Suspension** – A paid investigative suspension is a period during which time an employee is relieved of his or her job because of alleged serious misconduct. An employee may be placed on investigative suspension when it is necessary to determine the facts of the case, as in a fight, insubordination, drug or alcohol use at work, or theft.

**Disciplinary Suspension** – An unpaid disciplinary suspension may be given in addition to the investigatory suspension. The additional period of suspension will be at the discretion of the General Manager.

**Crisis Suspension** - A crisis suspension is given at the discretion of the management staff and the General Manager in the absence of the General Manager. A crisis suspension is given when the alleged misconduct is serious enough to warrant removal from the workplace but the General Manager is unavailable to approve the suspension.

**Demotion or Reduction in Pay** - SEJPA regards demotions as rare and conducted only under unusual circumstances. Demotions may be voluntary or involuntary but in either case the affected employee will normally be provided with advance notice of the change of classification. However, SEJPA reserves the right to determine, on an individual basis, how a demotion will affect pay and under what circumstances it is in the best interests of SEJPA to demote an employee.

**Performance Improvement Plan** - Periodically it may be necessary or appropriate for a supervisor or manager to implement a Performance Improvement Plan (PIP) for an employee. The purpose of a PIP is to provide a mechanism for performance improvement when an employee's job performance falls below the established standards in one or more essential job duties or responsibilities.

**Termination** – Action to permanently terminate an employee's employment with SEJPA for cases involving significant performance issues or when previous discipline has not changed behavior or performance. A termination of employment is usually given by the General Manager and the General Manager. Copies of dismissal notices are given to the employee and the originals are kept in the employee's permanent personnel file.

SEJPA reserves the right to bypass any disciplinary steps and base its disciplinary action on the severity, frequency, or combination of infractions when circumstances warrant immediate action.

## **OPEN DOOR POLICY, PROBLEM SOLVING AND HOT LINE**

### Problem-Solving Procedure

SEJPA has an internal open door policy in which employees can bring grievances or other issues of concern to SEJPA management. The purpose of this process is to foster open, effective communication, and to potentially resolve employment related problems that may occasionally arise. SEJPA encourages all employees to discuss any work-related problems or concerns with their supervisor and to review them with a higher level of management, if necessary. Resolving problems early often prevents misunderstandings that occur when communications break down.

Employees may use the following procedure to resolve any problems or concerns that impact them regarding application or interpretation of SEJPA's human resource policies and practices contained in this Handbook, working conditions, fair treatment, and other terms and conditions of employment without fear of ridicule, retaliation or reprisal:



1. Meet with the Immediate Supervisor/Manager: Discuss the issue with your immediate supervisor/manager within 10 days. The supervisor/manager will provide a written response within 10 working days. In the event satisfaction is not received through this meeting, or if the employee feels he/she cannot go to their immediate supervisor/manager for any reason, employees may discuss the situation with the next higher level of management.
2. Refer the Problem to Department Directors: If the supervisor/manager's response does not resolve the problem to the reasonable satisfaction of the employee, the employee may submit a written request within 10 days for review by the employee's supervisor/manager. If no supervisor/manager position exists for a particular employee, the General Manager will designate another senior manager to hear the matter and pursue resolution that may include further investigation into relevant details. The supervisor/manager or designee will discuss the problem with the employee and any other concerned party within 10 working days of receiving the written request for review. This person shall then respond in writing and verbally to the affected employee within 10 working days. If the employee is still not satisfied with the decision, he/she may discuss the decision with the General Manager by filing a written request for an appeal within 10 working days of receiving the supervisor's or designee's response.
3. Refer the Problem to the General Manager: Upon the timely receipt of an employee's appeal to the General Manager, or his/her designee, a meeting with the employee and any others deemed appropriate, along with all related documentation, will be arranged within 10 working days. Unless additional time is needed for a further investigation into the matter, the General Manager or designee shall respond and notify the employee in writing of SEJPA's final response to the problem or complaint within ten working days following the evidentiary meeting.

All time limitations provided above may be waived or otherwise altered at the mutual prior consent of both parties. The General Manager shall be responsible for the processing, monitoring, and guidance of this problem-solving process to objectively ensure its timely and equitable administration.

Employees who do not feel comfortable discussing a problem or concern with their supervisor/manager may discuss the matter privately with the General Manager to determine an appropriate course of action. Likewise, employees who feel they have experienced retaliation as a result of reporting a problem or filing a complaint should immediately contact the General Manager.

### Hotline

SEJPA has established a Hotline where employees or former employees can report suspected illegal or unethical conduct in the event that internal resolution channels have been ineffective, or where the employee wishes to remain anonymous.

The law firm of Procopio, Cory, Hargreaves & Savitch LLP (Procopio) is responsible to maintain the integrity of the Hotline (760-444-1704). Attorneys will conduct appropriate investigations and follow-up in response to Hotline calls, and report Hotline activity to SEJPA Board of Directors on a regular basis.

A Hotline caller is not required to disclose his or her identity. However, callers should provide sufficient information and facts that will enable Procopio to conduct an effective investigation. No retaliatory action will be taken against any employee for reporting suspected violations on the hotline.

### **PERFORMANCE/SAFETY INCENTIVE PROGRAMS – Appendix C – Salary and Benefits Resolution**

Any performance/safety incentive programs are dictated by a Board Resolution. The current Resolution is attached for reference.

## EMPLOYEE HEALTH AND SAFETY

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### DRUG AND ALCOHOL POLICY

Employees are the most valuable resource at SEJPA. For this reason, SEJPA has a critical interest in ensuring the health, safety, and well-being of its employees and the maintenance of a safe and efficient work environment.

To this end, SEJPA follows applicable standards and guidelines in accordance with the Drug-Free Workplace Act of 1988, the Federal Department of Transportation, and other laws. Consistent with these standards, SEJPA may designate “safety sensitive” positions that are subject to discretionary random drug testing. Notice of any such designation will be provided to affected employees.

The possession, use, or sale of controlled substances (such as cocaine, heroin, and other drugs including prescription drugs and marijuana, with or without a prescription) in the workplace, or individuals who are under the influence of these substances, pose unacceptable risks for safe, healthful, and efficient operations. Likewise, the possession, use, or being under the influence of alcohol in the workplace poses safety and production risks. All employees must report to work in a fit condition to perform their jobs safely, effectively, and efficiently.

The manufacture, use, sale, purchase, possession, or distribution of alcoholic beverages, illegal drugs or controlled substances (including marijuana, with or without a prescription) by any employee while on SEJPA property or in a vehicle while performing SEJPA business is strictly prohibited. An illegal drug is any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained. Coming to work with illegal drugs in the employee’s system or being under the influence of alcohol or drugs while performing SEJPA business or while on SEJPA property is prohibited.

See Appendix A *Alcohol and Drug Abuse Policy and Testing Protocol* for additional information.

### FITNESS FOR DUTY

Based on documented reasonable suspicion of an employee’s questionable fitness for duty, SEJPA reserves the right as a condition of employment to refer an employee for professional evaluation of their fitness for duty. Such evaluations may include drug and/or alcohol testing, a medical examination by a qualified occupational health physician, referral for evaluation by SEJPA’s Employee Assistance Program, or other professional sources SEJPA considers appropriate.

Referred employees, including secondary referrals, must comply with the instructions, dates, times, and locations of the referred source as a condition of continued employment. Failure to cooperate and/or participate in such referrals may be considered grounds for termination of employment.

All information pertaining to a fitness for duty referral shall be regarded as confidential by the employee’s supervisor/manager and the General Manager. Only the General Manager shall have the authority to receive information from referred sources regarding the nature of the referral and resultant outcomes.

## OCCUPATIONAL HEALTH AND SAFETY/JOB INJURIES

SEJPA is dedicated to maintaining standards for the safety and health of its employees. As part of that goal, SEJPA is committed to providing employees with a work environment that is conducive to safe, effective, and productive job performance. The health and safety of our employees is a priority. All employees must follow safe working practices and encourage others to work safely.

Administration of the safety program is specifically assigned to the Director of Finance and Administration, and general responsibility given to managers, supervisors, and every employee. Your managers and supervisors have been given the full responsibility to enforce the safe job procedures developed for each job function. However, prevention of injuries is only possible through a team effort. SEJPA will comply with all Cal/OSHA rules and regulations including Injury and Illness Prevention Plan. Failure to follow all policies and procedures may be subject to discipline up to and including termination of employment.

Employees are expected to follow all applicable safety procedures. Employees who are uncertain of the safe way to do the job must ask for help. Employees must inform their supervisor/manager of any perceived hazards. Each employee is expected to exhibit the same enthusiasm and pride in supporting our safety program that we do in providing the service that our customers expect from us.

### Accidents/Injuries and Illness

All accidents must be promptly reported to the employee's immediate supervisor/manager and the General Manager. Any injury, no matter how minor, which occurred at the workplace or during the course of employment, must be reported promptly. Employees may be entitled to Workers' Compensation benefits for on-the-job injuries, and prompt, accurate reporting of accidents is required to obtain these benefits.

### Safety

By using good judgment, following proper safety procedures when lifting and carrying heavy objects, and operating equipment properly, employees will help SEJPA meet its objective of preventing personal injury and property damage. The following are a few of the safety guidelines employees must follow:

- Report any unsafe or hazardous condition to management immediately. Reports and concerns about a workplace health and safety issue or the existence of a hazardous condition or practice in the workplace may be made anonymously. All reports can be made without fear of reprisal or retaliation.
- Comply with SEJPA's safety rules and follow the code of safe work practices.
- Do not operate defective equipment, and report all equipment defects to your supervisor/manager immediately. Under no circumstances should any repairs be attempted by anyone other than authorized maintenance personnel. It is the employee's responsibility not to operate defective equipment.
- Notify any supervisor/manager, director, or the General Manager of any emergency situation.
- Avoid awkward positions when bending, stooping, or turning.

- Request assistance when lifting, pushing, or carrying heavy objects.
- Be cautious in the use of extension cords and multi-unit plugs.
- Dispose of damaged extension cords promptly.
- Do not leave any obstructions on the floor. General housekeeping is each employee's responsibility.
- Do not block any exit doors or electrical panels.
- Know the location, contents, and use of first aid, fire equipment, and other safety equipment.

Employees who violate health and safety standards, who cause hazardous situations, or who fail to report or, where appropriate, remedy such situations may be subject to corrective action up to and including termination of employment.

### First Aid

First aid kits are located at Administration Building, Operations Room, Maintenance Garage, Switch Gear #2 restroom, and in each SEJPA vehicle. Employees are not required to provide first aid. First aid is the primary treatment for a job injury, followed-up with care as be required. All injuries that occur in the course and scope of employment with SEJPA, regardless of how minor, must be promptly reported to the injured employee's supervisor/manager and Director of Finance and Administration.

### On the Job Accidents and Reporting Job Injuries

If necessary, your supervisor/manager will call the paramedics, or arrange for transportation to an emergency treatment facility.

As part of the accident investigation, all employees involved in the industrial injury may be required to submit to a post-accident drug test if there is a reasonable suspicion of violation of SEJPA's Alcohol and Drug Abuse Policy.

Supervisor/managers will be required to make a written report of the on-the-job injury/illness using the required forms. These forms must be completed in a reasonable reporting time following the incident for which the employee has realized a work related injury was incurred. It is preferred to be completed within a 24 hour time period.

SEJPA maintains all required logs and reports, posts appropriate notices on the bulletin boards, and ensures that notices are current and adequate.

## **GENERAL HOUSEKEEPING**

SEJPA wants to provide an attractive, safe, and pleasant atmosphere for its employees and customers. All employees are expected to keep their work areas clean, organized, and uncluttered. It is important that employees understand and fulfill their responsibilities to SEJPA and to fellow employees when it comes to housekeeping.

It is every employee's responsibility to keep all work areas clean and trash free. This includes appliances such as the refrigerator, microwave, and coffee maker. All employees are expected to clean up and dispose of food, drink, and trash properly at the end of each rest or meal period. Employees are responsible for the cleaning of the mugs, glasses, dishes, and utensils that they

use. In general, it is for the safety and benefit of everyone that we keep our facilities and workstations clean and orderly.

## **WORKPLACE SECURITY AND MONITORING**

SEJPA is committed to providing a workplace that is free from acts or threats of violence. Although some kinds of violence result from societal problems that are beyond our control, SEJPA believes that measures can be adopted to increase protection for employees and to provide a secure workplace. Accordingly, acts and/or threats of violence by or toward employees will not be tolerated and may be grounds for disciplinary action up to and including immediate termination of employment. Similarly, acts and/or threats of violence by visitors, members of the public, or other non-employees will likewise not be tolerated, and will be grounds for appropriate remedial action. Remedial action includes, but is not limited to, removal of offenders from the premises, removal of employees from work schedules, suspension without pay pending the outcome of an investigation, mandatory participation and completion of an SEJPA-directed Employee Assistance Program, disciplinary action up to and including termination of employment, the filing of a temporary restraining order or court ordered injunction, and any other actions deemed appropriate based on specific circumstances.

SEJPA believes prevention of workplace violence begins with recognition and awareness of potential early warnings. Workplace violence includes: threats of any kind; threatening or physically aggressive or violent behavior; harassing or threatening phone calls; stalking; other behavior that suggests a propensity toward violence such as belligerent speech, excessive arguing or swearing, sabotage or threats of sabotage of SEJPA property; a demonstrated pattern or refusal to follow SEJPA policies and procedures; defacing SEJPA property or causing physical damage to the facilities; or bringing weapons or firearms of any kind on SEJPA premises.

It is every employee's responsibility to report to their supervisor/manager, or a member of the management staff any incident of any threat or act of violence, or use or observation of any weapon on SEJPA premises or vehicles, including acts of intimidation or confrontational behavior. Do not confront any person who is hostile or overly agitated. Instead, immediately report to management any person(s) who acts in a suspicious, hostile, or violent manner. All reports of workplace violence will be taken seriously and will be reviewed promptly, and appropriate corrective action will be taken.

Recommendations to prevent workplace violence, reduce security hazards, and limit access to work areas by unauthorized persons should be made to management.

In an effort to provide security of SEJPA premises and related work locations, SEJPA may inspect, monitor, and/or provide camera surveillance at certain locations from time to time as deemed warranted.

## **EMERGENCY ACTION**

Employees are required to know the location of all emergency exits in their work area and the routes to these exits. Employees are required to know the location of all alarms and fire extinguishers, in addition to becoming familiar with the proper use of emergency equipment. Employees are required to review and become familiar with SEJPA's emergency evacuation plan. Employees should ask their supervisor or manager if they are unsure about the location of emergency equipment or evacuation procedures.

## MISCELLANEOUS POLICIES

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### SEJPA SPONSORED SOCIAL EVENTS

Employees are not required to attend or participate in any off-duty party or recreational, social, or athletic activity. SEJPA periodically may sponsor such voluntary activities for employees and their immediate families, but no employee is required or expected to attend.

Participation in any off-duty SEJPA sponsored recreational, athletic, or social activity is strictly voluntary and is at the employee's own risk. SEJPA assumes no liability for any injury or accident arising out of any off-duty party, social event, or recreational activity. It is important to remember that injuries or illnesses that may result from participation in an SEJPA-sponsored recreational, athletic, or social activity are not covered by Workers' Compensation insurance.

Employees are advised and expected to refrain from drinking alcoholic beverages or engaging in any other activity to the extent that it would cause them to be unfit for the safe operation of a motor vehicle, or to behave in an intoxicated or disorderly manner. Any employee who feels his/her driving skills or reaction times might be impaired, even slightly, should not drive. Safe options include but are not limited to: taking a cab home, calling a friend or relative for a ride, asking another employee who has not been drinking alcohol for a ride home, or requesting any supervisor/manager to arrange transportation.

The behavior of all employees and their guests attending an SEJPA-sponsored social event is expected to comply with the conduct guidelines of this Handbook.

### CELLULAR PHONE PLAN

The Cellular Phone Plan is to provide guidance on the usage of wireless devices, establish reimbursement procedures, and to distinguish between SEJPA-owned and employee-owned equipment. Cellular or wireless phones include smart phones that have data plans for e-mail, internet access and various applications. The goal of the Cellular Phone Plan is to reduce agency costs related to the use and administration of wireless services. In addition to the terms of this Plan, employee use of cellular phones must comply with all other applicable SEJPA policies.

When an employee's employment activities warrant the use of a cellular phone for business purposes, the employee may elect to use the Agency's cellular phone or receive a reimbursement to maintain a personal cellular phone including a wireless plan.

The following outlines guidelines for the Wireless Plan within the two categories:

#### SEJPA-Owned Equipment

- Based on SEJPA business as determined by the department director or General Manager, designated employees shall be issued an SEJPA-provided wireless phone.
- SEJPA equipment is for business use only.



- Employees in possession of SEJPA-provided wireless phones are expected to protect the equipment from loss, damage, or theft.
- In the event of lost, damaged, or stolen SEJPA-provided wireless phones, the employee must report the incident the next business day or as soon as practical, to the Director of Finance and Administration. At the discretion of SEJPA based on facts and circumstances, a replacement phone may be provided at no cost to the employee.
- The employee must return the cellular phone upon separation of employment.

### **Employee-Owned Equipment**

- Based on SEJPA business as determined by the department director or General Manager, designated employees may elect to use their personal cellular phone for business purpose and receive reimbursement.
- Employees who elect this option are responsible for the purchase of a wireless phone and payment of the monthly service plan charges. The personally-owned wireless phone must be available for the employee to be contacted by SEJPA.
- Employees must provide the Agency with the wireless phone number obtained as a result of the reimbursement.
- The employee must notify SEJPA within 10 business days if the wireless services are cancelled or expired.
- Employees will be responsible for all interaction with their service provider for technical, equipment, and billing.
- All contractual obligations agreed upon by the employee and their service provider is the employee's sole responsibility, including any termination fees.
- The employee is responsible for replacement of lost, damaged, or stolen equipment.
- Employees shall provide documentation if requested by SEJPA verifying continued ownership, business use, and service plan of a cellular phone in order to maintain their monthly reimbursement.
- In the event of lost or stolen cellular phones, the employee must report the incident the next business day or as soon as practical.
- Employees have a limited right to privacy on any private device used for business purposes and agree that upon termination of employment or SEJPA's request, the



employee must transfer all work-related information contained on the device to SEJPA then have the device wiped so that all work-related information is permanently deleted.

### **Reimbursement Allocation**

The maximum allowable reimbursement for a voice/text/data plan is \$23.08 per pay period.

### **Safety**

In accordance with California Vehicle Code Section 23123 and all other applicable laws, the Agency prohibits its employees from driving any motor vehicle while using a hand-held cellular phone during business hours or while performing job duties, unless the cellular phone is specifically designed and configured to allow hands-free listening and talking, and is used in that manner while driving. The use of text messaging is strictly prohibited while driving.

To comply with this Cellular Phone Policy, SEJPA encourages its employees not to receive or make calls while driving.

### **Separation from SEJPA**

In the event an employee separates from SEJPA, the Cellular Phone Plan reimbursements shall terminate on the employee's separation date.

### **Tax Guidance**

The Cellular Phone Plan is non-taxable under current IRS regulations. Employees shall agree to indemnify SEJPA for all taxes and penalties which may be assessed by taxing authorities, including the IRS, in the event of a determination that there was insufficient substantiation of business usage to support a non-taxable reimbursement.

## **LACTATION ACCOMMODATION**

In compliance with California Labor Code § 1030 et seq., SEJPA provides sufficient break time for employees who are breastfeeding to express milk at work. When possible, this need should coincide with the employee's meal or rest periods. Any additional time that is needed will be unpaid. When possible, supervisors will consider flexible schedules to accommodate an employee's needs. In addition, SEJPA will provide a private place to express breast milk, other than a toilet, in close proximity to the employee's work area. The employee's normal work area may be used if it allows the employee to express milk in private. The lactation location will be safe, clean and free of toxic or hazardous materials, will contain a surface to place a breast pump and personal items, contain a place to sit, and will have access to electricity or alternative devices needed to operate an electric or battery-powered breast pump. Lactating employees will be provided with access to a sink with running water and a refrigerator or alternative cooling device suitable for storing milk in close proximity to the employee's workspace.

Employees have a right to request lactation accommodation under this section and may do so by contacting the General Manager or other supervisor. If SEJPA cannot provide break time or a location that complies with this policy, it shall provide a written response to the employee.

Employees have the right to file a complaint with the Labor Commissioner for any violation of rights to lactation accommodation provided by law.

## **MEDIA CONTACT/PUBLIC REQUESTS FOR INFORMATION**

Only the General Manager or an employee designated by the General Manager is authorized to release information to the media. In the event the media contacts another employee, the employee should request the name, phone number, and the organization represented, then give that information to their supervisor, who will promptly communicate this information to the General Manager.

## **VISITORS**

All visitors must enter SEJPA facilities at the main entrance and must not enter work areas without specific management permission. Any unauthorized person(s) on SEJPA property will be asked to leave immediately. Those employees who allow unauthorized visitors to enter the premises in any way may be subject to corrective action up to and including termination of employment.

## **GIFT/GRATUITY ACCEPTANCE**

All employees shall comply with restrictions on acceptance of gifts set by the Fair Political Practice Commission and California law for designated public officials. Under these limitations, SEJPA employees may accept gifts valued at less than \$50.00, but not totaling more than \$470 in a calendar year from a single source. All gifts received valued at or over \$50.00 shall be reported to their supervisor in writing within 30 days of receipt. The value of a gift is the price at which the item would sell for on the open market. The exception to this policy is seasonal holiday gifts of nominal value given to, or shared with, employees in recognition of their customer service excellence. It is strictly prohibited for any employee to solicit any gift, gratuity, or other item, service, or product of monetary value from any other person in connection with their employment with SEJPA. Such actions may be subject to discipline up to and including termination of employment. Employees having any questions concerning this policy, or specific instances, should direct their questions to their supervisor or the General Manager.

## **POLITICAL ACTIVITIES**

Generally, SEJPA encourages employee participation in political activities as a matter of good citizenship. However, since SEJPA is a public agency as chartered under the State of California, and governed by an appointed Board of Directors, guidelines concerning certain political activities by employees must be observed. Therefore, employees may not campaign for or against any candidate or issue, engage in political activities, or solicit funds for political groups during working hours, on SEJPA premises, or while wearing an SEJPA uniform, badge or similar apparel that is likely to identify you as an SEJPA employee. Likewise, employees may not solicit or distribute politically oriented information or materials, nor place or post such materials (including bumper stickers) on SEJPA property, including but not limited to bulletin boards, vehicles, buildings, or other equipment property owned by SEJPA.

These restrictions are solely for the purpose of keeping SEJPA jobs free from political influence. Nothing in this policy is intended to prevent employees from voting, belonging to political organizations, or attending political meetings on their own time.

## ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE HANDBOOK

ALL SEJPA EMPLOYEES MUST READ THE ATTACHED EMPLOYEE HANDBOOK, THEN SIGN, DATE AND RETURN THIS PAGE TO THE GENERAL MANAGER WITHIN 2 WEEKS OF RECEIPT. THIS IS A CONDITION OF EMPLOYMENT.

---

Employee Name  
(Please Print)

This acknowledges that I have been given a copy of the San Elijo Joint Powers Authority's (hereinafter "SEJPA") Employee Handbook. I understand that this Handbook supersedes all previous employee handbooks, written policies, oral and written agreements, procedures, manuals, and memoranda regarding the terms and conditions of my employment. I acknowledge that I am expected to read, understand, and adhere to SEJPA's policies documented in this Handbook. I understand it is my responsibility to comply with the policies contained in this Handbook and any revisions made hereafter.

I understand and agree that I have the right to leave SEJPA at any time, with or without cause, and/or with or without notice, and that SEJPA has the right to terminate me at any time, with or without cause, and/or with or without notice at any time during my employment. I understand that this is called "employment at-will" and that no one other than the General Manager has the authority to change this agreement of employment, to enter into an agreement of employment for a specified period of time, or to make any agreement contrary to this policy. Furthermore, any such agreement must be in writing and signed by both the General Manager and me.

I understand that other than SEJPA's policy of at-will employment, the statements contained in the Handbook are not intended to create any contractual or other legal obligations of SEJPA. I further understand that SEJPA may revise, modify, supplement, or rescind any of the policies summarized in this Handbook without advance notice to me.

I understand that if I am an employee with a written agreement, the written employment agreement will take precedence when there are inconsistencies. Otherwise, the Employee Handbook policies and procedures will apply.

---

Employee Signature

---

Date

## **APPENDIX A - ALCOHOL AND DRUG ABUSE POLICY AND TESTING PROTOCOL POLICY**

### **OBJECTIVE**

The purpose of SEJPA's Drug and Alcohol Abuse Policy and Testing Protocol ("policy") is as follows:

- To establish and maintain an alcohol- and drug-free, safe, secure, and healthy working environment for all employees;
- To protect citizens and all other individuals who come in contact with SEJPA employees;
- To reduce alcohol- or drug-related injuries to persons or damage to property;
- To reduce alcohol- or drug-related absenteeism, tardiness, and substandard job performance; and
- To provide guidelines for the rehabilitation of employees who seek SEJPA's help in overcoming addiction to, dependence upon, or other problems associated with the use of alcohol or drugs.

### **SEJPA POLICY**

SEJPA has an obligation to its officers, employees, and members of the public to take reasonable steps to provide an alcohol- and drug-free workplace and to provide services to the public in a safe manner. The following acts are strictly prohibited and constitute cause for disciplinary action up to and including termination of employment:

- Reporting for work or working under the influence of alcohol or drugs;
- The unlawful use, possession, distribution, purchase or sale, or attempted use, possession, transfer, purchase, or sale of alcohol or drugs in any manner during work hours, including rest breaks and meal periods, or while on SEJPA premises or on SEJPA business; and
- Using SEJPA property or premises to unlawfully manufacture alcohol or drugs.

### **DEFINITIONS**

- Alcohol - any beverage that has an alcoholic content in excess of three percent (3%) by volume.
- SEJPA premises - all buildings, parking lots, service yards, patios, lunch rooms, break areas, rest rooms, loading docks, SEJPA-owned vehicles, work sites, or any other sites where employees perform services for SEJPA regardless of SEJPA's ownership or control of the property.
- Drug - any chemical substance (other than alcohol) capable of altering the coordination, reflexes, moods, perception, pain level, attention span, or judgment of the individual consuming it.
- Employee - any individual employed by SEJPA except elected officials. This includes individuals employed on the following basis: full-time, part-time, and temporary.
- Illegal Drug - any drug that is illegal under federal, state, or local law to use, sell, transfer, possess, manufacture, or consume.
- Prescribed Drug - any drug or medication lawfully prescribed by a licensed medical practitioner.

- Under the Influence - behavior modified by alcohol or drugs, resulting in substandard or modified job performance; diminished motor reflexes, impairment of coordination, speech, or mental concentration; or conduct that poses a safety hazard to the employee, co-workers, or others.

## **DISCIPLINE**

Any violation of this policy is cause for disciplinary action up to and including termination of employment. Discipline may be imposed regardless of whether an employee is charged with and/or convicted of a crime relating to any violation of this policy. A second violation of this policy within 1 year of the first violation mandates termination of employment.

## **PRESCRIPTION DRUGS**

No prescription drug shall be possessed or used by any employee other than the employee for whom the drug was prescribed by a licensed medical practitioner. A prescription drug shall be used only in the manner, combination and quantity prescribed. If an employee is using or under the influence of a prescription drug during work hours, it is the employee's responsibility to advise his/her supervisor of the use or influence of the prescription drug before beginning work. Any such medical information provided by an employee will be confidential.

## **REPORTING OF VIOLATIONS TO LAW ENFORCEMENT AGENCIES**

Violations of this policy that may constitute criminal conduct will be reported to the appropriate law enforcement agency.

## **PRE-EMPLOYMENT TESTS**

All applicants for employment are required to submit to a pre-employment physical examination, including an alcohol and/or drug test.

## **SAFETY OF WORK FORCE, MEDICAL EXAMINATIONS, ALCOHOL AND/OR DRUG TESTS**

Each employee may be asked to submit to a medical examination and/or an appropriate test to determine the use of alcohol and/or drugs if there is a reasonable suspicion that the employee has used or is under the influence of alcohol and/or drugs in violation of this policy.

Alcohol and/or drug testing may also be requested following work-related accidents or any suspected violation of safety rules or standards, whether or not injury or damage resulted from the accident or safety violation, if there is a reasonable suspicion that there is a violation of this policy.

The decision to proceed with a medical examination and/or alcohol or drug test will be made by the General Manager or his designee.

An employee determined to be unable to perform his duties in a satisfactory or safe manner based on reasonable suspicion of violation of this policy may be ordered to leave the workplace.

Any employee may notify the General Manager in writing regarding a suspected violation of this policy by any other SEJPA employee.

If an employee charges that a fellow employee has violated this policy and subsequently the allegations are shown to be malicious, knowingly false, or were made so as to harass the employee, appropriate discipline will be imposed on the complaining employee.

## **REFUSAL OF AN EMPLOYEE TO SUBMIT TO A MEDICAL EXAMINATION AND/OR ALCOHOL OR DRUG TEST**

An employee's refusal to consent to a medical examination and/or alcohol or drug test will result in the employee's immediate suspension pending the outcome of SEJPA's investigation of the employee.

An employee who refuses to consent to a medical examination and/or alcohol or drug test shall not be permitted to utilize the rehabilitation benefits and shall be subject to disciplinary action up to and including termination of employment.

An employee who refuses to consent to a medical examination and/or alcohol or drug test may be disciplined for misconduct or unsatisfactory job performance; however, the employee's use of alcohol and drugs shall not be considered as a mitigating factor with regard to the imposition of discipline.

## **INSPECTION TO ADMINISTER AND ENFORCE POLICY**

SEJPA reserves the right to search any SEJPA-owned or controlled articles or property in the employee's control or possession to determine the presence of alcohol or drugs. SEJPA expressly reserves the right to inspect SEJPA-owned or controlled lockers, desks, tool boxes, vehicles, packages, containers, and other articles within the work area.

If the General Manager or his designee has reason to believe that alcohol or drugs are present in a work area in violation of this policy, SEJPA may contact the appropriate law enforcement agency to request a search of the work area.

## **TEST RESULTS**

A positive alcohol or drug test result will be retested. Tests will be conducted by a qualified laboratory or clinic.

A chain of custody of the tested blood, urine, or other sample will be established and maintained by the testing clinic or laboratory.

Laboratory reports and/or test results shall not be placed in an employee's personnel file.

Laboratory reports and/or the results shall be maintained in a separate confidential medical records file. The General Manager or his designee shall file and maintain the confidential medical records a secure location. Laboratory reports and/or test results shall be disclosed only to other individuals on a need-to-know basis and to the employee upon request.

## **GUIDELINES FOR DEPARTMENT HEADS, MANAGERS OR SUPERVISORS**

The suspicion of alcohol or drug use must be based upon objective factors related to the employee's appearance, conduct, speech, behavior, and/or other objective factors. If a department head, manager, or supervisor has reason to believe an employee is under the influence of alcohol or drugs, or has otherwise violated this policy, the department head, manager, or supervisor should carry out the following procedures.

1. Accompany the employee to a private office, room, or other area. If possible, a second supervisor should accompany the employee and the department head, manager, or supervisor. Upon request, the employee may have another employee act as a witness on

his/her behalf. Action regarding the employee shall not be delayed by the request for an employee-selected witness.

2. If it is determined that this policy may have been violated, the General Manager or his designee should be advised. After receiving authorization to conduct a medical examination and/or alcohol or drug test, the employee should be told that his behavior or performance warrants a medical examination and/or alcohol or drug test. The employee should be advised that the examination and/or test will be conducted at an SEJPA-designated testing facility.
3. If the employee agrees to a medical examination and/or alcohol or drug test, the following procedures should be carried out.
  - a. The employee should be asked to read and sign an Authorization for Testing form (Attachment A), and an Authorization for Release and Use of Testing Information (Attachment B).
  - b. The General Manager or his designee will arrange transportation to SEJPA-designated testing facility.
4. If the results of the medical examination and/or alcohol or drug test indicate the employee is under the influence of alcohol and/or drugs or has violated this policy, appropriate disciplinary action may be taken up to and including termination of employment.
5. If the results of the medical examination, alcohol and/or drug test indicate another medical or psychological cause for the employee's behavior, the employee will be placed on medical leave and will be required to provide SEJPA with a medical release from a physician before returning to work. SEJPA may require the employee to be examined and evaluated by an SEJPA-selected physician before being allowed to return to work.
6. If the results of the medical examination and/or alcohol or drug test are negative or inconclusive, no further action will be taken by SEJPA with regard to the violation of this policy.
7. If the employee refuses to consent to a medical examination and/or alcohol or drug test, the following procedures should be carried out.
  - a. The department head, manager, or supervisor must explain to the employee that the requested medical examination and/or alcohol or drug test is used to establish the employee's compliance with this policy and/or fitness to perform his/her job.
  - b. The department head, manager, or supervisor must inform the employee that his/her refusal to consent to a medical examination and/or alcohol or drug test will be interpreted as a deliberate failure to comply with a reasonable request and the employee will be subject to discipline up to and including termination of employment. The employee should also be advised that he/she will not be allowed to use evidence of alcohol or drug abuse as a mitigating factor regarding any discipline imposed for misconduct or unsatisfactory job performance or to utilize the rehabilitation benefits.
  - c. The employee will be immediately suspended if he/she refuses to consent to a medical examination and/or alcohol or drug test. Refusal to submit to a medical examination and/or alcohol or drug test shall mean alcohol or drug abuse shall not be considered a mitigating factor in the imposition of discipline for misconduct or



unsatisfactory job performance. Refusal to submit to a medical examination and/or alcohol or drug test shall preclude the employee from utilizing any of the rehabilitation benefits.

- d. The General Manager or his designee must be informed of the situation by the department head, manager, or supervisor. The decision to suspend the employee will be made by the General Manager or his designee.
- e. If the employee is suspended, the department head, manager, or supervisor should arrange for the employee to be transported home.
- f. All department heads, managers, and supervisors involved in any incident investigated under this policy must prepare a written record of the incident within 24 hours of its occurrence.

## REHABILITATION

An employee found to have reported to work under the influence of alcohol or drugs may be given an opportunity to participate in an SEJPA-approved counseling program after the first violation of this policy. Employees are encouraged to utilize available employee assistance programs and health insurance plans to help them resolve their alcohol or drug abuse problems.

If necessary, an employee will be placed on a leave of absence to participate in an SEJPA-approved rehabilitation program. The employee may use accumulated sick leave during the first 30 days of the leave of absence. If an employee needs a leave of absence in excess of 30 days to participate in an approved rehabilitation program, SEJPA may extend the leave of absence. All leaves of absence, returns to employment, the conditions of continued employment, and the payment of sick leave benefits are conditioned upon the employee's good faith and satisfactory participation in the rehabilitation program.

If upon completion of the employee's leave of absence and rehabilitation program the employee can present written evidence from a qualified medical practitioner that the alcohol and/or drug problem has been eliminated or is in remission, the employee may be reinstated.

If at the end of the leave of absence the employee is still experiencing an alcohol and/or drug problem but can provide evidence that he/she is still receiving treatment, an extension of the leave of absence may be granted. If the employee is unable to provide evidence of treatment, elimination or remission of the alcohol or drug problem, the employee will be dismissed upon expiration of the leave of absence.

The General Manager retains the sole discretion to decide if an employee will be granted a rehabilitation leave or returned to work, and the conditions under which the employee may return to work.

If an employee does not violate this policy for a 3-year period after the most recent violation, the records related to the employee's prior violations will be destroyed. Records relating to an employee's participation in a rehabilitation program shall be kept confidential to the extent permitted by law.

## REPORTING CONVICTIONS

Employees as a condition of employment must report any conviction under a criminal drug statute for violations occurring on or off SEJPA premises while working for SEJPA. A report of a



conviction must be made within 5 days after the conviction.

## **CONDITIONS OF EMPLOYMENT**

Employees must as a condition of employment abide by the terms of this policy.

**ATTACHMENT A**  
**AUTHORIZATION FOR TESTING**

I, \_\_\_\_\_, (name of employee) voluntarily agree that the San Elijo Joint Powers Authority and other persons or entities acting for or with them are authorized to:

1. Collect blood, urine, saliva, or other necessary samples from me and to test those samples for the presence of alcohol and/or drugs.
2. Conduct other necessary and appropriate medical tests and physical examinations to enforce SEJPA's Alcohol and Drug Abuse Policy.
3. Use the results of any tests or examinations to administer SEJPA's Alcohol and Drug Abuse Policy.

\_\_\_\_\_  
Signature of employee

\_\_\_\_\_  
Date

(NOTE TO EMPLOYEE: Upon request, you will be provided a copy of this form.)

**ATTACHMENT B**  
**AUTHORIZATION FOR RELEASE**  
**AND USE OF TESTING INFORMATION**

I, \_\_\_\_\_, (name of the employee) authorize Workpartners Occupational Medicine the San Elijo Joint Powers Authority's occupational health provider, to release to SEJPA and its General Manager (or any persons designated by the General Manager) all results of the medical examinations and/or alcohol or drug tests performed on me by Workpartners Occupational Medicine.

I further authorize SEJPA and its management to communicate this information as it deems appropriate for any purpose related to the enforcement of SEJPA's Alcohol and Drug Abuse Policy and Testing Protocol ("Policy").

This authorization shall remain in effect until SEJPA has concluded its investigation and enforcement of the Policy or until the conclusion of any challenge to the enforcement of the Policy by the employee and/or his representative.

\_\_\_\_\_  
Signature of employee

\_\_\_\_\_  
Date

(NOTE TO EMPLOYEE: Upon request, you will be provided a copy of this form.)

## **APPENDIX B-1 - ADMINISTRATIVE POLICY: Classification and Compensation**

Policy Title: **Classification and Compensation**

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### **Description:**

It is the intent of the San Elijo Joint Powers Authority (SEJPA) to provide quality staff to efficiently manage, operate, and maintain facilities owned and operated by SEJPA. It is the goal and objective of SEJPA to have the ability to recruit and retain quality personnel. SEJPA desires to maintain compensation and benefits that are both competitive and reasonable with competing labor markets. In order to meet the needs and requirements of SEJPA and its staff, a review of SEJPA's position classifications and compensation may be done as necessary, conducted by the General Manager or his/her designee.

### **Guidelines:**

Review the current classifications to evaluate and provide recommendations to improve, revise, or create position allocations and class specifications as needed.

Review the current compensation schedule in an objective, competitive, and equitable manner which may include conducting industry surveys for salary and benefits.

Hold meetings with staff to identify concerns and issues regarding the current classification, compensation, and benefits.

Conduct job analysis interviews and position description comparisons to establish accurate compensation correlations.

Compile and analyze the compensation data to ensure the competitiveness of SEJPA's salaries and benefits with relevant labor markets.

Develop a specific salary recommendation based upon internal equity and external labor market data.

The Board may consider and act upon the recommendations of the General Manager directly or appoint a committee to review the recommendations in a timely manner, prior to their presentation to the full Board.

### **Compensation**

Compensation paid to new employees will be within the labor classification range set and approved by SEJPA's Board.

The employee's immediate supervisor conducts employee performance reviews regularly. The supervisor may then submit recommendations for compensation adjustments.

When an employee reaches the upper limit of their classification pay range, they will no longer be eligible for merit pay increases. Classification compensation may be adjusted by SEJPA's Board in their review, as stated in the Guidelines above. In lieu of any changes to the classification ranges, the Board may authorize the General Manager to award a lump sum merit payment.

## **Classifications**

The General Manager maintains a complete set of position descriptions for all personnel. The position descriptions outline the requirements, reporting relationships, position characteristics, and responsibilities of each position.

Employees are classified according to the type and level of work performed. Every position belongs to one of two payroll classifications; exempt or non-exempt, as defined by the Federal Labor Standards Act (FLSA).

SEJPA's Board has approved the following classifications:

### **Exempt**

- General Manager
- Director of Operations
- Director of Finance/Administration
- Project Manager Series
- Chief Plant Operator
- Mechanical Systems Supervisor
- SCADA Manager
- Laboratory Manager

### **Non-Exempt**

- Wastewater Treatment Plant Operator in Training
- Wastewater Treatment Plant Operator I/II
- Wastewater Treatment Plant Lead Operator
- Water Reclamation Specialist
- Maintenance Mechanic I/II
- Systems Integration Technician I/II
- Laboratory Analyst I
- Laboratory Analyst II
- Senior Laboratory Analyst
- Accounting Technician Series
- Administrative Series

## **Employment Status**

Employment status is based on an employee's working hours and duration of employment. Generally, employees fall into one of four categories. They are:

Full-Time - an employee who works 80 hours during a two-week period and whose continuing employment is expected (but not guaranteed) to be for an indefinite period.

Part-Time - an employee who customarily works less than 80 hours during a two-week period and whose continuing employment is expected (but not guaranteed) to be for an indefinite period.

Full-Time Temporary - an employee who customarily works 80 hours during a two-week period and whose employment is not expected to be more than six consecutive months.

Part-Time Temporary - an employee who customarily works less than 80 hours during a two-week period and whose employment is not expected to be more than six consecutive months.

Full-Time Intern - an employee who customarily works 80 hours during a two-week period and whose employment is not expected to be more than six consecutive months.

Part-Time Intern - an employee who customarily works less than 80 hours during a two-week period and whose employment is not expected to be more than six consecutive months.

Full-time employees are eligible for fringe benefits subject to the rules governing such benefits. Part-time employees will receive fringe benefits pro-rated based on the regular hours worked and subject to the rules governing such benefits.

Those employees who work as full-time or part-time temporary employees are not entitled to fringe benefits.

<b><u>Approved By:</u></b>	<b><u>Date Approved:</u></b>
SEJPA Board	March 10, 2008
SEJPA Board	June 11, 2012
SEJPA Board	July 8, 2013
SEJPA Board	January 11, 2016
SEJPA Board	October 28, 2019
SEJPA Board	May 4, 2020

## **APPENDIX B-2 - Employer-Employee Organization Relations**

### Description

The Government Code of the State of California requires that SEJPA provide procedures for the administration of the employer-employee relations between SEJPA and any recognized employee associations. This policy provides guidelines for ensuring that SEJPA and any recognized employee organizations meet and confer in good faith regarding matters concerning the wages, hours, and other terms and conditions of employment.

Resolution No. 2017-01 Attached

## **APPENDIX B-3 - ADMINISTRATIVE POLICY: Work Shifts, Overtime and Compensating Time Off**

Amended Effective: April 3, 2020

**Policy Title:** **Work Shifts, Overtime and Compensatory Time Off (CTO)**

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### **Description:**

The San Elijo Joint Powers Authority (SEJPA) will pay overtime and compensatory time off in compliance with Federal regulations and consistent with the guidelines below.

From time-to-time, the workload may require SEJPA to request employees to work different work shifts or to work overtime. SEJPA will make every effort to assign regular work shifts and evenly distribute overtime based on operational necessity among the employees with the skills, knowledge and ability for the work that needs to be accomplished. When possible, advance notification of these mandatory assignments will be provided. In order to provide SEJPA employees with consistency and predictability, overtime and shift changes will be made only when based on operational necessity. Employees who refuse to work their assigned shift or overtime shall be subject to corrective action, up to and including termination of employment, depending upon the circumstances. All overtime work must be pre-approved by the immediate supervisor or manager. Working unauthorized overtime is strictly prohibited.

### **Guidelines:**

#### **A. Work Shifts**

SEJPA establishes the following work shifts for employees, which will be assigned in two-week minimum increments:

- 7/80: Six 12 hour workdays and one 8 hour workday over a two-week period
- 8/80: Eight 10 hour workdays over a two-week period
- 9/80: Eight 9 hour workdays and one 8 hour workday over a two-week period
- 10/80: Ten 8 hour workdays over a two-week period

An employee's work shift will be assigned in advance by the employee's supervisor or General Manager. Work shifts will be assigned for a minimum two week period, but may thereafter be subject to change in the event of an emergency or unforeseen need. SEJPA reserves the right to modify, delete or add to the work shifts established herein as it deems appropriate and in order to meet its operational needs. The daily and weekly work schedules may vary with each department and may change from time to time to meet the business conditions. SEJPA may request an employee to work the traditional 8-hour workday, 5 days a week. Employees are to check with their supervisor/manager regarding their individual work schedules.

#### **B. Workweek**

SEJPA reserves the right to assign workweek to individual employees consistent with the Fair Labor Standards Act. Employees will be notified of their assigned work week at the time employees are assigned their work shift. The workweek may differ among employees, provided the hours and days are consistent from week to week for each employee.



### **C. Overtime**

Non-exempt employees will be paid overtime according to the regular rate required by the Fair Labor Standards Act (FLSA) under the following conditions:

- Hours worked in excess of the employee's assigned work shift on a particular workday will be paid at a rate of one and one-half times the employee's regular rate of pay. For example, an employee on a 7/80 work shift will receive overtime pay for time spent on the job that exceeds 12 hours for the given workday.
- Hours worked over 40 in the workweek will be paid at the rate of one and one-half times the employee's regular rate of pay.
- The first eight hours worked on the seventh consecutive day of work in the workweek will be paid at a rate of one and one-half times the employee's regular rate of pay.
- Hours worked in excess of eight hours on the seventh consecutive day of the workweek are to be compensated at a rate of two times the employee's regular hourly rate of pay

Hours worked on weekends do not automatically constitute overtime. To qualify for overtime, such work must fall into one of the overtime categories described above.

Only actual hours worked in a given workday or workweek can apply in calculating overtime. Hours worked are paid once in determining overtime premium pay. Sick leave, vacation, holidays, or other paid time off is considered hours worked for purposes of overtime calculations.

### **D. Compensatory Time Off (CTO)**

Non-exempt employees may choose to receive compensatory time off (CTO) for overtime hours worked during any workday in lieu of overtime pay by entering such hours on their timecard in the "CTO" column.

- No employee may accrue more than 27 hours of CTO.
- A record will be maintained for CTO time accrued and taken.
- CTO hours are banked at the same rate as would normally be paid for such overtime hours.
- An employee must submit a CTO leave request to their supervisor for approval prior to taking time off.
- All CTO hours will be subject to payout at the time of employment separation.

## **APPENDIX C – RESOLUTION 2019-03**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT POWERS AUTHORITY ADOPTING SALARY AND BENEFITS FOR FISCAL YEARS 2019-20, 2020-21, AND 2021-22**

Resolution 2019-03 is attached

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 4, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: AGREEMENT AMENDMENT FOR AUDITING SERVICE – ONE YEAR TERM  
EXTENSION

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to amend the agreement with The Pun Group, LLC to exercise the option of a one-year term extension for auditing service of fiscal year ending June 30, 2020 for an amount not to exceed \$20,000; and
2. Discuss and take action as appropriate.

BACKGROUND

State law requires that special districts have an annual, independent audit conducted by the county auditor or a certified public accountant. This information is filed with the State Controller's Office. In March 2016, the San Elijo Joint Powers Authority (SEJPA) Board of Directors approved and authorized the General Manager to appoint The Pun Group, LLP as the SEJPA's auditor beginning fiscal year ending June 30, 2016, and enter into a three-year contract with an optional two additional one-year terms. In February 2019, SEJPA entered an amendment to exercise the first of the two additional one-year terms.

DISCUSSION

Resolution 2020-01 established Purchasing Policies and Procedures for the San Elijo Joint Powers Authority. It authorized the General Manager to make and enter in contracts for capital costs, costs for special services, equipment, materials, supplies, maintenance or repair that involves an expenditure by SEJPA of less than \$35,000 with any consultant except for consultants to perform the duties of the auditor or treasurer. This amendment is to exercise the last year of the optional two additional one-year terms for an amount not to exceed \$20,000.

FINANCIAL IMPACT

The recommended agreement amendment of \$20,000 has been incorporated in the proposed FY 2020-21 operating budget.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to amend the agreement with The Pun Group, LLC to exercise the option of a one-year term extension for auditing service of fiscal year ending June 30, 2020 for an amount not to exceed \$20,000; and
2. Discuss and take action as appropriate.

Respectfully submitted,



---

Amy Chang  
Director of Finance and Administration

Attachment 1: The Pun Group, LLC – Audit Contract Extension proposal dated April 20, 2020



## ATTACHMENT 1

April 20, 2020.

San Elijo Joint Powers Authority  
Amy Chang | Director of Finance and Administration  
2695 Manchester Avenue  
Cardiff by the Sea, California 92007

RE: Audit Contract Extension

Dear Ms. Chang:

I would like to take this opportunity to thank you for the confidence and support the Authority have provided to us over the past years. I would like to take this opportunity to present this letter for your consideration regarding extending The Pun Group, LLP audit contract with the Authority.

We have developed an understanding of the Authority's operations that has aided us in providing quality audit services. With that knowledge, we have been able to expand our audit efforts and provide observations that have assisted Authority staff. We have also demonstrated our ability to respond to requests of the Authority and our ability to deliver quality services. The Authority has been satisfied with our efforts.

I would like to propose an extension of our audit contract to include the fiscal year ending June 30, 2020. The objective of our audits is to issue an opinion regarding the fairness of presentation of the Authority's financial statements in accordance with generally accepted accounting principles.

Our fees for these services are as follows:

Fiscal Year 2019-2020			
Pesonneel	Hours	Standard Hourly Rates	Standard Hourly Total
Partners	16	\$ 250	\$ 4,000
Managers	30	\$ 200	\$ 6,000
Senior Auditors	40	\$ 150	\$ 6,000
Staff Auditors	60	\$ 125	\$ 7,500
Subtotal	146		\$ 23,500
Out-of-Pocket expenses:			\$ -
Other-Specify:			
Less: Professional Discount			\$ (3,500)
Total maximum price for annual audit (FY2020)*			\$ 20,000
Report			Total Cost*
Audited Financial Statements of the SEJPA			\$ 20,000
SAS No. 114 - Internal Controls Letter			Included
Total All-Inclusive Price			\$ 20,000

\*The Single Audit fees are based on one (1) major program. The fee to audit additional major programs will be \$2,500 each. The number of programs determined to be "major" will be based on Uniform Guidance. The Engagement Team will discuss this with the Authority's Management before starting Single Audit work.

200 E. Sandpointe Avenue, Suite 600, Santa Ana, California 92707  
Tel: 949-777-8800 • Fax: 949-777-8850 • [www.pungroup.com](http://www.pungroup.com)

If the Authority agrees with the foregoing, please sign the copy of this letter in the space provided and return it to us.

We would very much like to continue our relationship with the San Elijo Joint Powers Authority and stand ready to provide the level of service and commitment for which the Authority has become accustomed.

If you have any questions, please feel free to call me at (949) 777-8801.

Sincerely,  
The Pun Group, LLP



Kenneth H. Pun, CPA, CGMA  
Managing Partner

\*\*\*

This letter correctly sets forth the understanding of the San Elijo Joint Powers Authority as listed above.

**Acknowledged by:**

---

San Elijo Joint Powers Authority

---

Signature

---

Name and Title

---

Date

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 4, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WATER CAMPUS IMPROVEMENT PROJECT – STAGE 2 LEASE-  
PURCHASE AGREEMENT UPDATE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Vote to supersede its March 9, 2020 authorization regarding the Stage 2 Lease-Purchase Agreement by authorizing the General Manager to execute Stage 2, Phase 1 and Phase 2 Amendments to the Agreement for a Guaranteed Maximum Price (GMP) not to exceed \$18,410,000, subject to the General Manager's final negotiations with contractor and General Counsel's final review; and
2. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) has completed the design and environmental clearance phase of the Water Campus Improvement Project. The project's core components consist of a new administration and operations building, new site security and utility enhancements, public and private parking areas and EV charging stations, a multi-use (bicycle/pedestrian) path with a trailhead rest area, stormwater conveyance and treatment improvements, and road and traffic control improvements on Manchester Avenue. The project was approved by the Board in March 2020 subject to the finalization of terms, at which time staff began finalizing contract terms with the contractor.

However, in response to the current COVID-19 pandemic, staff paused contract preparation to evaluate potential risk that the pandemic could present to the project and SEJPA. SEJPA had various concerns, including the heightened risk to SEJPA staff and certified operators that could result from onsite work performed by third party contractors. After careful evaluation, staff developed a revised delivery strategy that constructs the project in a phased manner that allows for compliance with COVID-19 safety requirements, and provides an early offramp at SEJPA's discretion.

## DISCUSSION

As these unprecedented events unfolded, staff worked diligently to identify and mitigate potential impacts, including labor force availability, supply chain reliability, extended project schedules, and other COVID-19 related risk. In order to minimize risk, staff developed a two-phase project delivery method to deal with the uncertainty associated with the COVID-19 pandemic. The revised delivery separates the project into two distinct GMP packages. Phase 1 includes rough grading, undergrounding the storm drain culvert, installing dewatering wells, and site utility relocations (Figure 1). Phase 2 includes the construction of the multi-use path, building and site improvements, and Manchester traffic signal and right-of-way improvements (Figure 2).

The proposed approach allows staff to advance the weather-dependent portions of the project during the dry season, while allowing time to rebid the majority of the Building and Site Improvement project elements concurrently. The intention is to deliver the entire project as a whole, as efficiently as possible, while providing an offramp should conditions worsen or if the cost of the project escalates. In the unlikely event that updated bids do not come in on or under budget, the Building and Site Improvements element would be postponed and the Multi-Use Path and storm water elements could be completed as a standalone project.

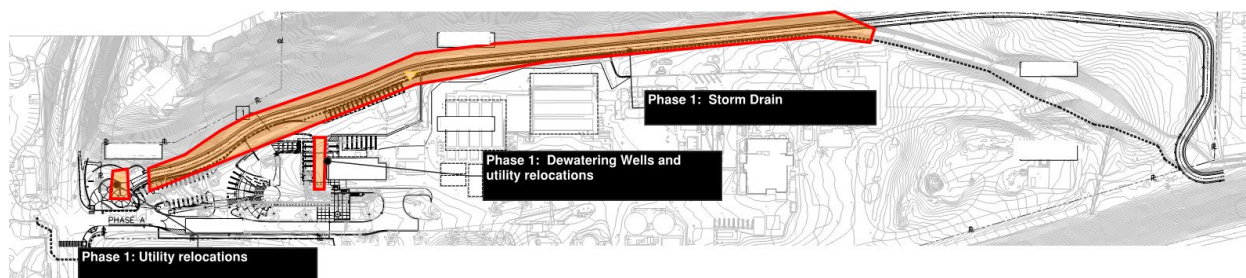


Figure 1. Phase 1

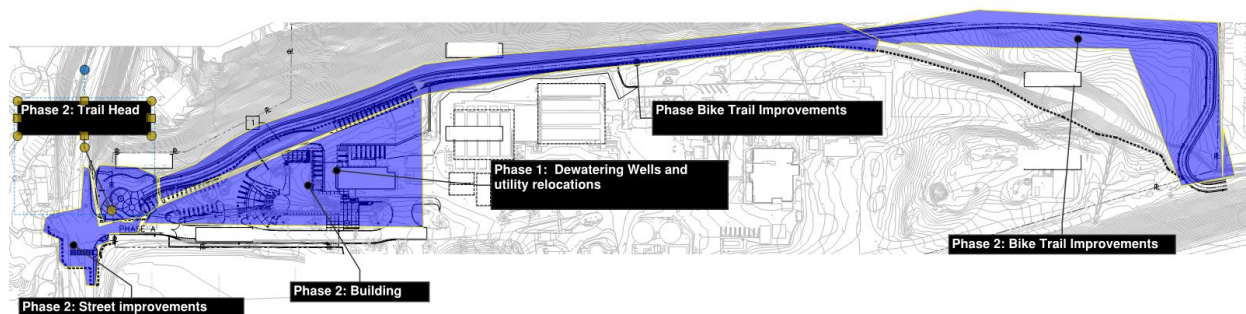


Figure 2. Phase 2

The SEJPA is in a unique position because the key terms for the Water Campus Improvements project have been approved, but the final contract terms have not yet been finalized and the contract has not been fully executed. SEJPA staff has worked with legal counsel to modify the original Lease-Purchase Agreement to allow the project to be constructed through the use of two GMPs, while maintaining the overall commitment of \$18,410,000. The parties are conferring and expect to finalize the agreement amendments and attachments soon. Approval of this approach would supersede the prior approval the Board granted at the March 9, 2020 Board meeting. Through careful consideration and a phased approach, the project could be delivered safely and successfully, and potentially capture increasingly favorable market conditions.



## FINANCIAL IMPACT

There are no additional costs associated with this staff report. The intent of staff's recommendation is to reduce financial risk associated with COVID-19 by phasing the project into two components, rebidding project elements, and incorporating new pandemic response requirements into the contract. The construction budget remains unchanged at \$18,410,000, however there is the potential for cost savings associated with bidding in the current market conditions.

Overall, staff has improved the financial position of the project by obtaining an additional \$1,200,000 in Caltrans funding, and the City of Encinitas reduced permitting fees by \$125,000. The project budget (Figure 3) and funding sources (Figure 4) have been updated to reflect the new Caltrans revenue and permit savings.

<b>PROJECT BUDGET</b>	
<b>WATER CAMPUS IMPROVEMENT PROJECT</b>	
<b>Item</b>	<b>2020 Est. Cost</b>
<b>CONSTRUCTION</b>	
Building	\$ 8,460,000
Multi-use Path	\$ 5,270,000
Site Improvements	\$ 4,296,000
Site dewatering	\$ 170,000
Sub Total	\$ 18,196,000
Construction Contingency (scope gap)	\$ 214,000
GMP Total	\$ 18,410,000
Owner Contingency	\$ 915,000
Total	\$ 19,325,000
<b>CONSTRUCTION FEES &amp; SUPPORT SERVICES</b>	
CM/Engineering/Environmental Compliance	\$ 720,000
City of Encinitas Permits/Inspection Fees	\$ 400,000
San Diego Regional Water Quality Control Board	\$ 150,000
<b>Grand Total</b>	<b>\$ 20,595,000</b>

PROJECT FUNDING SOURCES			
WATER CAMPUS IMPROVEMENT PROJECT			
<i>SOURCE</i>		<i>ORIGINAL</i> <i>Mar-20</i>	<i>REVISED</i> <i>May-20</i>
Clean Water Bonds	\$	15,000,000	\$ 15,000,000
Capital Cash	\$	1,520,000	\$ 195,000
Caltrans	\$	4,200,000	\$ 5,400,000
<b>Total</b>	<b>\$</b>	<b>20,720,000</b>	<b>\$ 20,595,000</b>

Figure 4. Project Funding Sources

It is therefore, recommended that the Board of Directors:

1. Vote to supersede its March 9, 2020 authorization regarding the Stage 2 Lease Purchase Agreement by authorizing the General Manager to execute Stage 2, Phase 1 and Phase 2 Amendments to the Agreement for a Guaranteed Maximum Price (GMP) not to exceed \$18,410,000, subject to the General Manager's final negotiations with contractor and General Counsel's final review; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

ATTACHMENT 1: STAGE 2 LEASE-PURCHASE AGREEMENT AND GENERAL CONDITIONS

**SAN ELIJO JOINT POWERS AUTHORITY  
BUILDING AND SITE IMPROVEMENTS PROJECT  
STAGE 2, PHASE 1 AMENDMENT TO  
LEASE/PURCHASE AGREEMENT**

**GMP-1**

This Stage 2, Phase 1 Amendment ("GMP-1 Amendment") to the Public Capital Improvement Lease/Purchase Agreement entered into on March 27, 2019, is hereby made and entered into on \_\_\_\_\_, 2020 by and between the San Elijo Joint Powers Authority ("SEJPA" or "Lessor") and P C L Construction Services P C L Construction Inc. Joint Venture. ("Lessee"). Lessor and Lessee are collectively referred to herein as "Parties" or individually as "Party".

**RECITALS**

WHEREAS, on or about March 27, 2019, the Parties entered into the Public Capital Improvement Lease/Purchase Agreement ("Lease") in order to finance the construction of public capital improvements to be delivered by Lessee in two stages: (1) Stage 1 Design Services, and (2) Stage 2 Construction Services;

WHEREAS, the Stage 1 Design Services have been completed and all costs incurred by Lessee for Stage 1 Design Services have been paid in full by Lessor;

WHEREAS, on March 9, 2020, the SEJPA Board of Directors authorized the General Manager to amend the Lease for a Guaranteed Maximum Price of \$18,410,000, subject to finalization of the terms of the amendment;

WHEREAS, on March 19, 2020, the California Governor issued Executive Order N-33-20, dated March 19, 2020 ("State Order"), which mandates that all individuals stay home or at their place of residence in order to mitigate the threat of the global pandemic COVID-19, except as needed to maintain continuity of operations of the federal critical infrastructure sectors, which include water and wastewater operations;

WHEREAS, in light of the State Order, Lessor and Lessee met and conferred regarding the pandemic, and have together determined that Stage 2 Construction Services should be phased in order to comply with the State Order and in order to ensure that construction moves forward in a manner that (1) protects the health and safety of employees under Lessor's control from the increased threat of exposure that comes from working in close proximity to one another, (2) protects the health and safety of SEJPA's onsite staff, including its certified wastewater operators, from the increased threat of exposure that comes with allowing third party contractors onsite to perform work, and (3) protects SEJPA's wastewater operations;

WHEREAS, the Parties have agreed upon the project scope, schedule and Guaranteed Maximum Price for certain bike path and culvert relocation work and includes the building storm drain system, dewatering, utility relocations work and Lessor is

prepared to issue a Notice to Proceed for Lessee to commence with these Stage 2, Phase 1 Construction Services; and

WHEREAS, the Parties desire to enter into this GMP-1 Amendment in order to incorporate into the Lease those terms and conditions necessary and appropriate for Stage 2, Phase 1 Construction Services and to reflect the Parties' agreement to date, with all other terms and conditions, articles, obligations, rights and provisions of the Lease not in conflict with this Amendment to remain in full force and effect;

WHEREAS, the Parties anticipate that Stage 2, Phase 2 Construction Services shall proceed upon the execution of a subsequent amendment to the Lease (the "GMP-2 Amendment") prior to the issuance of a Notice to Proceed for Stage 2, Phase 2 Construction Services;

NOW THEREFORE, the Lessor and Lessee agree to amend the Lease as follows:

#### **Article 4**

#### **Project Delivery Services**

Section 4.1 (Project Delivery Services) is replaced with the following:

4.1 Project Delivery Services. Lessee shall provide the following two stages of services for the construction of certain public capital improvements on the Project Site ("Capital Improvements"): (1) Stage 1 Design Services, and (2) Stage 2 Construction Services, (collectively referred to herein as the "Services"). Stage 1 Design Services are inclusive of the Lessee providing constructability and value engineering input to design concepts developed and presented by the Lessor and its Designers-of-Record, including constructing pricing and schedule information in preparation of a Guaranteed Maximum Price ("GMP"). Stage 2 Construction Services shall occur in two phases: Phase 1, which generally encompasses construction of a bike path culvert relocation work and includes the building storm drain system, dewatering, utility relocations work and Phase 2, which generally encompasses the balance of the public capital improvements contemplated by the Lease. Following agreement on the project scope, schedule and a GMP for Phase 1 ("GMP-1"), the Lessee will receive a Notice to Proceed from the Lessor to commence with Stage 2, Phase 1 Construction Services. The project scope, schedule and a GMP for Stage 2, Phase 2 ("GMP-2") shall be negotiated and agreed upon at a later date. All references in the Lease to the GMP shall mean both GMP-1 and GMP-2, or as appropriate, the sum of GMP-1 and GMP-2. All Stage 2 Construction Services are inclusive of collaboration with the Lessor and its Designers-of-Record through final design, and providing construction, start-up and commissioning services. Lessee shall perform the Services at its own proper cost and expense, and shall furnish all the materials necessary to construct and complete the Services in a good, workmanlike manner and to the satisfaction of Lessor.

Section 4.1.2 is replaced with the following:

4.1.2 Stage 2 Construction Services shall be provided in accordance with the Stage 2 Scope of Services summarized in Attachment A.2, which is attached to the Lease. The Stage 2, Phase 1 Construction Services are those identified in the Stage 2, Phase 1 Scope of Services summarized in Attachment A.2-1, attached hereto. The Stage 2, Phase 1 Mark-up Percentages are set forth in Attachment B.2-1; the Stage 2, Phase 1 Schedule is Summarized in Attachment C.2-1, and the Stage 2, Phase 1 GMP and corresponding Installment Payments are summarized in Attachment D.2-1, attached hereto. The Parties anticipate that attachments A.2-2, B.2-2, C.2-2 and D.2-2, which are hereby incorporated by reference and pertain to Stage 2, Phase 2 work, shall be furnished with the execution of a subsequent amendment to this Agreement (the "GMP-2 Amendment") prior to issuance of the Notice to Proceed with Stage 2, Phase 2 Construction Services.

Section 4.2 (Guaranteed Maximum Price) is replaced with the following:

4.2 Guaranteed Maximum Price. Lessee shall construct the Stage 2 Capital Improvements for the GMP of eighteen million four hundred ten thousand dollars and zero cents (\$18,410,000). This GMP shall be divided among Stage 2, Phase 1 and Phase 2 Construction Service, into GMP-1 and GMP-2, respectively, as set forth in Attachment D.2-1 and Attachment D.2-2, as amended. The sum total of GMP-1 and GMP-2 shall not exceed \$18,410,000, but may be less than \$18,410,000. The Parties agree these amounts were reached through arm's length negotiations and will fully compensate Lessee for the fair market value of the Capital Improvements. Any costs, fees or other expenses incurred by Lessee in the construction of Stage 2, Phase 1 and Phase 2 Capital Improvements, however unforeseen, that are in excess of the sum of GMP-1 and GMP-2 shall be borne exclusively by Lessee, and Lessor shall have no liability whatsoever for any such additional amounts. Lessee understands that fees, and/or expenses include, but are not limited to, costs, fees, and/or expenses incurred by Lessee relating to or caused by the current COVID-19 pandemic and Lessor shall have no liability whatsoever for such additional amounts.

4.2.1 Guaranteed Maximum Price, Stage 2, Phase 1. GMP-1 shall not exceed INSERT NEGOTIATED SUM FOR GMP-1 (\$X,XXX,XXX). Any costs, fees or other expenses incurred by Lessee in the construction of the Stage 2, Phase 1 Capital Improvements, however unforeseen, that are in excess of GMP-1 shall be borne exclusively by Lessee, and Lessor shall have no liability whatsoever for any such additional amounts. Lessee understands that fees, and/or expenses include, but are not limited to, costs, fees, and/or expenses incurred by Lessee relating to or caused by the current COVID-19 pandemic and Lessor shall have no liability whatsoever for such additional amounts.

## **Article 5 Purchase Option**

Section 5.1 (Purchase Option) is replaced with the following:

5.1 Purchase Option. Lessor shall have the option to purchase Lessee's interest in the Capital Improvements upon completion of the Capital Improvements, including acceptance of the work by Lessor, or upon cessation of Services for a continuous period of 60 days, payment of GMP-2, Contract Termination, or upon an Event of Default. The Purchase Price shall be one dollar (\$1.00).

## **Article 9 Warranty**

Section 9.1 (Warranty) is replaced with the following:

9.1 Warranty. Lessee guarantees all work pursuant to this Lease, including those Services described in Article 4.1 and the attachments hereto, against defective materials or workmanship for period of one (1) year from the date of substantial completion of all work, except where longer warranty periods are specifically stated. Any defective material or workmanship which may be discovered before substantial completion all work or within one (1) year thereafter shall be corrected immediately by Lessee at its own expense notwithstanding that it may have been overlooked in previous inspections and estimates. Any work to correct a defect in workmanship and/or replacement materials shall additionally be guaranteed by Lessee for a period of six (6) months from the date of completion of such corrective work or replacement of materials, which shall not result in a warranty period of more than two (2) years from filing of the Notice of Completion.

## **Article 13 Subcontractors**

All references in Article 13 to the GMP shall mean and refer to the total GMP (the sum total of GMP-1 and GMP-2). All references in this Article to Attachment D shall mean and refer to Attachment D-1 attached for Phase 1 work, and Attachment D-2 for Phase 2 work. All references in this Article to Attachment F shall mean and refer to Attachment F-1 for Phase 1 work, and Attachment F-2 for Phase 2 work.

## **Article 17 Security**

Section 17.1 (Security for Performance) is replaced with the following:

17.1 Security for Performance. Security for performance of the Stage 2 Construction Services shall be separately acquired and delivered by Lessee to Lessor for each of the two phases of Stage 2 Construction Services. Lessee shall deliver to Lessor the following security for the faithful performance of Lessee's obligations under the Lease:

17.1.1 The amount of the performance security for Stage 2, Phase 1 Construction Services shall be 100% of the total amounts payable by the terms of this GMP-1 Amendment, as set forth in Attachment D.2-1. Security for Phase 1 shall be

delivered by Lessee to Lessor on the date of execution of this GMP-1 Amendment. The amount of the performance security for Stage 2, Phase 2 Construction Services shall be 100% of the total amounts payable by the terms of the GMP-2 Amendment, as set forth in Attachment D.2-2 as amended. Security for Phase 2 shall be delivered by Lessee to Lessor on the date of execution of the GMP-2 Amendment.

## **Article 18 Insurance Requirements**

Section 18.2 (Types of Insurance, Limits) is modified as follows:

Under **Builder's All Risk Coverage Limits**, "N/A" shall be replaced with "limits equal to the completed value of the project and no coinsurance penalty provisions."

Add for Stage 1 Design Work only, **Professional Liability with Coverage Limits** no less than \$2,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

## **Article 21 Default and Remedies**

Section 21.4 (Special Damages) is replaced with the following:

21.4 Special Damages. In addition to the amount provided for liquidated damages, Lessee shall pay Lessor the actual costs reasonably incurred by Lessor for engineering and inspection forces employed on the Services for each day that expires after the time specified for substantial completion, including any extensions thereof, until the Services are substantially complete. Additionally, Lessee shall pay Lessor the actual costs reasonably incurred by Lessor for engineering and inspection forces employed on the Services that are required as a result of mid-project delays, extended (i.e., more than 10-hour) work days, unexpected weekends, or on an expedited schedule. Notwithstanding anything in this provision to the contrary, Lessee shall not be responsible for costs incurred by Lessor for engineering and inspection forces necessitated by the sole fault of Lessor.

## **Article 23 General Provisions**

Section 23.1 (Amendment/Modification) is replaced with the following:

23.1 Amendment/Modification. No amendment or modification of the terms or conditions of this Lease shall be valid unless made in writing and signed by the Parties expressing their mutual intent to be bound thereby. General Conditions to this agreement will be developed/negotiated during Stage 1 Services including, but not limited to, language addressing differing site conditions, pre-existing hazardous materials, designation of Owner as generator of all pre-existing hazardous materials, schedule delay, definition of project substantial and final completion, termination for convenience of Owner, and shall be incorporated by reference as Attachment I.

Supplementary Conditions may also be negotiated and developed as appropriate, and shall be incorporated by reference and attached as Attachment J.

23.16 Revisions for Phasing Stage 2 Construction. All references in the Lease to the "GMP" that are not otherwise superseded by this GMP-1 Amendment shall mean and refer to each GMP-1 and GMP-2, both GMP-1 and GMP-2, or the sum total of GMP-1 and GMP-2, as appropriate.

### **Attachments**

The following attachments are included herewith and incorporated in to the Lease:

A.2-1: Stage 2, Phase 1 Mark-up Percentages

B.2-1: Stage 2, Phase 1 Construction Services Scope of Work

C.2-1: Schedule for Stage 2, Phase 1 Construction Services

D.2-1: Schedule of Installment Payments for Stage 2, Phase 1 Construction Services and GMP

E-1: Stage 2, Phase 1 Workers' Compensation Insurance Certificate

F-1: Stage 2, Phase 1 Designation of Subcontractors

G-1: Form of Performance Bond (Separate Bonds for Phase 1 and Phase 2)

H-1: Form of Payment Bond (Separate Bonds for Phase 1 and Phase 2)

I: General Conditions

J: Supplementary Conditions

IN WITNESS HEREOF, BY SIGNING BELOW THE PARTIES HERETO VOLUNTARILY ENTER INTO THIS AGREEMENT AND ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS SET FORTH HEREIN AND AGREE TO BE BOUND THEREBY.

SAN ELIJO JOINT POWERS AUTHORITY

Date: \_\_\_\_\_

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



PCL CONSTRUCTION SERVICES PCL  
CONSTRUCTION INC. JOINT VENTURE

Date: \_\_\_\_\_

By: \_\_\_\_\_ (Sign)

Name: Mike McKinney

Title: President

License No: 1043503

License Classification: A

License Expiration: 08/31/2020

**ATTACHMENT A.2-1**  
**Stage 2, Phase 1 Mark-up Percentages**

- Overhead = 3.50%
- Profit = 3.50%
- Subcontractor Mark-up = 5.00%

**ATTACHMENT B.2-1**  
**Stage 2, Phase 1 Construction Services Scope of Work**

**ATTACHMENT C.2-1**  
**Schedule for Stage 2, Phase 1 Construction Services**

**ATTACHMENT D.2-1**  
**Schedule of Installment Payments for Stage 2, Phase 1 Construction Services and**  
**GMP-1 Amount and Summary Breakdown**

**ATTACHMENT E-1**  
**Stage 2, Phase 1 Workers' Compensation Insurance Certificate**

Sections 1860 and 1861 of the California Labor Code require every contractor to whom a public works contract is awarded to sign and file with the awarding body the following statement:

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

Dated: \_\_\_\_\_

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

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

**[End of Workers' Compensation Insurance Certificate]**

**ATTACHMENT F-1**  
**Stage 2, Phase 1 Designation of Subcontractors**

**ATTACHMENT G-1**  
**Stage 2, Phase 1 Performance Bond**

BOND NO. \_\_\_\_\_

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS: That

WHEREAS, the \_\_\_\_\_  
(hereinafter designated as OWNER) on \_\_\_\_\_ 20\_\_\_\_  
awarded to \_\_\_\_\_  
(hereinafter designated as the PRINCIPAL) a contract for the work described as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract; \_\_\_\_\_  
\_\_\_\_\_

NOW THEREFORE, We, the Principal and \_\_\_\_\_  
\_\_\_\_\_

as Surety, are held and firmly bound unto the OWNER in the penal sum of \_\_\_\_\_  
\_\_\_\_\_  
Dollars (\$\_\_\_\_\_) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if the above bounden Principal, his or its hers, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements, in the said contract and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the OWNER, its officers and agents, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue and Principal and Surety, in the event suit is brought on this bond, will pay to OWNER such reasonable attorneys' fees and costs as shall be fixed by the court.

As a condition precedent to the satisfactory completion of the Contract, the above obligation in the said amount shall remain in effect for a period of one (1) year after the date of final payment by the OWNER of the Work undertaken pursuant to the Contract, during which time if the above bounden Principal, his or its heirs, executors, administrators, successors, or assigns shall fail to make full, complete, and satisfactory repair and replacements or totally protect the OWNER from loss of damage made evident during said period of one year from the date of acceptance of the Work, and resulting from or caused by defective materials and/or faulty workmanship in the prosecution of the work done, the above obligation in the said amount shall remain in full force and effect. However, notwithstanding anything in this paragraph to the contrary, the obligation of the



Surety hereunder shall continue in effect so long as any obligation of the Principal remains.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the Work to be performed thereunder or the specifications accompany the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or additions to the terms of the contract or to the Work or to the specifications. The Surety hereby waives the provisions of Sections 2819 and 2845 of the Civil Code of the State of California.

As a part of the obligation secured hereby and in addition to the amount specified therefor, Surety shall pay all costs and reasonable expenses and fees, including reasonable attorneys' fees and court costs, incurred by OWNER in successfully enforcing any and all obligations, hereunder all to be taxed as costs and included in any judgment rendered.

IN WITNESS WHEREOF, \_\_\_\_\_ identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named, on the \_\_\_\_\_ day of \_\_\_\_\_ A.D. 20\_\_\_\_.

(Seal)	<div data-bbox="672 919 1343 968">Principal</div> <div data-bbox="672 1058 1343 1100">Signature for Principal Title</div>
(Seal)	<div data-bbox="672 1224 1343 1272">Surety</div> <div data-bbox="672 1362 1343 1404">Signature for Surety Title</div>

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Page 16 of 23

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Page 17 of 23

**ATTACHMENT H-1**  
**Stage 2, Phase 1 Payment Bond**

BOND NO. \_\_\_\_\_

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, the \_\_\_\_\_  
(hereinafter designated as OWNER) on \_\_\_\_\_ 20\_\_\_\_  
awarded to \_\_\_\_\_  
(hereinafter designated as the PRINCIPAL) a contract for the work described as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WHEREAS, said Principal is required by California Civil Code section 9550 to furnish a bond in connection with said contract;

NOW THEREFORE, We, the Principal and \_\_\_\_\_  
\_\_\_\_\_  
as Surety, are held and firmly bound unto the OWNER in the penal sum of \_\_\_\_\_  
\_\_\_\_\_ Dollars (\$\_\_\_\_\_) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if said principal, hers/his/its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay any of the persons named in Section 9554 of the California Civil Code, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to the work and labor, the surety or sureties will pay for the same in an amount not exceeding the sum hereinabove specified, and also, in case suit is brought upon this bond, a reasonable attorney's fee, to be fixed by the court.

This Bond shall inure to the benefit of any of the persons named in Section 9554 of the California Civil Code, so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, Plans, specifications, or agreement pertaining or relating to any scheme or work of improvement hereinabove described or pertaining or relating to the furnishing of labor, materials, or equipment therefor, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or

relating to any scheme or work of improvement hereinabove described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that his bond be construed most strongly against the surety and in favor of all persons for whose benefit such bond is given, by reason of any breach of contract between the OWNER and CONTRACTOR or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9554 of the California Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned. The Surety hereby waives the provisions of Sections 2819 and 2845 of the Civil Code of the State of California.

This bond shall remain in full force and effect for one year after the date of final payment under the Contract, unless otherwise provided by law.

IN WITNESS WHEREOF this instrument has been duly executed by the Principal and Surety above named, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

(Seal)	Principal
	Signature for Principal Title
(Seal)	Surety  Signature for Surety Title

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

## **ATTACHMENT I General Conditions**



**ATTACHMENT J**  
**Supplementary Conditions**

SECTION 00700  
GENERAL CONDITIONS

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## ARTICLE GC 1 - DEFINITIONS

- 1.1 Wherever used in these General Conditions or in the other Contract Documents, the following terms have the meanings indicated which are applicable to both the singular and plural thereof.

### *Defined Terms:*

1. Addendum or Addenda: Written or graphic instruments issued prior to the opening of Bids which clarify, correct, interpret, or change the Bidding Documents or the Contract Documents.
2. Agreement: The written Public Capital Improvement Lease/Purchase Agreement, inclusive of any written amendments thereto, between SEJPA and Contractor covering the Work to be performed under these Bidding Documents and Contract Documents, which Agreement shall be executed by and between SEJPA and the Successful Bidder. ~~The Agreement shall be made in the form adopted by the SEJPA and is incorporated herein in Section 00500.~~ References herein to the Contract or the Agreement shall be understood to mean and refer to the Agreement.
3. ~~Application for Payment: The form accepted by Engineer which is to be used by CONTRACTOR in requesting progress or final payment and which is to include such supporting documentation as is required by the Contract Documents.~~ (Addressed in Agreement)
4. ~~Bid: The offer or proposal of the Bidder submitted on the prescribed forms and in accordance with the Instructions to Bidders (Section 00100) setting forth the price(s) for the Work to be performed.~~
5. Bidder: Any person, firm or corporation submitting a Bid for the Work, acting directly or through an authorized representative.
6. ~~Bidding Documents: Notice to Bidders or advertisement, if any, Instructions to Bidders, other bidding information and requirements, bidding forms and attachments, Agreement and bond forms, and the proposed Contract Documents, including any Addenda issued prior to receipt of Bids.~~
7. Board: Board of Directors of the San Elijo Joint Powers Authority.
8. Bonds: Bid, performance, and labor and material payment bonds and other instruments of security.
9. Capital Improvement Installment Payments. The amounts agreed to as the sole and exclusive consideration for the Work as set forth in Attachment D.2 to the Agreement.
10. Change Order: A written order to Contractor signed by SEJPA authorizing an addition, deletion or revision in the Work, or an adjustment in the Contract Price or the Contract Time issued after the Effective Date of the Agreement.

11. Completion of the Work: All of the Work is complete and the Contract fully performed in accordance with the Contract Documents as determined by the Engineer and accepted by the Board.
12. Contract: The term that may be used to refer to the entirety of the Contract Documents.
13. Contract Documents: The Agreement and all documents incorporated by reference in the Agreement, Addenda (which pertain to the Contract Documents), Contractor's Bid or Proposal (including documentation accompanying the Bid and any post-Bid documentation submitted prior to the Notice of Award) when attached as an exhibit to the Agreement, the Bonds, these General Conditions, the Supplementary Conditions (if any), the Specifications, the Drawings as the same may be more specifically identified in the Agreement, Standard Documents as defined in Article 3 of the General Conditions, Permits and License Agreements, together with all Modifications issued after execution of the Agreement and existing as-built drawings and the technical specifications for the existing facilities.
14. Contract Price: The Guaranteed Maximum Price payable by SEJPA to Contractor under the Contract Documents as stated in the Agreement.
15. Contract Time: The number of days (computed as provided in Paragraph 17.2) or the date stated in the Agreement for the Completion of the Work.
16. Contractor: The person, firm or corporation with whom SEJPA has executed the Agreement. Whenever the Project is to be constructed under multiple direct contracts, the term "Contractor" shall mean the appropriate prime Contractor. Whenever a specific prime Contractor is referred to, terms such as "General Contractor," "Electrical Contractor," etc., will be used. The term "Contractor" means the Contractor or his authorized representative.
17. Day: A calendar day of twenty-four hours measured from midnight to the next midnight, including legal holidays, Saturdays and Sundays, unless specifically otherwise noted.
18. Defective: An adjective which when modifying the word Work refers to Work that in the determination of the Engineer or SEJPA is unsatisfactory, faulty or deficient, or does not conform to the Contract Documents or does not meet the requirements of any inspection, reference standard, test or approval referred to in the Contract Documents, or has been damaged prior to ENGINEER'S recommendation for final payment (unless responsibility for the protection thereof has been assumed by SEJPA at Substantial Completion in accordance with Paragraph 14.6).
19. Drawings: The Drawings, if any, that show the character and scope of the Work to be performed and which have been prepared or approved by or on behalf of the SEJPA or Engineer.
20. Effective Date of the Agreement: The date indicated in the Agreement on which it becomes effective, but if no such date is indicated, it means the date on which

the Agreement is signed and delivered by the last of the two parties to sign and deliver.

21. Engineer: A person, firm or corporation authorized by the SEJPA to design and/or oversee the construction of the Water Campus Improvements Project, and named as such by the SEJPA in the Supplementary Conditions.
22. Field Order: A written order issued by the SEJPA or Engineer which orders minor changes in the Work in accordance with Paragraph 10.2 but which does not involve a change in the Contract Price or the Contract Time.
23. General Conditions. Section 00700, General Conditions, which form part of the Contract Documents and include provisions and requirements as to how the Project is to be administered.
24. GMP. Guaranteed Maximum Price.
25. Holidays. Legal holidays shall include the following holidays designated by the SEJPA: New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day.
26. Modifications: (a) A written amendment of the Contract Documents signed by both parties, (b) a Change Order, or (c) a Field Order. A Modification may only be issued after the Effective Date of the Agreement.
27. Notice of Award: The written notice by SEJPA to the apparent Successful Bidder stating that upon compliance by the apparent Successful Bidder with the conditions precedent enumerated therein, within the time specified, SEJPA will sign and deliver the Agreement.
28. Notice to Proceed: A written notice given by SEJPA to Contractor fixing the date on which the Contract Time will commence to run and on which Contractor shall start to perform obligations under the Contract Documents.
29. Notice of Completion (also Notice of Final Completion): A written notice filed by the SEJPA with the County of San Diego identifying that the Completion of the Work has occurred, including all Punch List items and final submittals, and that the Project has been accepted as completed by the Board.
30. SEJPA: This term refers to the San Elijo Joint Powers Authority, which may also be referred to as the "Owner."
31. Paragraph. For reference or citation purposes, a paragraph shall refer to the paragraph, or paragraphs, called out by paragraph number and alphanumeric designator.
32. Person. The term "Person" includes firms, companies, corporations, partnerships, and joint ventures.
33. Plans: Same as Drawings.

34. Plant: The San Elijo Water Reclamation Facility.
35. Project: The total construction of which the Work to be provided under the Contract Documents may be the whole or a part as indicated elsewhere in the Contract Documents and as generally described in whole or in part as the San Elijo Water Reclamation Facility Administration Building and Site Improvements.
36. Punch List. List of incomplete items of Work and of items of Work which are not in conformance with the Contract.
37. Samples: Physical examples furnished by the Contractor to illustrate materials, equipment or workmanship, and to establish standards by which some portions of the Work will be judged.
38. Shop Drawings: All drawings, diagrams, illustrations, schedules and other data which are specifically prepared by or for Contractor to illustrate some portion of the Work and all illustrations, brochures, standard schedules, performance charts, instructions, diagrams and other information prepared by a manufacturer, fabricator, supplier or distributor and submitted by Contractor to illustrate material or equipment for some portion of the Work.
39. Specifications: Those portions of the Contract Documents consisting of written technical descriptions of materials, equipment, construction systems, standards and workmanship as applied to the Work and certain administrative details applicable thereto.
40. Standard Specifications: The Contract Documents identified or referenced as such.
41. Standard Drawings or Standard Plans: That portion of Drawings or Plans identified or referenced as such.
42. Subcontractor: An individual, firm or corporation under agreement with Contractor or with any other Subcontractor (also called a sub-tier subcontractor) to perform Work as a part of the Project at the Plant with limited exceptions (see Vendor definition).
43. Submittals: The information which is specified for submission to the Engineer in accordance with the Contract Documents.
44. Substantial Completion: The Work (or a specified part thereof) has progressed to the point where, in the opinion of the SEJPA or Engineer as evidenced by the SEJPA's or Engineer's definitive certificate of Substantial Completion, it is sufficiently complete, in accordance with the Contract Documents, so that the Work (or specified part) can be utilized for the purposes for which it was intended and the relevant oversight body has issued an occupancy permit. The terms "substantially complete" and "substantially completed" as applied to the Work refer to Substantial Completion thereof.
45. Supplementary Conditions: Modifications and additions to the General Conditions, if any.

46. Supplier: Any Person, firm, corporation, or organization who supplies materials or equipment for the Work, including that fabricated to a special design, and may also be a Subcontractor or a sub-tier subcontractor.
47. Surety: The Person, firm, corporation, or organization that joins with the Contractor in assuming the liability for the faithful performance of the Work and for the payment of all obligations pertaining to the Work in accordance with the Contract Documents by issuing the Bonds required by the Contract Documents or by the law.
48. Work: The entire completed construction and the various separately identifiable parts thereof required to be furnished under the Contract Documents. Work is the result of performing services, furnishing labor and furnishing and incorporating materials and equipment into the construction, all as required by the Contract Documents.
49. Working Day: Any day except Saturday, Sunday, and legal holidays.
50. Utility: Public or private fixed works for the transportation of fluids, gases, power, signals or communications.
51. Vendor: An individual, firm, or corporation under agreement with Contractor or any Subcontractor to supply equipment and services, limited to calibration, testing, start-up of equipment, and training.

## ARTICLE GC 2 - **PRELIMINARY MATTERS**

### 2.1 DELIVERY OF BONDS AND INSURANCE CERTIFICATES

- A. When Contractor executes the Agreement with SEJPA, Contractor shall deliver to SEJPA such Bonds as Contractor may be required to furnish in accordance with Article GC 5.
- B. When Contractor executes the Agreement with SEJPA, Contractor shall deliver to SEJPA, with a copy to Engineer, proof of insurance (and other evidence of insurance requested by SEJPA) which Contractor is required to purchase and maintain in accordance with Article GC 5, and SEJPA shall deliver to Contractor certificates related to the insurance (and other evidence of insurance requested by Contractor) which SEJPA is required to purchase and maintain in accordance with Article GC 5.

### 2.2 COPIES OF DOCUMENTS

SEJPA shall furnish to Contractor electronic copies of the Contract Documents for the execution of the Work. Additional copies will be furnished, upon request, at the cost of reproduction.

## 2.3 COMMENCEMENT OF CONTRACT TIME/NOTICE TO PROCEED

The Contract Time will commence upon on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within thirty (30) days after the Effective Date of the Agreement.

## 2.4 STARTING THE PROJECT

Contractor shall start to perform the Work on the date when the Contract Time commences to run pursuant to Paragraph 2.3, above, but no Work shall be done at the site prior to the date on which the Contract Time commences to run.

## 2.5 BEFORE STARTING CONSTRUCTION

- A. Before undertaking each part of the Work, Contractor shall carefully study and compare the Contract Documents and check and verify pertinent figures shown thereon and all applicable field measurements. Contractor shall promptly report in writing to Engineer any conflict, error or discrepancy which the Contractor may discover and shall obtain a written interpretation or clarification from Engineer before proceeding with any Work affected thereby; however, Contractor shall not be liable to SEJPA or Engineer for the failure to report any conflict, error or discrepancy in the Contract Documents, unless Contractor had actual knowledge thereof or should reasonably have known thereof.
- B. Within fourteen (14) Days after the Effective Date of the Agreement, Contractor shall submit to Engineer for review and acceptance, a comprehensive Critical Path Method ("CPM") progress schedule indicating the starting and completion dates of all stages of the Work, schedules of Shop Drawing submissions, a schedule of values of the Work (cash flow), and an operations and contingency plan.

The schedule of values, as agreed upon by the Contractor and the SEJPA, shall be used for preparing future estimates for partial payments to the Contractor, and shall list the major items of Work with a cost fairly apportioned to each item. Mobilization, overhead, bond, insurance, other general costs and profit shall be prorated to each item so that the total of the prices for all items equal the lump sum price. At the discretion of the SEJPA, mobilization, bond and insurance costs may be provided for separately if accompanied by invoices to verify actual expenses. The schedule of values shall not be considered in determining payment or credit for additional or deleted work. The schedule of values will be subject to the approval of the SEJPA, and upon request, the Contractor shall substantiate the cost for any or all items and provide additional level of detail, including quantities of work.

## 2.6 PRECONSTRUCTION CONFERENCE

Within thirty (30) days after the Effective Date of the Agreement, but before Contractor starts the Work at the site, a conference will be held for review and acceptance of the schedules, referred to in Paragraph 2.5.B, to establish procedures for handling Shop Drawings and other submittals and for processing Applications for Payment, and to establish a working understanding among the parties as to the Work, in accordance with



Section 01300. Also discussed will be the Contractor's field organization; submittals, progress payments, and change order procedures; safety, permit, and inspection requirements; and the SEJPA's site specific safety information.

## ARTICLE GC 3 - **CONTRACT DOCUMENTS: INTENT AND REUSE**

### 3.1 INTENT

- A. The Contract Documents comprise the entire Agreement between SEJPA and Contractor concerning the Work. They may be altered only by a Modification made in accordance with the Contract Documents. It is the intent that the Standard Specifications for Public Works Construction (latest Edition) (Green Book) are a part of the Contract Documents. Order of precedence is established in the Supplementary Conditions.
- B. The Contract Documents are complementary; what is called for by one is as binding as if called for by all. If, during the performance of the Work, Contractor finds a conflict, error or discrepancy in the Contract Documents, he shall report it to Engineer or SEJPA in writing at once and before proceeding with the Work affected thereby; however, Contractor shall not be liable to SEJPA or Engineer for failure to report any conflict, error or discrepancy in the Specifications or Drawings unless Contractor had actual knowledge thereof or should reasonably have known thereof.
- C. It is the intent of the Specifications and Drawings to describe a complete Project (or part thereof) to be constructed in accordance with the Contract Documents. Any Work that may reasonably be inferred from the Specifications or Drawings as being required to produce the intended result shall be supplied by Contractor whether or not it is specifically called for, at no additional cost to SEJPA.
- D. The Specifications may describe, or the Drawings may show, the general arrangement of an item of material or equipment when the actual details of said arrangement will vary with the source of the material or equipment. In such cases, Contractor shall bear all direct and indirect costs to accommodate the item of material or equipment furnished, whether the item of material or equipment is furnished by a manufacturer named in the Specifications or is furnished as an approved substitute or "or equal" item of material or equipment.
- E. When words in the Specifications or on the Drawings, which have a well-known technical or trade meaning, are used to describe Work, materials or equipment such words shall be interpreted in accordance with such meaning. Reference to standard specifications, manuals or codes of any technical society, organization or association, or to the code of any governmental authority, whether such reference be specific or by implication, shall mean the latest standard specification, manual or code in effect at the time of opening of Bids or, on the effective date of the Agreement (if there were no Bids), except as may be otherwise specifically stated. However, no provision of any referenced standard specification, manual or code (whether or not specifically incorporated by reference in the Contract Documents) shall change the duties and responsibilities of SEJPA, Contractor, Engineer, or any of their agents or employees from those set forth in the Contract Documents. Clarifications and interpretations of the Contract Documents shall be issued by Engineer as provided for in Paragraph 9.3.

- F. The Contract Documents will be governed by the laws of the State of California, and local requirements.
- G. The dimensions, elevations, materials of construction, and locations of existing structures, existing equipment, pipelines and grades shown on the Drawings were taken, for the most part, from the original and existing As-Built Record Drawings of the impacted facilities and are not guaranteed for accuracy. It shall be the responsibility of the Contractor to check dimensions and elevations and materials of construction of existing structures, pipelines, grades or other existing items affected by or affecting the Work, including data and specifications of equipment designated to be replaced with new to match existing, under this Contract, prior to the start of construction or ordering of materials and equipment affected thereby. Unless otherwise provided herein, delay or extra expense to the Contractor which is due to encountering construction, piping, or grades not shown or in locations different from those indicated on the plans and the existing As-Built Record Drawings, and which could have been avoided by the required field check, shall not constitute a claim or extra work, additional payment, time extension, or damages. Exceptions to this provision will be made when conditions deny the Contractor reasonable access to the existing items involved. The Contractor shall be solely responsible for the cost of removal and salvage operations.

### 3.2 RE-USE OF DOCUMENTS

Neither Contractor nor any Subcontractor, manufacturer, fabricator, supplier or distributor shall have or acquire any title to or ownership rights in any of the Drawings, Specifications or other documents (or copies of any thereof) prepared by or bearing the seal of Engineer; and they shall not re-use any of them on extensions of the Project or any other project without written consent of SEJPA and Engineer and specific written verification or adaptation by Engineer.

## ARTICLE GC 4 - **AVAILABILITY OF LANDS; PHYSICAL CONDITIONS; REFERENCE POINTS**

### 4.1 UNFORESEEN PHYSICAL CONDITIONS

Contractor shall promptly notify SEJPA in writing of any subsurface or latent physical conditions at the site or in an existing structure differing materially from those indicated or referred to in the Contract Documents. Engineer will promptly review those conditions and advise SEJPA in writing if further investigations or tests are necessary. Promptly thereafter, SEJPA shall obtain the necessary additional investigations and tests and furnish copies to Contractor. If SEJPA finds that the results of such investigations or tests indicate that there are subsurface or latent physical conditions, which differ materially from those indicated in the Contract Documents, and which could not reasonably have been anticipated by Contractor, a Change Order shall be issued incorporating the necessary revisions.

## 4.2 EXISTING RECORD DRAWINGS

Record Drawings prepared for the SEJPA are in accordance with previous construction at the Plant site. These record drawings illustrate facilities, as they are believed to exist and are available at the Plant for review.

## ARTICLE GC 5 - **BONDS AND INSURANCE**

### 5.1 DUTY TO OBTAIN INSURANCE

Contractor shall obtain insurance coverage of the types and amounts required in this GC Article 5 and keep such insurance coverage in force throughout the life of this Contract until final payment and at all times thereafter when Contractor may be correcting, removing or replacing defective Work in accordance with Paragraph 13.7 of these General Conditions. The Contractor will provide satisfactory proof of the required coverage to the SEJPA before beginning work. Contractor shall provide SEJPA with at least thirty (30) days advance prior notice of any intended termination, cancellation, or reduction in coverage of any policy. Insurance policies shall remain in force until all Work has been completed and the Project has been accepted by the SEJPA. If a policy does expire during the life of the Contract, Contractor must provide SEJPA with written proof of the renewal of the required coverage not less than five (5) working days before the expiration date.

### 5.2 REQUIREMENTS OF INSURANCE

Contractor shall obtain insurance policies acceptable to the SEJPA and as described in Paragraph 5.3 of these General Conditions. In addition, the SEJPA, the City of Encinitas, the City of Solana Beach, and their respective directors, officials, officers, employees and agents ("Indemnitees") shall be included as an additional insured under all policies, except Worker's Compensation and Professional Liability. Contractor's General, Automobile, and Excess Liability insurance policies shall be primary over any insurance available to the SEJPA and as to any claims arising out of or relating to this Contract, it being the intention of the parties that the Contractor's insurance policies shall protect both parties and be primary coverage for any and all losses covered by the described insurance. The required limits may be satisfied through a combination of Contractor's primary and excess (umbrella) insurance policies.

### 5.3 TYPES OF INSURANCE, LIMITS

The types of insurance to be obtained by Contractor pursuant to this Article GC 5 and the minimum limits for each policy shall be as follows:

#### **General Liability**

Comprehensive Form  
Premises – Operations  
Explosion & Collapse Hazard  
Bodily Injury & Property Damage  
Underground Hazard Combined

#### **Limits of Liability**

\$1,000,000 each  
occurrence/\$2,000,000  
per project  
aggregate/\$2,000,000  
completed operations  
aggregate

Products/Completed Operations Hazard  
Contractual Insurance  
Broad Form Property Damage  
Independent Contractors  
Personal Injury

#### **Automobile Liability**

Comprehensive Form  
Owner  
Hired  
Non-Owner  
Bodily Injury & Property Damage Combined

#### **Limits of Liability**

\$2,000,000 combined single  
limit

#### **Excess Liability**

Umbrella Form providing coverages in  
excess of the General Liability, Auto  
Liability and Employer's Liability

#### **Limits of Liability**

\$10,000,000 each  
occurrence and in the  
aggregate

#### **Builder's Risk Insurance**

Construction Activities Only

Including:

1. Fire
2. Extended Coverage
3. Vandalism & Malicious Mischief
4. Theft
5. Collapse
6. Flood

#### 5.4 WORKER'S COMPENSATION INSURANCE

Contractor shall maintain Worker's Compensation Insurance, including occupational disease provisions, as required under the laws of the State of California and Employer's Liability Insurance with a minimum liability limit of \$1,000,000, and shall require similar insurance to be provided by its Subcontractors. Contractor shall furnish certificates to the SEJPA showing compliance with this Paragraph 5.4 and provide SEJPA with the Certificate of Workers Compensation Insurance in the form attached to the end of these General Conditions. In case any Work is sublet, the Contractor shall require each Subcontractor similarly to provide Workers' Compensation Insurance for the Subcontractor's employees and corresponding insurance certificates. Contractor shall provide, and shall cause each Subcontractor to provide, adequate insurance for the protection of the Contractor's and Subcontractors' employees not otherwise protected. The Worker's Compensation Insurance and Employer's Liability Insurance shall be endorsed to include a waiver by the insurer of all rights of subrogation against the Indemnitees.

#### 5.5 REQUIREMENTS FOR INSURERS

All insurers must be authorized to do business and have an agent for service of process in California and have an "A" policyholder's rating and a financial rating of at least Class XI in accordance with the most current Best's Rating.

#### 5.6 APPROVAL OF CERTIFICATES OF INSURANCE

All certificates of insurance shall be approved by the SEJPA prior to the inception of any Work.

#### 5.7 REQUIREMENTS OF CERTIFICATES

Each certificate of insurance shall include the job site and Project number. Coverage shown on a certificate of insurance must coincide with the requirements in the text of the Contract Documents and a certified copy of the insurance policy.

#### 5.8 RENEWAL OF INSURANCE

If any of the required insurance policies are not renewed prior to expiration, payments to the Contractor will be withheld until these requirements have been met, or at the option of the SEJPA, the SEJPA may pay the renewal premium and withhold such payments from any monies due the Contractor.

#### 5.9 FAILURE TO OBTAIN INSURANCE

Failure of the Contractor to take out and/or maintain or the taking out and/or maintaining of any required insurance, shall not relieve the Contractor from any liability under the Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the Contractor concerning indemnification.

#### 5.10 EXCESS CLAIMS

In the event that claims in excess of the insured amounts provided herein are filed by reason of any operations under the Agreement, the amount of excess of such claims, or any portion thereof, may be withheld from payment due or to become due the Contractor until such time as the Contractor shall furnish such additional security covering such claims as may be determined by the SEJPA.

#### 5.11 INSURANCE DEDUCTIBLES

Any and all deductibles in the insurance policies purchased by the Contractor shall be assumed by and be for the account of, and at the sole risk of the Contractor.

#### 5.12 EFFECT OF INSURANCE

Nothing contained in the insurance requirements in these Contract Documents shall be construed as limiting the liability of the Contractor or the Contractor's Sureties.

#### 5.13 Not Used

#### 5.14 OTHER REQUIREMENTS

The insurance required by Paragraph 5.3 shall include the specific coverages described therein and be written for not less than the stated limits of liability and coverages, or required by law, whichever is greater. The general liability insurance shall include completed operations coverage and shall include SEJPA, Engineer, and their agents, directors, officials, officers and employees as additional insured using an endorsement that provides coverage at least as broad as ISO form CG 20 10 11 85. Contractor shall maintain such completed operations insurance for at least two years after final payment.

#### 5.15 CONTRACTUAL LIABILITY INSURANCE

The comprehensive general liability insurance described in Paragraph 5.3 shall include contractual liability insurance applicable to Contractor's obligations under the Agreement and Paragraph 6.15 of these General Conditions.

#### 5.16 SEJPA'S LIABILITY INSURANCE

SEJPA shall be responsible for purchasing and maintaining SEJPA's own liability insurance, or self-insurance, and, at SEJPA's option, may purchase and maintain such insurance as will protect SEJPA against claims which may arise from operations under the Contract Documents.

#### 5.17 PROPERTY INSURANCE

The Property Insurance described in Paragraph 5.3, above, shall be subject to the following requirements in addition to any other requirement stated in the Contract Documents:

- A. The property insurance shall cover the Work at the site to the full insurable value thereof (subject to such deductible amounts as are acceptable to SEJPA pursuant to this Article GC 5 or as required by law). This insurance shall include the interests of the SEJPA, Contractor, and Subcontractors in the Work; shall insure against the perils of fire and extended coverage; shall include "all risk" insurance for physical loss and damage including theft, vandalism and malicious mischief, collapse and water damage, and such other perils as may be specified in this Article GC 5; and shall include damages, losses and expenses arising out of or resulting from any insured loss or incurred in the repair or replacement of any insured property (including fees and charges of engineers, architects, attorneys and other professionals).
- B. The policy of property insurance shall provide that all insurance proceeds are to be paid to SEJPA "as Trustee" in accordance with Paragraph 5.19 of these General Conditions.
- C. If not covered under the "all risk" insurance or otherwise provided in this Article CG 5, Contractor shall purchase and maintain similar property insurance on portions of the Work stored on or off the site or in transit when such portions of the Work are to be included in an application for payment. All such insurance required by this Paragraph 5.17.C shall remain in effect until the Work is Substantially Completed.
- D. SEJPA shall purchase and maintain such machinery insurance as may be required by the Supplementary Conditions or by law. This insurance shall include the interest of SEJPA, Contractor, Subcontractors and Sub-tier subcontractors in the work. SEJPA shall file a copy of all policies required by this Paragraph with Contractor before an exposure to loss may occur.
- E. The policies of property insurance shall provide that neither the SEJPA nor the Contractor, nor their insurers, shall have any right of subrogation against any of the other parties enumerated in Paragraph 5.18. It is the intention of the SEJPA and Contractor that the policies shall protect all of the enumerated parties and be primary coverage for any and all losses covered by the insurance required by this Article GC 5.

**5.18 ~~WAIVER OF RIGHTS~~** (covered in Lease/Purchase agreement section 18.13.4)

~~SEJPA and Contractor waive all rights against each other and the Subcontractors and Sub-tier subcontractors and their agents and employees and against Engineer and separate contractors (if any) and their Subcontractors, agents and employees, for damages caused by fire or other perils to the extent covered, and paid, by the property insurance provided under this Article GC 5, or any other property insurance applicable to the Work, except such rights as they may have to the proceeds of such insurance held by SEJPA as trustee. SEJPA or Contractor, as appropriate, shall require similar waivers in writing by Engineer and from each separate Contractor and each Subcontractor; each such waiver will be in favor of all other parties enumerated in this Paragraph 5.18.~~

**5.19 ~~RECEIPT AND APPLICATION OF PROCEEDS~~** (covered in Lease/Purchase agreement section 18.13)



- ~~A. Any insured loss under the policies of property insurance required by this Article GC 5 shall be adjusted with SEJPA and made payable to SEJPA as trustee for the insured(s), as their interests may appear, subject to the requirements of any applicable mortgage clause and of Paragraph 5.19.B. SEJPA shall deposit in a separate account any money so received, and shall distribute it in accordance with such agreement as the parties in interest may reach. If no other special agreement is reached, the damaged Work shall be repaired or replaced, the moneys so received applied on account thereof and the Work and the cost thereof covered by an appropriate Change Order.~~
- B. ~~SEJPA as trustee shall have power to adjust and settle any loss with the insurers unless one of the parties in interest shall object in writing within fifteen (15) days after the occurrence of loss to SEJPA'S exercise of this power. If such objection is made, SEJPA as trustee shall make settlement with the insurers in accordance with such agreement as the parties in interest may reach.~~

## 5.20 PARTIAL UTILIZATION – PROPERTY INSURANCE

If SEJPA finds it necessary to occupy or use a portion or portions of the Work prior to Substantial Completion of all of the Work, such use or occupancy may be accomplished in accordance with Paragraph 14.7; provided that no such use or occupancy shall commence before the insurers providing the property insurance have acknowledged notice thereof and in writing effected the changes in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be canceled or lapse on account of any such partial use or occupancy.

## 5.21 PROOF OF INSURANCE

Before commencement of the Work, Contractor shall provide SEJPA with evidence of all insurance required to be purchased by Contractor pursuant to Article GC 5 in the form of a certified copy of each policy and a certificate of insurance related to each policy. Said proof of insurance shall be filed in accordance with Paragraph 2.1.B. of these General Conditions. The policies of insurance required by this Article GC 5 and all related Certificates must be acceptable to SEJPA.

## 5.22 PERFORMANCE, PAYMENT AND OTHER BONDS

- A. Contractor shall furnish Performance and Payment Bonds in the form stated in Section 00610, each in an amount at least equal to one hundred percent of the total amount payable by the terms of this Contract, as security for the faithful performance and payment of all Contractor's obligations under the Contract Documents. These Bonds shall remain in effect at least until one year after the date of final payment, except as otherwise provided by law. Contractor shall also furnish such other bonds as are required by the Contract Documents. Such bonds shall be executed by an admitted surety approved to conduct business in the State of California, pursuant to Code of Civil Procedure section 995.120. All required bonds must comply with California Code of Civil Procedure section 995.630, and be accompanied by a certified copy of the authority to act. All required bonds shall be secured from a surety company satisfactory to the SEJPA. SEJPA shall be supplied either with: (1) proof of a minimum rating of

A, according to the current edition of Best's Key Rating Guide for the coverage being offered; or (2) the information described in Code of Civil Procedure section 995.660(a)(1) through (4).

- B. If the surety on any Bond furnished by Contractor is declared as bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of the Project is located or it ceases to meet the requirements of the Contract Documents, Contractor shall within five (5) working days thereafter substitute another Bond and surety, both of which shall be acceptable to SEJPA.

#### 5.23 ADDITIONAL BONDS AND INSURANCE

SEJPA may require Contractor to furnish such other Bonds and such additional insurance, in such form and with such sureties or insurers as SEJPA may specify. If such other Bonds or such other insurance are specified in the Contract Documents, the premiums shall be paid by Contractor; if subsequent thereto, they shall be paid by SEJPA except as otherwise provided in Paragraph 6.3.A or other provisions of the Contract Documents.

#### 5.24 EFFECT OF INSURANCE COVERAGE

The requirements as to the types and limits of insurance coverage to be maintained by Contractor as required by this Article GC 5 and any approval of said insurance by SEJPA and/or its agents, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor and/or Surety pursuant to this Contract, including but not limited to the provisions concerning indemnification.

### ARTICLE GC 6 - **CONTRACTOR'S RESPONSIBILITIES**

#### 6.1 SUPERVISION AND SUPERINTENDENCE

- A. Contractor shall supervise and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. Contractor shall be solely responsible for the means, methods, techniques, sequences and procedures of construction. Contractor shall be responsible to see that the finished Work complies accurately with the Contract Documents.
- B. Contractor shall provide during the course of the work a competent resident superintendent, who shall not be replaced without written notice to SEJPA except under extraordinary circumstances. The superintendent will be Contractor's representative at the site and shall have authority to act on behalf of Contractor. All communications given to the superintendent shall be as binding as if given to Contractor.
- C. Contractor shall provide during the course of work a Person designated as the on-site safety coordinator, who shall ensure that Work is being performed under applicable safety regulations for the State of California and in compliance with SEJPA's Contractor Safety Policy and Procedures, whichever is more stringent.

## 6.2 LABOR, MATERIALS AND EQUIPMENT

- A. Contractor shall provide competent, suitably qualified personnel to survey and lay out the Work and perform construction as required by the Contract Documents. Contractor shall at all times maintain good discipline and order at the site. Except in connection with the safety or protection of persons or the Work or property at the site or adjacent thereto, and except as otherwise indicated in the Supplementary Conditions, all Work at the site shall be performed during regular working hours, and Contractor will not permit overtime work or the performance of Work on Saturday, Sunday or any legal holiday without SEJPA's written consent given after prior written notice to SEJPA.
- B. Contractor shall furnish all materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances and all other facilities and incidentals necessary for the execution, testing, initial operation and Completion of the Work. Contractor shall furnish all fuel, power, light, heat, telephone, water and sanitary facilities necessary for the execution, testing, initial operation and Completion of the Work.
- C. All materials and equipment shall be of good quality and new, except as otherwise provided in the Contract Documents. If required by Engineer or SEJPA, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the kind and quality of materials and equipment.
- D. All materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned in accordance with the instructions of the applicable manufacturer, fabricator, supplier or distributor, except as otherwise provided in the Contract Documents; but no provision of any such instructions will be effective to impose on SEJPA responsibility for the means, methods, techniques, sequences or procedures of construction or for safety precautions incident thereto.
- E. Any materials or equipment procured by Contractor found to be damaged or defective at the time of delivery shall be repaired, replaced or corrected by the Contractor hereunder without additional cost to the SEJPA. If the Contractor shall fail to comply within a reasonable time with any order of the SEJPA to repair/replace or correct damaged or defective work, then the SEJPA shall, upon written notice to the Contractor, have the authority to deduct the reasonable cost thereof from any compensation due to the Contractor.
- F. Until the final acceptance of all the Contract Work, the Contractor shall have the charge and care of the Work and of the materials and equipment to be used therein (including but not limited to materials and equipment which have been furnished by the SEJPA), and shall bear the risk of injury, loss or damage to any part thereof due to any cause, whether arising from the execution or from the non-execution of the Work.

## 6.3 SUBSTITUTIONS

Whenever materials or equipment are specified or described in the Drawings or Specifications by using the name of a proprietary item or the name of a particular

manufacturer, fabricator, supplier or distributor, the naming of the item is intended to establish the type, function and quality required. Unless the name is followed by words indicating that no substitution is permitted, materials or equipment of other manufacturers, fabricators, suppliers or distributors may be accepted by Engineer if sufficient information is submitted by Contractor to allow Engineer to determine that the material or equipment proposed is equivalent to that named. The procedure for review by Engineer will be as set forth in Paragraphs 6.3.A. and 6.3.B below and as supplemented in Section 01600.

- A. Requests for review of substitute items of material and equipment will not be accepted by Engineer from anyone other than Contractor. Requests for review of substitute items of material and equipment will not be entertained prior to bid opening. If Contractor wishes to furnish or use a substitute item of material or equipment, Contractor shall make written application to Engineer for acceptance thereof, certifying that the proposed substitute will perform adequately the functions and achieve the results called for by the general design, be similar and of equal substance to that specified and be suited to the same use as that specified. The application will state that the evaluation and acceptance of the proposed substitute will not prejudice Contractor's timely achievement of Substantial Completion, whether or not acceptance of the substitute for use in the Work will require a change in the Drawings or Specifications to adapt the design to the substitute and whether or not incorporation or use of the substitute in connection with the Work is subject to payment of any license fee or royalty. All variations of the proposed substitute from that specified shall be identified in the application and available maintenance, repair and replacement service will be indicated. The Engineer may require Contractor to furnish at Contractor's expense additional data about the proposed substitute. Engineer will be allowed a reasonable time within which to evaluate the proposed substitute. Engineer will be the sole judge of acceptability and no substitutes will be ordered or installed without Engineer's prior written acceptance. SEJPA may require Contractor to furnish at Contractor's expense a special performance guarantee or other surety with respect to any substitute.
- B. Engineer will record time required by Engineer or Engineer's consultants in evaluating substitutions proposed by Contractor and in making changes in the Drawings or Specifications occasioned thereby. Whether or not Engineer accepts a proposed substitute, Contractor shall reimburse SEJPA for the charges of Engineer and their consultants for evaluating any proposed substitute. The Contractor shall approve Engineering costs for review and evaluation of substitutions or equals prior to the performance of the Engineering work. The Engineer will not perform the submittal review until the authorization form is signed and returned by the Contractor. If the Contractor does not provide this authorization, the submittal will be rejected.
- C. If a material or equipment item is listed on the Listing of Manufacturers, a substitution for that item will not be allowed unless the Contractor can also demonstrate that the construction schedule will be adversely affected without the substitution.

- D. If substitute materials or equipment are installed without the Engineer's approval, the Contractor shall remove the unauthorized materials or equipment and install those required by the Contract Documents at his expense.

#### 6.4 CONCERNING SUBCONTRACTORS

- A. Contractor shall not employ any Subcontractor or other Person or organization (including those who are to furnish the principal items of materials or equipment), whether initially or as a substitute, against whom SEJPA or Engineer may have reasonable objection. A Subcontractor or other Person or organization identified in writing to SEJPA and Engineer by Contractor prior to the Notice of Award and not objected to in writing by SEJPA or Engineer prior to the Notice of Award will be deemed acceptable to SEJPA and Engineer. If SEJPA or Engineer after due investigation has reasonable objection to any Subcontractor, other Person or organization proposed by Contractor after the Notice of Award, Contractor shall submit an acceptable substitute and the Contract Price shall be increased or decreased by the difference in cost occasioned by such substitution, and an appropriate Change Order shall be issued. Contractor shall not be required to employ any Subcontractor, other Person or organization against which Contractor has reasonable objection. Acceptance of any Subcontractor, other Person or organization by SEJPA or Engineer shall not constitute a waiver of any right of SEJPA or Engineer to reject defective Work.
- B. Contractor shall be fully responsible for all acts and omissions of his/her Subcontractors and of Persons and organizations directly or indirectly employed by them and of Persons and organizations for whose acts any of them may be liable to the same extent that Contractor is responsible for the acts and omissions of Persons directly employed by Contractor. Nothing in the Contract Documents shall create any contractual relationship between SEJPA or Engineer and any Subcontractor or other Person or organization having a direct contract with Contractor, nor shall it create any obligation on the part of SEJPA or Engineer to pay or to see to the payment of any moneys due any Subcontractor or other Person or organization, except as may otherwise be required by law. SEJPA or Engineer may furnish to any Subcontractor or other Person or organization, to the extent practicable, evidence of amounts paid to Contractor on account of specific Work done.
- C. The Divisions and Sections of the Specifications and the identifications of any Drawings shall not control Contractor in dividing the Work among Subcontractors or delineating the Work to be performed by any specific trade.
- D. All Work performed for Contractor by a Subcontractor will be pursuant to an appropriate agreement between Contractor and the Subcontractor which specifically binds the Subcontractor to the applicable terms and conditions of the Contract Documents for the benefit of SEJPA and Engineer and contains waiver provisions as required by Paragraph 5.18. Contractor shall pay each Subcontractor a just share of any insurance moneys received by Contractor on account of losses under policies issued pursuant to Paragraph 5.3.

- E. Pursuant to Public Contract Code section 6109, the Contractor is prohibited from performing the Work with a subcontractor who is ineligible to perform the Work pursuant to Sections 1777.1 or 1777.7 of the Labor Code (regarding violations of prevailing wage, working hours and apprentice requirements).

## 6.5 PATENT FEES AND ROYALTIES

Contractor shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified in the Contract Documents for use in the performance of the Work and if to the actual knowledge of SEJPA, or Engineer its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by SEJPA in the Contract Documents. Contractor shall indemnify, defend and hold harmless SEJPA, Engineer, their directors, officials, officers and anyone directly or indirectly employed by any of them from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights, trademarks or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product or device not specified in the Contract Documents, and shall defend all such claims in connection with any alleged infringement of such rights.

## 6.6 PERMITS, UTILITY CHARGES AND FEES

- A. Unless otherwise provided in the Contract Documents, Contractor shall obtain ~~and pay for~~ all construction-related permits and licenses necessary for the Completion of the Work. SEJPA shall assist Contractor, when necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the prosecution of the Work. Contractor shall also pay all charges of utility service companies for connections to the Work.
- B. Not limiting the general application of the preceding Paragraph 6.6.A, SEJPA has acquired or is in the process of acquiring, and Contractor shall comply with all requirements, and constraints of, the permits listed in the Supplementary Conditions. SEJPA does not represent these permits to be an exhaustive representation of all permits required for the Work.
- C. Water, sewer, landfill, building and other permits and fees necessary for the Completion of the Work shall be the responsibility of the ~~CONTRACTOR~~. SEJPA
- D. Any additional bonds and/or insurance required as a condition of any permit shall be obtained and paid for by the Contractor.

## 6.7 LAWS AND REGULATIONS

- A. Contractor shall give all notices and shall at all times comply with all laws, ordinances, rules and regulations, whether federal, state, or local, and any and



all of SEJPAS's policies and procedures applicable to the Work. If Contractor observes that the Specifications or Drawings are at variance therewith, Contractor shall give SEJPA prompt written notice thereof, and any necessary changes shall be adjusted by an appropriate Modification. If Contractor performs any Work knowing or having reason to know or under the circumstances he/she should have known, that it is contrary to such laws, ordinances, rules and regulations, and without such notice to SEJPA, Contractor shall bear all costs arising therefrom.

- B. The Contractor shall comply with the Department of Labor Safety and Health Regulations for construction promulgated under the Occupational Safety and Health Act of 1970 (PL 91-596) and under Section 107 of the Contract Work Hours and Safety Standards Act (PL 91-54), as amended.
- C. The attention of the Contractor is directed to the provisions of Section 4(B)(4) of the Occupational Safety and Health Act of 1970, as follows: "Nothing in this Act shall be construed to supersede or in any manner affect any worker's compensation law or to enlarge or diminish or affect in any manner the common law or statutory rights, duties, or liabilities of employers and employees under any law with respect to injuries, diseases, or death of employees arising out of, or in the course of, employment."
- D. Pursuant to Public Contract Code section 9201, SEJPA shall timely notify the Contractor of the receipt of any third-party claim relating to the Project. The SEJPA may recover its reasonable costs incurred in providing such notification.
- E. Pursuant to Public Contract Code section 7103.5(c), the following language of subdivision (b) of that section is as follows:

In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the contractor, without further acknowledgment by the parties.

- F. Pursuant to Government Code section 8546.7, every contract involving the expenditure of public funds in excess of ten thousand dollars (\$10,000) entered into by any public entity shall be subject to the examination and audit of the State Auditor, at the request of the public entity or as part of any audit of the public entity, for a period of three years after final payment under the contract.

- G. In submitting the Bid, signing the Agreement, performing the Work, and requesting and receiving payment, the CONTRACTOR certifies that it has not and will not submit false claims, pursuant to Government Code section 12650 *et seq.*
- H. Registration with the Department of Industrial Relations ("DIR"): Contractor must be, and must require its Subcontractors to, be registered with the DIR pursuant to Labor Code section 1725.5, prior to submission of a bid in response to this Request for Bids. No contractor or subcontractor may be listed on a bid proposal for a public works project, or may be awarded a contract for public work on a public works project, unless it registers with and pays an annual fee to the DIR. CONTRACTOR must, and must require its Subcontractors to, post all job site notices prescribed by law or regulation. Contractor acknowledges, and must require its Subcontractors to acknowledge, that this Project is subject to compliance monitoring and enforcement by the DIR. Contractor shall submit proof of current registration, and shall require Subcontractors to submit proof of current registration, to SEJPA concurrent with its Bid Proposal.
- I. Employment of Apprentices. Attention is directed to the provisions in Section 1777.5 (Chapter 1411, Statutes of 1968) and 1777.6 of the Labor Code concerning the employment of apprentices by Contractor or any subcontractor under him.
- a) Section 1777.5, as amended, requires that every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.
  - b) Only apprentices, as defined in section 3077 of the Labor Code, who are in training under the apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either of the following:
    - 1. The apprenticeship standards and apprentice agreements under which he or she is training.
    - 2. The rules and regulations of the California Apprenticeship Council.
  - c) When Contractor and/or any subcontractor under him, in performing any of the Work, employs workers in any apprenticeable craft or trade, Contractor and/or subcontractor shall employ apprentices in at least the ratio set forth in Labor Code section 1777.5 and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving Contractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected.



- d) Prior to commencing Work on the Contract, Contractor and/or subcontractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the Work. The information submitted shall include an estimate of the journeyman hours to be performed under the Contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to SEJPA.
  - e) Within 60 days after concluding Work on the Contract, Contractor and any Subcontractors shall submit to SEJPA, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the Contract. The information submitted pursuant to this section GC7-2 shall be public.
  - f) If Contractor, in performing any of the Work under the Contract, employs journeymen or apprentices in any apprenticeable craft or trade, then Contractor shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area of the site of the Work. Contractor may take as a credit for payments to the council any amounts paid by Contractor to an approved apprenticeship program that can supply apprentices to the Site of the Work. Contractor may add the amount of the contributions in computing his or her Bid for the Contract.
  - g) Contractor and any subcontractor under him shall comply with the requirements of California Labor Code sections 1777.5 and 1777.6 in the employment of apprentices. Contractor has the responsibility of compliance with these requirements for all apprenticeable occupations.
  - h) Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.
- J. WAGE RATES. Pursuant to sections 1770 *et seq.* of the California Labor Code, Contractor and any subcontractor under him shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations. Copies of such prevailing rate of per diem wages are on file at the SEJPA's offices or temporary offices. Copies may be obtained from State of California, Division of Labor Statistics and Research, (415) 557-0561. Contractor shall post a copy of such determination at each job site.
- a) Contractor and any subcontractor under him may be subject to penalties for paying less than prevailing wage per Labor Code section 1775.
  - b) Contractor shall, as a penalty to SEJPA, forfeit Two-Hundred Dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the specified prevailing rates for such Work or draft in which such

worker is employed, whether paid by Contractor or by any Subcontractors under him unless the requirements of Labor Code section 1775, subdivision (b) are met.

- K. **PAYROLL RECORDS.** CONTRACTOR and each subcontractor shall keep an accurate payroll record showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee. ~~employed on the attached PUBLIC WORKS PAYROLL REPORTING FORM, Form 8-1 and Form 8-2.~~ The payroll records shall be certified, available for inspection, and electronic copies thereof furnished directly to the Labor Commissioner (also known as the Division of Labor Standards Enforcement) (A) at least monthly or more frequently and (B) in a format prescribed by the Labor Commissioner, as prescribed in section 1776 of the Labor Code, including any required redactions. Contractor shall keep SEJPA informed as to the location of the records and shall be responsible for the compliance with these requirements by all Subcontractors. Contractor shall inform SEJPA of the location of the payroll records, including the street address, city, and county, and shall, within five (5) working days, provide a notice of a change of location and address. Penalties for noncompliance include a forfeiture of One-Hundred Dollars (\$100) per day per worker, which may be deducted from any moneys due Contractor.
- L. **CONTRACTOR LICENSES.** Contractors are required by law to be licensed and regulated by Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P. O. Box 26000, Sacramento, California 95826.
- M. **PATENTED DEVICES, MATERIAL, PROCESSES.** Contractor shall indemnify and save harmless SEJPA and its duly authorized representatives from all liabilities, judgments, costs, damages, and expenses which may result from the infringement of any patents, trademarks, and copyrights by reason of the use of any proprietary materials, devices, equipment, or processes incorporated in or used in the performance of the Work under this Contract howsoever may be caused.
- N. **PROTECTION OF PERSON AND PROPERTY.** Contractor shall adopt every practical means and comply with all laws, ordinances, and regulations in order to minimize interferences to traffic, and inconveniences, discomfort and damage to the public, including the provision of adequate dust control measures. All obstructions to traffic shall be guarded. Contractor shall not trespass upon private property and shall be responsible for all injury or damage to Persons or property, directly or indirectly, resulting from his operations in completing this Work. He shall comply with the laws and regulations of SEJPA, County, and State, relating to the safety of Persons and property, and will be held responsible and required to make good any injury or damage to Persons or property caused by carelessness or neglect on the part of Contractor or

subcontractor(s), or any agent or employee of either during the progress of the Work and until its final acceptance. Contractor shall protect against injury any pipes, sewer conduits, electrical conduits, lawns, gardens, shrubbery, trees, fences, or other structures or property, public and/or private, encountered in this Work except as stipulated elsewhere herein. Contractor shall be responsible and liable for any injury to such pipe, structures, and property. The fact that such pipe or other underground facility is not shown on the Contract Documents or is shown in a different location shall not relieve Contractor of responsibility under this Section.

- O. Each and every provision of law and clause required by law to be inserted in the Contract Documents shall be deemed to be inserted herein, and the Contract Documents shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of the Contractor or the SEJPA, the Contract Documents shall forthwith be physically amended to make such insertion.

## 6.8 TAXES

Contractor shall pay all sales, consumer, use and other similar taxes required to be paid by the Contractor in accordance with the law of the place of the Project. In addition, all sales, consumer, use and all other taxes that might lawfully be assessed against the SEJPA in the execution and performance of the proposed Contract and Work covered thereby, shall be paid by the Contractor. It is to be understood by all bidders that the bid price or prices submitted shall include the total cost of all such taxes.

## 6.9 USE OF PREMISES

- A. Contractor shall confine construction equipment, the storage of materials and equipment and the operations of workers to areas permitted by law, ordinances, permits, or the requirements of the Contract Documents, and shall not unreasonably encumber the premises with construction equipment or other materials or equipment. The Contractor shall not block or impede access for the SEJPA to the Project site at any time.
- B. During progress of the Work, Contractor shall keep the premises free from accumulations of waste materials, rubbish and other debris resulting from the Work. At the Completion of the Work Contractor shall remove all waste materials, rubbish and debris from and about the premises as well as all tools, appliances, construction equipment and machinery, and surplus materials, and shall leave the site clean and ready for occupancy by SEJPA. Contractor shall restore to their original condition those portions of the site not designated for alteration by the Contract Documents.
- C. Contractor shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall Contractor subject any part of the Work or adjacent property to stresses or pressures that will endanger it.

## 6.10 RECORD DOCUMENTS

Contractor shall keep one (1) record copy of all Specifications, Drawings, Addenda, Modifications, Shop Drawings and Samples at the site in good order and currently annotated to show all changes made during the construction process. These shall be available to SEJPA or designee for examination and shall be delivered to Engineer or SEJPA upon Completion of the Work.

## 6.11 SAFETY AND PROTECTION

- A. Contractor shall be solely responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to:
  - 1. All workers on the Work and other Persons who may be affected thereby;
  - 2. All the Work and all materials or equipment to be incorporated therein, whether in storage on or off the site; and
  - 3. Other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.
- B. Contractor shall comply with all applicable laws, ordinances, rules, regulations and orders of any public body having jurisdiction for the safety of Persons or property or to protect them from damage, injury or loss; and shall erect and maintain all necessary safeguards for such safety and protection. Contractor shall notify SEJPAs of adjacent property and utilities when prosecution of the Work may affect them. Contractor shall cooperate with the utility SEJPA in the protection, removal, relocation or replacement of such utility property. All damage, injury or loss to any property referred to in Paragraph 6.11.A.2 or 6.11.A.3 caused, directly or indirectly, in whole or in part, by Contractor, any Subcontractor or anyone directly or indirectly employed by any of the or anyone for whose acts any of them may be liable, shall be remedied by Contractor (except damage or loss solely attributable to errors or omissions in the Drawings or Specifications or solely attributable to the negligent acts or omissions of SEJPA, Engineer or anyone employed by either of them or anyone for whose acts either of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of Contractor). Contractor's duties and responsibilities for the safety and protection of the Work shall continue until such time as all the Work is completed and SEJPA has issued a notice to Contractor in accordance with Paragraph 14.10 that the Work is acceptable.
- C. Contractor shall designate a responsible member of his organization at the site whose duty shall be the prevention of accidents. This person shall be Contractor's superintendent unless otherwise designated in writing by Contractor to SEJPA.
- D. If the Work involves digging trenches or other excavations :

1. The Contractor shall promptly, and before the following conditions are disturbed, notify the SEJPA, in writing, of any:
    - a) Material that the CONTRACTOR believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
    - b) Subsurface or latent physical conditions at the site differing from those indicated by information about the site made available to bidders prior to the deadline for submitting bids.
    - c) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents.
  2. The SEJPA shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the Work shall issue a change order under the procedures described in the Contract Documents.
  3. In the event that a dispute arises between the SEJPA and the Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the Work, the Contractor shall not be excused from any scheduled completion date provided for by the Contract Documents, but shall proceed with all Work to be performed under the Agreement. The Contractor shall retain any and all rights provided either by the Agreement or by law which pertain to the resolution of disputes and protests between the Contractor and the SEJPA.
  4. *The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials or substances; provided, however, that Contractor's responsibility for compliance with such requirements shall not be construed as making Contractor responsible for or legally liable for hazardous materials or substances that exist at the Project site and are not brought to the site by Contractor or those for whom Contractor is responsible*
- E. If the Agreement involves an estimated expenditure in excess of twenty-five thousand dollars (\$25,000), and the excavation of any trench or trenches five (5) feet or more in depth, the Contractor shall be required to submit, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer. The plan must be accepted by the Engineer, SEJPA or a registered civil or structural engineer, employed by the SEJPA, to whom

authority to accept has been delegated, in advance of excavation. Nothing in this section shall be deemed to allow the use of a shoring, sloping, or protective system less effective than that required by the Construction Safety Orders. Nothing in this section shall be construed to impose tort liability on the SEJPA or any of its employees.

- F. The Contractor will be responsible for reporting and preparing all accident reports, property damage and injury reports. The Contractor will immediately notify SEJPA of any accidents or incidents to Contractor personnel and will follow the notification with a written report within 24 hours of the incident. The Contractor will use the *Contractor's Report of Unsafe Condition/Act Form* included in the *Contractor's Safety Orientation Program*.

## 6.12 EMERGENCIES

Contractor shall be responsible for and shall pay all fines resulting from its negligence in emergencies affecting the safety or protection of Persons on the Work or property or environment at the site or adjacent thereto.

## 6.13 SHOP DRAWINGS AND SAMPLES

- A. After checking and verifying all field measurements, Contractor shall submit to Engineer for review and approval, in accordance with the accepted schedule of Shop Drawing submissions (see Paragraph 2.5), copies of all Shop Drawings, which shall have been checked by and stamped with the approval of Contractor and identified as Engineer may require. The data shown on the Shop Drawings will be complete with respect to dimensions, design criteria, materials of construction and the like to enable Engineer to review the information as required.
- B. Contractor shall also submit to Engineer for review and approval with such promptness as to cause no delay in Work, all Samples required by the Contract Documents. All Samples will have been checked by and stamped by the Contractor, identified clearly as to material, manufacturer, any pertinent catalog numbers and the use for which intended.
- C. At the time of each submission, Contractor shall in writing call Engineer's attention to all deviations that the Shop Drawings or Samples may have from the requirements of the Contract Documents.
- D. Engineer will review and approve with reasonable promptness Shop Drawings and Samples, but Engineer's review and approval shall be only for conformance with the design concept of the Project and for compliance with the information given in the Contract Documents and shall not extend to means, methods, sequences, techniques or procedures of construction or to safety precautions or programs incident thereto. The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions. Contractor shall make all corrections required by Engineer and shall return the required number of corrected copies of Shop Drawings and resubmit new Samples for review and approval. Contractor shall direct specific attention in writing to revisions other than the corrections called for by Engineer on previous



submittals. Contractor's stamp on any Shop Drawing or Sample shall constitute a representation to SEJPA and Engineer that Contractor has either determined and verified all quantities, dimensions, field construction criteria, materials, catalog numbers, and similar data or assumes full responsibility for doing so, and that Contractor has reviewed or coordinated each Shop Drawing or Sample with the requirements of the Work and the Contract Documents.

- E. Where a Shop Drawing or Sample is required by the Specifications, no related Work shall be commenced until the submittal has been reviewed and approved by Engineer.
- F. Engineer's review and approval of Shop Drawings or Samples shall not relieve Contractor from responsibility for any deviations from the Contract Documents unless Contractor has in writing called Engineer's attention to such deviation at the time of submission and Engineer has given written concurrence and approval to the specific deviation, nor shall any concurrence and approval by Engineer relieve Contractor from responsibility for errors or omissions in the Shop Drawings or Samples.

#### 6.14 CONTINUING THE WORK

Contractor shall carry on the Work and maintain the progress schedule during all disputes or disagreements with SEJPA. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, except as Contractor and SEJPA or Engineer may otherwise agree in writing.

#### 6.15 INDEMNIFICATION (Covered under Section 19 of the Lease/Purchase agreement)

- ~~A. To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless SEJPA, the City of Encinitas, the City of Solana Beach, Engineer, and the directors, officers, officials, employees and agents of each of them ("Indemnitees") from and against all claims, liabilities, damages, losses and expenses including, but not limited to attorneys' fees and costs of suit ("Claims") arising out of or resulting from the performance of the Work, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) including the loss of use resulting therefrom, and (2) is caused in whole or in part by either (a) any act, omission or negligence (active or passive) of Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether the Claim is caused in part by a party indemnified hereunder, or (b) arises out of operation of law as a consequence of any act or omission of Contractor, any Subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, regardless of whether any of them has been negligent. Contractor shall pay all the costs incident to such defense, including, but not limited to, attorneys' fees, costs of suit, and amounts paid in satisfaction of judgments. Any and all lawsuits or administrative actions brought or threatened on any theory of relief available at law, in equity, or under the rules of any administrative agency, shall be covered by this Paragraph 6.15 including but not limited to those alleging the violation of any federal, state or local statute or ordinance. SEJPA shall have the full right~~

~~to select competent counsel (subject to the approval of Contractor which may not be unreasonably withheld) to defend SEJPA pursuant to this Paragraph. Nothing in this paragraph shall impose on Contractor, or relieve SEJPA from, liability for the active negligence of SEJPA.~~

~~B. In any and all claims against any of the Indemnitees by any employee of Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under Paragraph 6.15.A shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor or any Subcontractor under worker's compensation acts, disability benefit acts or other employee benefit acts.~~

## 6.16 UNDERGROUND UTILITIES

Section 5 of the Standard Specifications for Public Works Construction shall apply to all existing utilities and utility relocations. In addition to the requirements of Section 5 of the Standard Specifications for Public Works Construction, the Contractor shall notify the following agencies, when appropriate, forty-eight (48) hours prior to beginning excavation operations:

1. Underground Service Alert
2. Underground Water and Sewer

If the Contractor while performing the Contract discovers utility facilities not identified in the Drawings or Specifications, or in the existing As-Built Record Drawings, the Contractor shall immediately notify the Engineer, SEJPA and the utility in writing.

The SEJPA shall have the responsibility for the timely removal, relocation or protection of existing main or trunk line utility facilities located on the site of the Work which are not identified by SEJPA in the Drawings or specifications with reasonable accuracy.

In case it is necessary to remove, relocate or protect an existing main or trunk line utility facility not indicated in the Plans and specifications, the SEJPA will compensate the Contractor for the costs of locating, repairing damage not due to the failure of the Contractor to exercise reasonable care, and removing or relocating such utility facilities not indicated in the Plans and specifications with reasonable accuracy, and for equipment on the Project necessarily idled during such work. These costs and the work to be done by the Contractor in removing, relocating or protecting such utility facilities shall be covered by a written Change Order conforming to Article GC 10 of the General Conditions. The SEJPA may make changes in the alignment and grade of the Work to obviate the necessity to remove, relocate or protect such utility facilities or to reduce the costs of the Work involved in removing, relocating or protecting such utility facilities. Changes in alignment and grade will be ordered in accordance with the provisions of Article GC 10 of the General Conditions. The Contractor shall not be assessed liquidated damages for delay in completion of the Project, when such delay was caused by the failure of the SEJPA or the SEJPA of the utility to provide for removal or relocation of such utility facilities.

The owner of the public utility shall have the sole discretion to perform repairs or relocation work or permit the Contractor to do such repairs or relocation work at a



reasonable price. The right is reserved to governmental agencies and to owners of public utilities to enter at any time upon any street, alley, right of way, or easement for the purpose of maintaining or making repairs to their property.

Nothing herein shall be deemed to require SEJPA to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the site of the Project can be inferred from the presence of other visible facilities, such as buildings, meter and junction boxes, on or adjacent to the site of the Project; provided, however, nothing herein shall relieve the SEJPA from identifying main or trunklines in the Plans and specifications.

Nothing herein shall preclude the SEJPA from pursuing any appropriate remedy against the utility for delays which are the responsibility of the utility.

Nothing herein shall be construed to relieve the utility from any obligation as required either by law or by contract to pay the cost of removal or relocation of existing utility facilities.

#### 6.17 PROTECTION OF EXISTING IMPROVEMENTS

Contractor shall be responsible for the protection of existing improvements and utilities within and adjacent to the job site and shall exercise due caution to avoid damage to such improvements. Unless otherwise provided, the Contractor shall repair or replace all existing improvements and Public Utilities damaged or removed as a result of his operation after making any necessary arrangements or obtaining any necessary approvals from SEJPA of the existing improvements and/or Public Utilities. Repairs and replacements shall be at least equal to existing improvements and shall match them in finish and dimension. All costs for protecting, removing, restoring and replacing existing improvements shall be borne solely by the Contractor.

### ARTICLE GC 7 - **WORK BY OTHERS**

- 7.1 SEJPA may perform additional work related to the Project or have additional work performed by utility service companies, or let other direct contracts therefor which shall contain General Conditions similar to these. Contractor shall afford the utility service companies and the other contractors who are parties to such direct contracts (or SEJPA, if SEJPA is performing the additional work with SEJPA'S employees) reasonable opportunity for the introduction and storage of materials and equipment and the execution of work, and shall properly connect and coordinate his Work with theirs.
- 7.2 If any part of Contractor's work depends for proper execution or results upon the work of any such other contractor or utility service company (or SEJPA), Contractor shall inspect and promptly report to SEJPA in writing any patent or apparent defects or deficiencies in such work that render it unsuitable for such proper execution and results. Contractor's failure to so report shall constitute an acceptance of the other work as fit and proper for integration with Contractor's Work except for latent defects and deficiencies in the other work.
- 7.3 Contractor shall do all cutting, fitting and patching of his Work that may be required to make its several parts come together properly and integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating or otherwise

altering their work and will only cut or alter their work with the written consent of SEJPA and the others whose work will be affected.

- 7.4 If the performance of additional work by other contractors or utility service companies or SEJPA was not noted in the Contract Documents, written notice thereof shall be given to Contractor prior to starting any such additional work. If Contractor believes that the performance of such additional work by SEJPA or others involves additional expense or requires an extension of the Contract Time, Contractor may make a claim therefore as provided in Article GC 11 and Article GC 12 provided that the Contractor will make no claim which is barred by the provisions of Article GC 12.

## **ARTICLE GC 8 - LIQUIDATED AND SPECIAL DAMAGES**

### **8.1 LIQUIDATED DAMAGES**

See Agreement, Section 3.4. 21.3

### **8.2 SPECIAL DAMAGES (covered in Section 21.4 of Lease/Purchase agreement)**

~~In addition to the amount provided for liquidated damages, Contractor shall pay SEJPA the actual costs reasonably incurred by SEJPA for Engineering and inspection forces employed on the Work for each day that expires after the time specified in Article GC 12 for Substantial Completion, including any extensions thereof made in accordance with said Article GC 12 until the Work is substantially complete.~~

### **8.3 PLANT SHUTDOWNS**

The Plant will continue operating during the construction period. Any work which requires temporary interruption of normal Plant operations shall be coordinated with the SEJPA. The SEJPA shall be notified by the Contractor a minimum of 72 hours prior to any shutdowns.

In addition, shutdowns of any Plant operations shall be coordinated with SEJPA in advance, and must be conducted during hours acceptable to the SEJPA. SEJPA and CONTRACTOR agree that, as liquidated damages for exceeding the allotted shutdown period as agreed upon in writing prior to shutdown, CONTRACTOR shall pay SEJPA \$500.00 for each hour after the allowable shutdown period has expired, unless previously agreed otherwise.

### **8.4 DEDUCTION OF DAMAGES**

SEJPA may deduct the amount of liquidated damages and special damages from monies due CONTRACTOR under the Contract.

## **ARTICLE GC 9 - SEJPA AND ENGINEER'S STATUS DURING CONSTRUCTION**

### **9.1 ENGINEER**

Engineer will be SEJPA's representative during the construction period. The duties and responsibilities and the limitations of authority of Engineer as SEJPA's

representative during construction are set forth in the Contract Documents and shall not be extended without written consent of SEJPA and Engineer.

## 9.2 VISITS TO SITE

Neither SEJPA nor Engineer will be required to make exhaustive or continuous onsite inspections to check the quality or quantity of the Work. SEJPA and/or Engineer may make visits to the site at intervals appropriate to the various stages of construction to observe the progress and quality of the executed Work and to determine, in general, if the Work is proceeding in accordance with the Contract Documents. On the basis of such visits and on-site observations, Engineer will inform SEJPA of the progress of the Work and will endeavor to guard SEJPA against defects and deficiencies in the Work.

## 9.3 CLARIFICATIONS AND INTERPRETATIONS

SEJPA or Engineer will issue with reasonable promptness such written clarifications or interpretations of the Contract Documents (in the form of Drawings or otherwise) as SEJPA or Engineer may determine necessary, which shall be consistent with or reasonably inferable from the overall intent of the Contract Documents. If Contractor believes that a written clarification or interpretation justifies an increase in the Contract Price or Contract Time, Contractor may make a claim therefor as provided in Articles 11 and 12.

## 9.4 REJECTING DEFECTIVE WORK

SEJPA and/or Engineer will have authority to disapprove or reject Work which SEJPA and/or Engineer believes to be defective, and will also have authority to require special inspection or testing of the Work as provided in Article GC 13, whether or not the Work is fabricated, installed or completed.

## 9.5 DECISIONS ON DISAGREEMENTS

- A. Engineer will be the initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the Work thereunder. Claims, disputes and other matters relating to the acceptability of the Work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of the work shall be referred initially to Engineer in writing with a request for a formal decision in accordance with this Paragraph, which SEJPA will render in writing within a reasonable time. Written notice of each such claim, dispute and other matter shall be delivered by the claimant to Engineer and the other party to the Agreement within fifteen (15) days of the occurrence of the event giving rise thereto, and written supporting data will be submitted to Engineer and the other party within forty-five (45) days of such occurrence unless Engineer allows an additional period of time to ascertain more accurate data. In his capacity as interpreter and judge, Engineer will not show partiality to SEJPA or Contractor and will not be liable in connection with any interpretation or decision rendered in good faith in such capacity.
- B. The rendering of a decision by Engineer pursuant to Paragraph 9.6.A with respect to any such claim, dispute or other matter (except any which have been waived by the making or acceptance of final payment as provided in Paragraph

14.12) will be a condition precedent to any exercise by SEJPA or Contractor of such rights or remedies as either may otherwise have under the Contract Documents or at law in respect of any such claim, dispute or other matter.

## 9.6 LIMITATIONS ON SEJPA and ENGINEER's RESPONSIBILITIES

- A. Neither SEJPA nor Engineer's authority to act under this Article GC 9 or elsewhere in the Contract Documents nor any decision made by SEJPA or Engineer in good faith either to exercise or not exercise such authority shall give rise to any duty or responsibility of SEJPA or Engineer to Contractor, any Subcontractor, any manufacturer, fabricator, supplier or distributor or any of their agents or employees or any other Person performing any of the Work.
- B. Whenever in the Contract Documents the terms "as ordered," "as directed," "as required," "as allowed," "as approved" or terms of like effect or import are used, or the adjectives "reasonable," "suitable," "acceptable," "proper," or "satisfactory" or adjectives of like effect or import are used to describe a requirement, direction, review or judgment of SEJPA or Engineer as to the Work, it is intended that such requirement, direction, review or judgment will be solely to evaluate the Work for compliance with the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective never indicates that SEJPA or Engineer shall have authority to supervise or direct performance of the Work or authority to undertake responsibility contrary to the provisions of Paragraphs 9.6.C and 9.6.D.
- C. SEJPA and/or Engineer will not be responsible for Contractor's means, methods, techniques, sequences or procedures of construction, or the safety precautions and programs incident thereto, and SEJPA will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- D. SEJPA or Engineer will not be responsible for the acts or omissions of Contractor or of any Subcontractors, or of the agents or employees of any Contractor or Subcontractor, or of any other Persons at the site or otherwise performing any of the Work.

## ARTICLE GC 10 - **CHANGES IN THE WORK**

### 10.1 AUTHORIZATION BY CHANGE ORDER

Without invalidating the Agreement, SEJPA may, at any time or from time to time, order additions, deletions or revisions in the Work; these will be authorized by Change Orders. Upon receipt of a Change Order, Contractor shall proceed with the Work involved. All such Work shall be executed under the applicable conditions of the Contract Documents. If any Change Order causes an increase or decrease in the Contract Price or an extension or shortening of the Contract Time, an equitable adjustment will be made as provided in Article GC 11 or Article GC 12 on the basis of a claim made by either party.

## 10.2 AUTHORIZATION BY FIELD ORDER

SEJPA or Engineer may authorize minor changes in the Work not involving an adjustment in the Contract Price or the Contract Time, which are consistent with the overall intent of the Contract Documents. These may be accomplished by a Field Order and shall be binding on SEJPA and also on Contractor who shall perform the change promptly. If Contractor believes that a Field Order justifies an increase in the Contract Price or Contract Time, Contractor may make a claim therefor as provided in Article GC 11 or Article GC 12.

## 10.3 RISK OF WORK WITHOUT AUTHORIZATION

Additional Work performed without authorization of a Change Order will not entitle Contractor to an increase in the Contract Price or an extension of the Contract Time, except as provided in Paragraphs 10.2, 13.4.B, and except in the case of an emergency as provided in Paragraph 6.12.

## 10.4 EXECUTION OF CHANGE ORDERS

SEJPA shall execute appropriate Change Orders prepared by Engineer covering changes in the Work which are required and approved by SEJPA, or required and approved because of unforeseen physical conditions or emergencies, or because of uncovering Work found not to be defective, or as provided in Paragraphs 11.6 and 15.1.

## 10.5 NO IMPACT ON BOND OBLIGATIONS

Any changes affecting the general scope of the Work or change in the Contract Price will not affect the obligations of the Contractor or Surety under the Performance and Payment Bonds.

# ARTICLE GC 11 - **CHANGE OF CONTRACT PRICE**

## 11.1 TOTAL COMPENSATION

The Contract Price constitutes the total allowable compensation (subject to authorized adjustments) payable to Contractor for performing the Work. All duties, responsibilities and obligations assigned to or undertaken by Contractor shall be at the Contractor's expense without change in the Contract Price.

## 11.2 CHANGES IN TOTAL COMPENSATION

The Contract Price may only be changed by a Change Order. Any claim for an increase in the Contract Price shall be based on written notice delivered to SEJPA within fifteen (15) days of the occurrence of the event giving rise to the claim. Notice of the amount of the claim with supporting data shall be delivered within forty-five (45) days of such occurrence unless SEJPA allows an additional period of time to ascertain accurate cost data. All claims for adjustment in the Contract Price shall be determined by SEJPA if SEJPA and Contractor cannot otherwise agree on the amount involved. Any change in the Contract Price resulting from any such claim shall be incorporated in a Change Order.

When required by the Engineer or SEJPA, the Contractor shall submit, in the form prescribed by the Engineer or SEJPA, an itemized breakdown with supporting data of the quantities and prices used in computing the value of any change that may be ordered.

### 11.3 DETERMINATION OF CHANGES IN TOTAL COMPENSATION

The value of any Work covered by a Change Order or of any claim for an increase or decrease in the Contract Price shall be determined in one of the ways listed herein:

- A. Where applicable, by unit prices accepted by the SEJPA and stated in the Contract Documents;
- B. By unit prices subsequently fixed by agreement between the parties;
- C. By mutual acceptance of a lump sum. The Contractor shall submit substantiating documentation with an itemized breakdown of Contractor and subcontractor direct costs, including labor (hours and rates), material, equipment rentals, and approved services, pertaining to such ordered work in the form and detail acceptable to the Engineer.
- D. On the basis of the Force Account Payment (determined as provided in Paragraph 11.6.B) plus a Contractor's Fee for overhead and profit (determined as provided in Paragraph 11.6.D). Whenever the cost of any Work is to be determined pursuant to Paragraphs 11.6.B and 11.6.D, Contractor will submit in a form acceptable to Engineer, an itemized cost breakdown together with supporting data.

### ~~11.4 UNIT PRICE ADJUSTMENTS DUE TO INCREASE OR DECREASED QUANTITIES (NA TO PROJECT)~~

- ~~A. The unit prices (if used) as stated in the Bid Schedule and as negotiated in Change Orders shall apply to one hundred (100) percent of the quantity indicated to be estimated quantity for the bid item, plus or minus twenty five (25) percent. Adjustments in unit prices will be made in accordance with Section 4-1.03B, Increased or Decreased Quantities, and 4-1.03C, Changes in Character of Work, of the State of California, Department of Transportation Standard Specifications, July 2002, with the following modifications:~~
  - ~~1. Delete all references to "Section 9-1.03" and insert "Article 11, Paragraph 11.6, FORCE ACCOUNT PAYMENT."~~
  - ~~2. Delete the last paragraph (fourth paragraph) of Section 4-1.03C, Changes in Character of Work.~~

### 11.5 LUMP SUM

- A. For lump sum negotiated Change Orders, the maximum percentage which will be allowed for the Contractor's combined overhead and profit will be:



1. For work performed by the Contractor, the Contractor may add to the total of the actual costs, a fee not to exceed seven (7) percent of actual costs for overhead and profit.
  2. For work performed by an approved subcontractor, the subcontractor may add to the total of the actual costs, a fee not to exceed twelve (12) percent of actual costs. The Contractor's fee shall not to exceed seven (7%) percent of actual costs for overhead and profit.
  3. For work performed by a sub-tier subcontractor, the sub-tier subcontractor may add to the total of the actual costs, a fee not to exceed five (5) percent of actual costs, unless approved by SEJPA. The subcontractor may add to the total of sub-tier subcontractor's total fee an additional fixed fee of five (5) percent. No further compensation will be allowed for the subcontractor's administration of the work performed by the sub-tier subcontractor. The Contractor may add to the total of the actual costs and fixed fees not to exceed seven (7) percent.
- B. To the total of the actual costs and fees allowed hereunder, not more than two (2) percent shall be added for additional bond and insurance other than labor insurance.
- C. The above fees represent maximum limits which will be allowed, and they include the Contractor's and all Subcontractors' indirect home office expenses and all costs for cost proposal preparation.
- D. When both additions and credits are involved in any one change, the combined overhead and profit shall be figured on the basis of the net increase, if any, for each area of work, i.e. direct labor, materials, equipment, and Subcontractors. The amount of credit to be allowed by the Contractor to the SEJPA for any such change which results in a net decrease in cost will be the amount of the actual net decrease and a credit in accordance with the markups allowed under above paragraph 11.5.A. The Contractor shall not claim for anticipated profits on work that may be omitted.

#### 11.6 FORCE ACCOUNT PAYMENT

- A. If either the amount of work or payment for a Change Order cannot be determined or agreed upon beforehand, the SEJPA may direct by written Change Order or Field Order that the work be done on a force account basis. The term "force account" shall be understood to mean that payment for the work will be done on a time and expense basis, that is, on an accounting of the Contractor's forces, materials, equipment, and other items of cost as required and used to do the work.
- B. The phrase "Force Account Payment" means the sum of all costs necessarily incurred and paid by Contractor in the proper performance of the Work. Except as otherwise may be agreed to in writing by SEJPA, such costs shall be in amounts no higher than those prevailing in the locality of the Project, shall include only the following items and shall not include any of the costs itemized in Paragraph 11.6.C.

1. LABOR. Payroll costs for all labor and for foremen in the direct employ of Contractor in the performance of the Work under schedules of job classifications agreed upon by SEJPA and Contractor. Payroll costs for employees not employed full time on the Work shall be apportioned on the basis of their time spent on the Work. Payroll costs shall include the actual cost of wages paid by Contractor, but at rates not to exceed those for comparable labor currently employed on the Project, plus the cost of social security contributions, unemployment, excise and payroll taxes, workers compensation insurance, and any actual amounts paid by Contractor by reason of an employment Contract generally applicable to his employees. The expenses of performing Work after regular working hours, on Saturday, Sunday or legal holidays shall be included in the above to the extent authorized by SEJPA.
2. SUPERVISION. No allowance shall be made for supervision of the extra work by Contractor's representative or superintendent. Such costs shall be regarded as overhead.
3. TOOLS AND EQUIPMENT. For any machine power tools and special or heavy equipment used, Contractor shall be paid in accordance with the current edition of "Labor Surcharge and Equipment Rental Rates" published by the State of California, Department of Transportation, (Caltrans). In the event that any of the equipment to be used is not shown in said schedule, the rental rate for such equipment shall be as agreed upon in writing before the work is started. No allowance shall be made for the use of small tools and minor items of equipment, which shall be considered as part of the overhead. As used herein, such tools and equipment are defined as individual tools or pieces of equipment having a replacement value of One Hundred Fifty (150) Dollars each or less. When equipment is used on the extra work for less than five days, hourly rates shall be used. Less than thirty (30) minutes of operation shall be considered one-half hour of operations. When equipment is used on the extra work for more than five (5) days, daily rates shall apply. In this case, less than four (4) hours of operation shall be considered to be one-half (1/2) day of operation.
4. MATERIALS. For all materials accepted by the SEJPA or Engineer and used in the Work Contractor shall be paid the actual cost of such material, including transportation charges.
5. SUBCONTRACTORS. Payments made by Contractor to the Subcontractors for Work performed by Subcontractors. If required by SEJPA, Contractor shall obtain competitive bids from Subcontractors acceptable to Contractor and shall deliver such bids to SEJPA who will then determine, with the advice of Engineer, which bids will be accepted. If a subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work Plus a Fee, the Subcontractor's Cost of the work shall be determined in the same manner as Contractor's Cost of the Work. All subcontracts shall be subject to the other provisions of the Contract Documents insofar as applicable.
6. DEFECTIVE WORK. Contractor shall repair, reconstruct, replace, or otherwise make acceptable the work found by SEJPA or Engineer to be defective, and cost therefor shall be considered as included in Contractor's 12 percent profit and overhead.



C. The term Cost of the Work shall not include any of the following, and Force Account Payments shall not be defined to include any of the following:

1. Payroll costs and other compensation of Contractor's officers, executives, principals (of partnership and sole proprietorships), general managers, Engineers, architects, estimators, lawyers, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks and other personnel employed by Contractor whether at the site or in his principal or a branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 11.4.A, all of which are to be considered administrative costs covered by the Contractor's Fee.
2. Expenses of Contractor's principal and branch offices other than Contractor's office at the site.
3. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Work and charges against Contractor for delinquent payments.
4. Cost of premiums for all Bonds and for all insurance whether or not Contractor is required by the Contract Documents to purchase and maintain the same (except for additional Bonds and insurance required because of changes in the Work).
5. Costs due to the negligence and/or willful misconduct of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective work, disposal of materials or equipment wrongly supplied and making good any damage to property.
6. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraph 11.4.A.

D. CONTRACTOR'S FEE

1. Reference to markup rates per 11.5.A, above.
2. ~~The Contractor, subcontractor, or sub-tier subcontractor may add the following fees to the Cost of Work:~~
  - a. ~~For work performed by the Contractor, the Contractor may add to the total of the actual costs, a fee not to exceed twelve (12) percent of actual costs.~~
  - b. ~~For work performed by an approved subcontractor, the subcontractor may add to the total of the actual costs, a fee not to exceed twelve (12) percent of actual costs. The Contractor may add to the total of the subcontractor's total fee an additional fixed fee of five (5) percent. No further compensation will be allowed for the Contractor's administration of the work performed by the subcontractor.~~
  - c. ~~For work performed by a sub-tier subcontractor, the sub-tier subcontractor may add to the total of the actual costs, a fee not to exceed twelve (12) percent of actual costs. The subcontractor may add to the total of the sub-tier subcontractor's total fee an~~

~~additional fixed fee of five (5) percent. No further compensation will be allowed for the subcontractor's administration of the work performed by the sub-tier subcontractor. The Contractor may add to the total of the actual costs and fixed fees allowed under this paragraph an additional fixed fee of five (5) percent of said total. No further compensation will be allowed for the Contractor's administration of the work performed by the subcontractor.~~

3. The added fixed fees shall be considered to be full compensation, including that needed to cover the cost of general supervision, overhead, profit, small tools, incidentals and any other general expenses. The above fixed fees represent the maximum limits which will be allowed, and they include the Contractor's and all Subcontractors' indirect home office expenses and all costs for cost proposal preparation and record keeping.

#### E. PAYMENTS

1. To receive partial payments and final payment for force account work, the Contractor shall submit, in a manner approved by the SEJPA, detailed and complete documented verification of the Contractor's and any of its subcontractor's actual costs involved in the force account pursuant to the pertinent Change Order or Field Order. Such costs shall be submitted within thirty (30) days after said work has been performed. No payments will be made for work billed and submitted to the SEJPA after the thirty (30) day period has expired.
2. The force account invoice shall itemize the materials used and shall cover the direct costs of labor and the charges for equipment rental, whether furnished by the Contractor, Subcontractor, or other forces. The invoice shall be in a form acceptable to the SEJPA and shall provide names or identifications and classifications of workers, the hourly rate of pay and hours worked, and also the size, type, and identification number of equipment and hours operated. Material charges shall be substantiated by valid copies of vendor's invoices.
3. When both additions and credits are involved in any one change, the combined overhead and profit shall be figured on the basis of the net increase, if any. The amount of credit to be allowed by the Contractor to the SEJPA for any such change which results in a net decrease in cost will be the amount of the actual net decrease and accredit in accordance with the markups allowed under the use of the method described in this Section. The Contractor shall not claim for anticipated profits on work that may be omitted.

F. The SEJPA reserves the right to furnish such materials and equipment as it deems expedient, and the Contractor shall have no claim for profit or added fees on the cost of such materials and equipment.

G. Prior to the commencement of force account work, the Contractor shall notify the SEJPA of its intent to begin work. Labor, equipment and materials furnished

on force account work shall be recorded daily by the Contractor upon report sheets furnished by the SEJPA to the Contractor. The reports, if found to be correct, shall be signed by both the Contractor and Engineer, or inspector, and a copy of which shall be furnished to the SEJPA no later than the working day following the performance of said work. The daily report sheet shall thereafter be considered the true record of force account report, the Contractor and SEJPA, or inspector, shall sign-off on the items on which they are in agreement. The SEJPA shall then review the items of disagreement and will advise the Contractor, in writing, of its determination. If the Contractor disagrees with this determination, it shall have the right to file a claim notice as provided in these General Conditions.

- H. The Contractor shall maintain its records in such a manner as to provide a clear distinction between the direct costs of work paid for on a force account basis and the costs of other operations.

## 11.7 CASH ALLOWANCES

It is understood that Contractor has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be done by such Subcontractors, manufacturers, fabricators, suppliers or distributors and for such sums within the limit of the allowances as may be acceptable to SEJPA.

## CONTRACT TIME

- 11.8 The Contract Time commences to run as provided in Paragraph 2.3 of the General Conditions and the Completion of the Work shall be achieved within the number of days specified in Section 3.3 of the Agreement after the date when the Contract Time commences to run.
- 11.9 Failure of the Contractor to perform any covenant or condition contained in the Contract Documents within the time period specified in Paragraph 12.1 shall constitute a material breach of the Agreement entitling the SEJPA to terminate the Agreement unless the Contractor applies for, and receives, an extension of time in accordance with the procedures set forth in this Article GC 12.
- 11.10 Failure of the SEJPA to insist upon the performance of any covenant or condition within the time period specified in Paragraph 12.1 shall not constitute a waiver of the CONTRACTOR'S duty to complete performance within the designated periods unless the waiver is in writing.
- 11.11 The SEJPA'S agreement to waive a specific time provision or to extend the time for performance shall not constitute a waiver of any other time provisions contained in the Contract Documents. Failure of the Contractor to complete performance promptly within the additional time authorized in the waiver or extension of time agreement shall constitute a material breach of the Agreement entitling the SEJPA to terminate.
- 11.12 The Contract Time may only be changed by a Change Order. Any claim for an extension in the Contract Time shall be based on written notice delivered to SEJPA and Engineer within five (5) working days of the occurrence of the event giving rise to the claim. Notice of the extent of the claim with supporting data shall be delivered within twenty (20)

working days of such occurrence unless ENGINEER allows an additional period of time to ascertain more accurate data. Any agreed change in the Contract Time resulting from any such claim shall be incorporated in a Change Order.

- 11.13 The Contract Time will be extended in an amount equal to time lost due to delays beyond the control of CONTRACTOR, as measured by the impact to the critical path of the CPM schedule, if a claim is made therefor as provided in Paragraph 12.5. Such delays shall include, but not be limited to, acts or neglect by SEJPA or others performing additional work as contemplated by Article GC 7, or to fires, floods, labor disputes, epidemics, abnormal weather conditions, or other Acts of God. No extension of the Contract Time will be granted where the delay is attributable to Contractor, a Subcontractor, manufacturer, fabricator, supplier or distributor or any other party performing services or furnishing material or equipment on behalf of Contractor unless such party's delay is attributable to one of the above enumerated causes.
- 11.14 The time limits concerning Substantial Completion and Completion of the Work as stated in the Contract Documents are of the essence. The provisions of this Article GC 12 shall not exclude recovery for damages (including compensation for additional professional services) for delay by either party, provided, however that Contractor shall not be entitled to damages for any delay occurring as a consequence of a delay in additional work being performed by others pursuant to Paragraph 7.1 hereof if the performance of said additional work was noted in the Contract Documents and the delay (by others) was not directly caused by the fault of SEJPA.

## **ARTICLE GC 12 - WARRANTY AND GUARANTEE; TESTS AND INSPECTION; CORRECTION, REMOVAL OR ACCEPTANCE OF DEFECTIVE WORK**

### **12.1 WARRANTY AND GUARANTEE**

Contractor warrants and guarantees to SEJPA and Engineer that all Work will be in accordance with the Contract Documents and will not be defective. Prompt notice of all defects shall be given to Contractor. All defective work, whether or not in place, may be rejected or corrected as provided in this Article 13.

### **12.2 ACCESS TO WORK**

Engineer and their representatives, other representatives of SEJPA, testing agencies and governmental agencies with jurisdictional interests will have access to the Work at reasonable times for their observation, inspection and testing. Contractor shall provide proper and safe conditions for such access.

### **12.3 TESTS AND INSPECTIONS**

- A. Contractor shall give SEJPA timely notice of readiness of the Work for all required inspections, tests or approvals.
- B. If any law, ordinance, rule, regulation, code, or orders of any public body having jurisdiction requires any Work (or part thereof) to specifically be inspected, tested or approved, Contractor shall assume full responsibility therefor, pay all costs in connection therewith and furnish Engineer the required certificates of inspection, testing or approval. Contractor shall also be responsible for ~~and shall~~

~~pay all costs in connection with~~ any inspection or testing required by the Specifications in connection with SEJPA'S or Engineer's acceptance of a manufacturer, fabricator, supplier or distributor of materials or equipment proposed to be incorporated in the Work, or of materials or equipment submitted for approval prior to Contractor's purchase thereof for incorporation in the Work. The cost of all other inspections, tests and approvals required by the Contract Documents shall be paid by SEJPA (unless otherwise specified).

- C. All inspections, tests or approvals other than those required by law, ordinance, rule, regulation, code or order of any public body having jurisdiction shall be performed by organizations acceptable to SEJPA (or by Engineer if so specified).
- D. Where the Specifications require work to be specially tested or approved, it shall be tested in the presence of the SEJPA or Engineer or its authorized representative after timely notice of its readiness for inspection and test, unless otherwise approved in writing by the Engineer. After testing, the work shall be covered up only upon consent thereto of the Engineer.
- E. Except as specifically required under detail materials specifications for shop testing and inspection, all tests of materials furnished by the Contractor where tests will be made by the Engineer will be done in accordance with commonly recognized standards of national organizations. The Contractor shall furnish such Samples of all materials as required by the Engineer without charge. No material shall be used unless it has been favorably reviewed by the Engineer.
- F. If any Work that is to be inspected, tested or approved is covered without written concurrence of SEJPA, it must, if requested by SEJPA, be uncovered for observation. Such uncovering shall be at Contractor's expense unless Contractor has given SEJPA timely notice of Contractor's intention to cover such Work and SEJPA has not acted with reasonable promptness in response to such notice.
- G. Where such inspection and testing are to be conducted by an independent laboratory or agency, the Sample or Samples of materials to be tested shall be selected by such laboratory or agency, or the Engineer, and not by the Contractor.
- H. Neither observations by SEJPA or Engineer nor inspections, tests or approvals by others shall relieve Contractor from his obligations to perform the Work in accordance with the Contract Documents.

#### 12.4 UNCOVERING WORK

- A. If any Work is covered contrary to the written request of SEJPA, it must, if requested by SEJPA, be uncovered for SEJPA's observation and replaced at Contractor's expense.
- B. If SEJPA considers it necessary or advisable that covered Work be observed or inspected or tested by others, Contractor, at SEJPA's request, shall uncover, expose or otherwise make available for observation, inspection or testing as SEJPA may require, that portion of the Work in question, furnishing all

necessary labor, material and equipment. If it is found that such Work is defective, Contractor shall bear all the expenses of such uncovering, exposure, observation, inspection and testing and of satisfactory reconstruction, including compensation for additional professional services, and an appropriate deductive Change Order shall be issued. If, however, such Work is not found to be defective, Contractor shall be allowed an increase in the Contract Price or an extension of the Contract Time, or both, directly attributable to such uncovering, exposure, observation, inspection, testing and reconstruction if he makes a claim therefor as provided in Articles 11 and 12.

#### 12.5 SEJPA MAY STOP THE WORK

If the Work is defective, or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, SEJPA may order Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of SEJPA to stop the Work shall not give rise to any duty on the part of SEJPA to exercise this right for the benefit of Contractor or any other party.

#### 12.6 CORRECTION OR REMOVAL OF DEFECTIVE WORK

If required by SEJPA or Engineer, Contractor shall promptly, without cost to SEJPA and as specified by SEJPA or Engineer, either correct any defective Work, whether or not fabricated, installed or completed, or, if the Work has been rejected by SEJPA, remove it from the site and replace it with non-defective Work.

#### 12.7 ONE YEAR CORRECTION PERIOD

If within one year after the date of SEJPA's final payment or such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee required by the Contract Documents, or by any specific provision of the Contract Documents, any Work is found to be defective Contractor shall within twenty-one (21) days, without cost to SEJPA and in accordance with SEJPA's written instructions, either correct such defective Work, or, if it has been rejected by SEJPA, remove it from the site and replace it with non-defective Work. If Contractor does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, SEJPA may have the defective Work corrected or the rejected Work removed and replaced, and all direct and indirect costs of such removal and replacement, including compensation for additional professional services, shall be paid by Contractor. The warranty and guarantee provide in this Paragraph 13.7 shall cover and apply to defective repaired parts and replacement parts for a period of one (1) year from date of their installation.

### ARTICLE GC 13 - **PAYMENTS TO CONTRACTOR AND COMPLETION**

#### 13.1 SCHEDULES

As noted in General Conditions, Paragraph 2.5.B, Contractor shall submit to SEJPA a progress schedule, a final schedule of Shop Drawings submission and a schedule of values of the Work. These schedules shall be satisfactory in form and substance to SEJPA. The schedule of values shall include quantities and unit prices aggregating the Contract Price, and shall subdivide the Work into component parts in sufficient



detail to serve as the basis for progress payments during construction. Upon acceptance of the schedule of values by SEJPA, it shall be incorporated into a form of application for payment acceptable to SEJPA. Updated CPM schedules shall accompany each application for payment.

### 13.2 ~~APPLICATIONS FOR PAYMENT~~ (Covered in Lease/Purchase agreement)

~~CONTRACTOR shall submit Applications for Payment in accordance with this GC Article 14. Applications for Payment will be processed by the SEJPA as provided in the General Conditions and Section 01025.~~

### 13.3 CAPITAL IMPROVEMENT INSTALLMENT PAYMENTS -

#### A. INSTALLMENT PAYMENTS

SEJPA shall pay Contractor those amounts and on those dates identified in Attachment D.2-1 for Phase 1, and Attachment D.2-2 for Phase 2. The last payment provided for on Attachments D.2-1 and D.2-2 shall be referred to as the "Last Payment" for that Phase of Stage 2 Construction. For Phase 1, the Last Payment shall be paid upon Completion of the Work following Contractor's application for final payment under the terms of Paragraph 14.9 and 14.10 of these General Conditions. For Phase 2 only, the Last Payment shall be paid in two equal installments. The first installment shall be paid on the date of Substantial Completion stated in the definitive certificate of Substantial Completion set forth in Paragraph 14.6 of these General Conditions. The second installment and remainder of the contract price shall be paid upon Completion of the Work following Contractor's application for final payment under the terms of Paragraph 14.9 and 14.10 of these General Conditions, and upon receipt of certificate of occupancy. .

B. These Capital Improvement Installment Payments shall be the sole and exclusive consideration for the Work, except for payments for any Owner Contingency items identified in Section 1.04 of the Supplementary Conditions.

~~C. SEJPA shall make monthly progress payments on account of the Contract Price of the basis of Contractor's Applications for Payment as recommended by the SEJPA. Contractor's Applications for Payment will be due on the tenth day of the month. All progress payments will be on the basis of the progress of the work measured by the schedule of values provided for in Paragraph 14.1 of the General Conditions.~~

~~D. Progress payments will be in the amount of 95 percent of labor, materials and equipment incorporated into the work, and of the materials and equipment not incorporated into the work but suitably stored on-site, less the aggregate of payments previously made.~~

~~E. Payment of Withheld Funds:~~

- ~~1. Upon the Contractor's request, Contractor may substitute securities for any monies withheld by SEJPA to ensure compliance under the~~

~~Agreement in accordance with and subject to the provisions of Public Contract Code Section 22300, upon the following conditions:~~

- ~~a) The Contractor shall bear all expense in connection with the escrow deposit made.~~
- ~~b) Securities or certificates of deposit to be placed in escrow shall be subject to approval of the SEJPA and unless otherwise permitted by the escrow agreement, shall be of a value of at least 110 percent of the amounts of retention to be paid to the Contractor pursuant to this Section.~~
- ~~c) The Contractor shall enter into an escrow agreement satisfactory to the SEJPA, which agreement shall be substantially similar to the form specified at subdivision (f) of Section 22300 of the Public Contracts Code.~~
- ~~d) The Contractor shall obtain the written consent of the surety to such agreement.~~

~~F. The Contractor's monthly Application for Payment shall be accompanied by updated record drawings and an updated work schedule in accordance with Section 01310. Such updated work schedule will be considered as a necessary requirement for progress payment process.~~

~~G. FINAL PAYMENT~~

~~Upon final Completion of the Work in accordance with Paragraph 14.10 and acceptance of the Project by the SEJPA Board, SEJPA shall submit a Notice of Completion to the San Diego County Recorder's Office. If, within 35 days after filing the Notice of Completion, no claims have been made against the SEJPA, SEJPA shall pay the remainder of the Contract Price as recommended by the SEJPA as provided in said Paragraph 14.10.~~

~~13.4 PAYMENT FOR MATERIALS~~

~~Payments shall be made only for materials on the jobsite. Payment will not be made to the Contractor for any equipment or materials stored offsite. Protection of materials stored on the jobsite shall be the sole responsibility of the Contractor. The Contractor shall protect and exercise all stored materials and equipment in strict accordance with the manufacturer's recommendations and as instructed by the SEJPA.~~

~~13.5 REVIEW OF APPLICATIONS FOR PROGRESS PAYMENTS - NA (Covered in agreement)~~

~~A. Engineer will, within seven (7) days after receipt of each Application for Payment, either indicate in writing his recommendation of payment and present the Application to SEJPA, or return the Application for Payment to Contractor indicating in writing Engineer's reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application. SEJPA shall, within thirty (30) days of receipt of each Application for Payment, and with the Engineer's recommendation, pay Contractor the amount recommended. If the SEJPA fails to make any progress payment within 30 days after receipt of an undisputed and properly submitted~~



~~Application for Payment from the Contractor, it shall pay interest to the Contractor equivalent to the legal rate set forth in subdivision (a) of Section 685.010 of the Code of Civil Procedure. A payment request shall be considered properly executed if funds are available for payment of the Application for Payment, and payment is not delayed due to an audit inquiry by the financial officer of the SEJPA.~~

~~The number of days available to the SEJPA to make a payment without incurring interest pursuant to this provision shall be reduced by the number of days by which the Engineer, on behalf of the SEJPA, exceeds the seven-day return requirement.~~

- ~~B. Engineer's recommendation of any payment requested in an Application for Payment will constitute a representation by Engineer to SEJPA, based on Engineer's on-site observations of the Work in progress as an experienced and qualified design professional and on Engineer's review of the Application for Payment and the accompanying data and schedules that the Work has progressed to the point indicated; that, to the best of Engineer's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning Project upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents and any qualifications stated in the recommendation); and that Contractor is entitled to payment of the amount recommended. However, by recommending any such payment Engineer will not thereby be deemed to have represented that exhaustive or continuous on-site inspections have been made to check the quality or the quantity of the Work, or that the means, methods, techniques, sequences, and procedures of construction have been reviewed, or that any examination has been made to ascertain how or for what purpose Contractor has used the moneys paid or to be paid to Contractor on account of the Contract Price, or that title to any Work, materials or equipment has passed to SEJPA free and clear of any Liens.~~
- ~~C. Engineer's recommendation of final payment will constitute an additional representation by Engineer to SEJPA that the conditions precedent to Contractor being entitled to final payment as set forth in Paragraph 14.10 have been fulfilled.~~
- ~~D. Engineer may refuse to recommend the whole or any part of any payment if, in Engineer's opinion, it would be incorrect to make such representations to SEJPA. Engineer may also refuse to recommend any such payment, or, because of subsequently discovered evidence or the results of subsequent inspections or tests, nullify any such payment previously recommended, to such extent as may be necessary in Engineer's opinion to protect SEJPA from loss because:~~
- ~~1. The Work is defective, or completed Work has been damaged requiring correction or replacement,~~
  - ~~2. Written claims have been made against SEJPA or stop payment notices have been filed in connection with the Work,~~
  - ~~3. The Contract Price has been reduced because of Modifications,~~

- ~~4. SEJPA has been required to correct defective Work or complete the Work in accordance with Paragraph 13.9.~~
- ~~5. Of Contractor's unsatisfactory prosecution of the Work in accordance with the Contract Documents, or~~
- ~~6. Contractor's failure to make payment to Subcontractors for labor, materials or equipment.~~

### 13.6 SUBSTANTIAL COMPLETION

- A. When Contractor considers the entire Work ready for its intended use, Contractor shall, in writing to SEJPA and Engineer, certify that the entire Work is substantially complete and request that Engineer issue a certificate of Substantial Completion. Within a reasonable time thereafter, SEJPA, Contractor and Engineer shall make an inspection of the Work to determine the status of completion. If Engineer does not consider the Work substantially complete, Engineer will notify Contractor in writing giving his reasons therefor. If Engineer considers the work substantially complete, Engineer will prepare and deliver to SEJPA a tentative certificate of Substantial Completion which shall fix the date of Substantial Completion. There shall be attached to the certificate a tentative list of items to be completed or corrected before final payment. SEJPA shall have seven (7) days after receipt of the tentative certificate during which SEJPA may make written objection to Engineer as to any provisions of the certificate or attached list. If, after considering such objections, Engineer concludes that the Work is not substantially complete, Engineer will within fourteen (14) days after submission of the tentative certificate to SEJPA notify Contractor in writing, stating his reasons therefor. If, after consideration of SEJPA'S objections, Engineer considers the Work substantially complete, Engineer will within said fourteen (14) days execute and deliver to SEJPA and Contractor a definitive certificate of Substantial Completion (with a revised tentative list of items to be completed or corrected) reflecting such changes from the tentative certificate as Engineer believes justified after consideration of any objections from SEJPA. At the time of delivery of the tentative certificate of Substantial Completion Engineer will deliver to SEJPA and Contractor a written recommendation as to division of responsibilities pending final payment between SEJPA and Contractor with respect to security, operation, safety, maintenance, heat, and utilities. Unless SEJPA and Contractor agree otherwise in writing and so inform Engineer prior to his issuing the definitive certificate of Substantial Completion, Engineer's aforesaid recommendation will be binding on SEJPA and Contractor until final payment.
- B. SEJPA shall have the right to exclude Contractor from the Work after the date of Substantial Completion, but SEJPA shall allow Contractor reasonable access to complete or correct items on the tentative list.

### 13.7 PARTIAL UTILIZATION

- A. Use by SEJPA of completed portions of the Work may be accomplished prior to Substantial Completion of all the Work subject to the following:
  1. SEJPA at any time may request Contractor in writing to permit SEJPA to use any part of the Work, which SEJPA believes to be substantially

complete, and which may be used without significant interference with construction of the other parts of the Work. If Contractor agrees, Contractor will certify to SEJPA and Engineer that said part of the work is substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work. Within a reasonable time thereafter SEJPA, Contractor and Engineer shall make an inspection of that part of the Work to determine its status of completion. If Engineer does not consider that part of the Work to be substantially complete, Engineer will notify SEJPA and Contractor in writing giving his reason therefor. If Engineer considers that part of the Work to be substantially complete, Engineer will execute and deliver to SEJPA and Contractor a certificate to that effect, fixing the date of Substantial Completion as to that part of the Work, attaching thereto a tentative list of items to be completed or corrected before final payment. Prior to issuing a certificate of Substantial Completion as to part of the Work, Engineer will deliver to SEJPA and Contractor a written recommendation as to the division of responsibilities pending final payment between SEJPA and Contractor, with respect to security, operation, safety, maintenance, and utilities for that part of the Work which shall become binding upon SEJPA and Contractor at the time of issuing the definitive certificate of Substantial Completion as to that part of the Work, unless SEJPA and Contractor shall have otherwise agreed in writing and so informed Engineer. SEJPA shall have the right to exclude Contractor from any part of the Work which Engineer has so certified to be substantially complete, but SEJPA shall allow Contractor reasonable access to complete or correct items on the tentative list.

2. In lieu of the issuance of a Certificate of Substantial Completion as to part of the Work, SEJPA may take over operation of a facility constituting part of the Work whether or not it is substantially complete if such facility is functionally and separately useable; provided that prior to any such take over, SEJPA and Contractor have agreed as to the division of responsibilities between SEJPA and Contractor for security, operation, safety, maintenance, correction period, heat, utilities and insurance with respect to such facility.
3. No occupancy of part of the Work or taking over of operations of a facility will be accomplished prior to compliance with the requirements of Paragraph 5.8, in respect of property insurance.

### 13.8 FINAL INSPECTION

Upon written notice from Contractor that the Work is complete, Engineer will make a final inspection with SEJPA and Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. Contractor shall immediately take such measures as are necessary to remedy such deficiencies.

### 13.9 APPLICATION FOR FINAL PAYMENT

After Contractor has completed all such corrections to the satisfaction of Engineer and delivered all spare parts, maintenance and operating instructions, schedules, guarantees, Bonds, certificates of inspection, marked up record documents, and other documents, all as required by the Contract Documents, and after Engineer has indicated that the Work is acceptable subject to the provisions of Paragraph 14.11, Contractor may make application for final payment in writing to SEJPA and Engineer, certifying that the entire Work is complete. The final application for final payment shall be accompanied by the Final Cost Report all other documentation called for in the Contract Documents and such other data and schedules as Engineer may reasonably require, together with complete and legally effective releases or waivers (satisfactory to SEJPA) executed by Contractor, all Subcontractors, manufacturers, fabricators, suppliers and distributors, for all claims, Liens and/or stop notices arising out of or filed in connection with the Work. In lieu thereof and as approved by SEJPA, Contractor may furnish receipts or releases in full; an affidavit of Contractor that the releases and receipts include all labor, services, material and equipment for which a lien or stop payment notice could be filed, and that all payrolls, material and equipment bills, and other indebtedness connected with the Work for which SEJPA or its property might in any way be responsible, have been paid or otherwise satisfied; and consent of the Surety, if any, to final payment. If any Subcontractor, manufacturer, fabricator, supplier or distributor fails to furnish a release or receipt in full, Contractor may furnish a Bond or other collateral satisfactory to SEJPA to indemnify SEJPA against any claim or Lien.

Any waiver or release shall comply with Sections 8132 - 8138 of the Civil Code, including requirements as to form.

### 13.10 FINAL PAYMENT AND ACCEPTANCE

- A. If, on the basis of Engineer's observation of the Work during construction and final inspection and Engineer's review of the final application for payment and accompanying documentation, all as required by the Contract Documents, Engineer is satisfied that the work has been completed and Contractor has fulfilled all of his obligations under the Contract Documents, Engineer will, within ten (10) working days after receipt of the final application for payment, indicate in writing his recommendation of payment and present the Application to SEJPA for payment. Thereupon Engineer will give written notice to SEJPA and Contractor that the Work is acceptable subject to the provisions of Paragraph 14.11. Otherwise, Engineer will return the application to Contractor indicating in writing the reasons for refusing to recommend final payment in which case Contractor shall make the necessary corrections and resubmit the Application. If the application and accompanying documentation are appropriate as to form and substance, SEJPA shall, at the next feasible Board meeting, which typically occur on the second Monday of each month except for August, recommend that the SEJPA Board accept the Project as completed and recommend that a Notice of Completion be filed with the County of San Diego. SEJPA or an agent thereof will then file a Notice of Completion within ten (10) working days after the Board meeting at which the Project was accepted. If no claims have been made against SEJPA within thirty-five (35) days of filing the Notice of Completion, SEJPA will pay Contractor the final amount due under the Contract. Nothing in

this section shall constitute a waiver of Public Contract Code section 7107, regarding payment of retention proceeds.

- B. If, through no fault of Contractor, final completion is materially delayed and if Engineer so confirms, SEJPA shall, upon receipt of Contractor's final application for payment and recommendation of Engineer, and without terminating the Agreement, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by SEJPA for Work not fully completed or corrected is less than the retainage stipulated in the Agreement, and if Bonds have been furnished as required in Paragraph 5.22, the written consent of the Surety to the payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by Contractor to Engineer with his Application for such payment. Notwithstanding the foregoing, SEJPA shall continue to retain all amounts required by Public Contract section 9203 to be withheld until final completion and acceptance of the Work. Such payment shall be made under the terms and conditions governing final payment, and Contractor shall provide waivers and releases for payment of undisputed amounts complying with Sections 8132 – 8138 of the Civil Code, including requirements as to form, executed by Contractor and all Subcontractors, manufacturers, fabricators, suppliers and distributors.

#### 13.11 CONTRACTOR'S CONTINUING OBLIGATION

Contractor's obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. Neither recommendation of any progress or final payment by Engineer, nor the issuance of a certificate of Substantial Completion, nor any payment by SEJPA to Contractor under the Contract Documents, nor any use or occupancy of the Work or any part thereof by SEJPA, nor any act of acceptance by SEJPA nor any failure to do so, nor the issuance of a notice of acceptability by Engineer pursuant to Paragraph 14.10, nor any correction of defective Work by SEJPA shall constitute an acceptance of Work not in accordance with the Contract Documents or a release of Contractor's obligation to perform the Work in accordance with the Contract Documents or the Surety's obligations and the bonds furnished as required by Paragraph 5.22.

#### 13.12 WAIVER OF CLAIMS

The making and acceptance of final payment shall constitute:

A waiver of all claims by Contractor against SEJPA other than those previously made in writing and still unsettled. Contractor shall submit to the SEJPA a written waiver that follows substantially the applicable form provided in Section 8136 of the Civil Code.

#### 13.13 CONTRACTOR'S WARRANTY OF TITLE

Contractor warrants and guarantees that title to all Work, materials and equipment covered by any application for payment, whether incorporated in the Project or not, will pass to SEJPA at the time of payment free and clear of all liens, claims, security interests and encumbrances (hereafter in these General Conditions referred to as "Liens").

#### 13.14 NOT USED

#### 13.15 PAYMENT TO SUBCONTRACTORS

Contractor shall abide by Business & Professions Code section 7108.5 with respect to payments to Subcontractors. The Contractor shall pay all Subcontractors for work performed by such Subcontractors in accordance with the terms of their respective written subcontracts. If SEJPA deems that the Contractor has failed to comply with this paragraph with respect to payments to Subcontractors, SEJPA may give at least five (5) working days written notice to the Contractor that, if the default is not remedied, the Contractor's work on the Contract may be terminated.

#### 13.16 DIVERSION OF FUNDS

CONTRACTOR is hereby notified that during the period of contract performance it will be subject to the requirements and penalties of:

Penal Code Section 484b, and  
Business Code Sections 7108 and 7108.5.

These codes are concerned with the diversion of construction funds paid to the Contractor, and with the withholding of payments for services provided or materials delivered by Subcontractors and suppliers.

### ARTICLE GC 14 - **SUSPENSION OF WORK AND TERMINATION**

#### 14.1 SEJPA MAY SUSPEND WORK

SEJPA may, at any time and without cause, suspend the Work or any portion thereof for a period of not more than ninety (90) days by notice in writing to Contractor and Engineer which shall fix the date on which Work shall be resumed. Contractor shall resume the Work on the date so fixed. Contractor will be allowed an increase in the Contract Price or an extension of the Contract Time, or both, directly attributable to any suspension if he makes a claim therefor as provided in Articles 11 and 12. .

#### 14.2 SEJPA MAY TERMINATE

##### A. Termination for Convenience:

SEJPA may terminate this Contract, in whole or in part, at any time by written notice to the Contractor. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to SEJPA. If the Contractor has any property in its possession belonging to SEJPA, the Contractor will account for the same, and dispose of it in the manner SEJPA directs.

##### B. Termination for Default:

If the Contractor fails to perform in any manner its obligations under the Contract or fails to comply in any other manner with the provisions of the Contract, SEJPA



may terminate this Contract for default. Termination will be effective upon notification of the Contractor by the SEJPA pursuant to the Contract. Said notice shall set forth the manner in which the Contractor is in default. On termination for default the Contractor will only be paid the Contract Price for supplies and/or materials delivered and accepted and for work completed in accordance with the Contract, less any set-off for the costs incurred by SEJPA to cure Contractor's failure to perform. If it is later determined by SEJPA or any other decision maker including a court of competent jurisdiction and arbitrator, that the Contractor had an excusable reason for not performing, such as a strike, fire, or flood or events which are not a default or was not otherwise in default; SEJPA after setting up a new delivery or performance schedule, may allow the Contractor to continue work, or treat the termination as a termination for convenience pursuant to Paragraph 15.2 A, above, at SEJPA'S sole option.

C. Rights of SEJPA in the Event of Termination for Default:

In the case of a termination of the Contract for default by the Contractor, the Contractor agrees that the SEJPA may procure the materials and services to complete the Project from other sources at the sole discretion of the SEJPA and the costs thereof may be deducted from the unpaid balance due the Contractor, or SEJPA may collect against the Bonds required by Paragraph 5.22 of the General Conditions, or may invoice the Contractor for all costs so paid. The prices paid by the SEJPA to complete the Project shall be considered the prevailing market price at the time such purchase is made or such Contract is entered into.

Separate contract negotiations may be entered into, at the sole discretion of the SEJPA, after the contract termination concerning the disposition of materials, supplies and equipment acquired by the Contractor for the requirements of the Contract.

D. Remedies and Rights of Contractor:

The Contractor shall not be relieved of any responsibility under the Contract for Work accepted by the SEJPA before the termination of the Contract. Furthermore, the termination of the Contract shall in no way relieve the Contractor and/or surety from any of its covenants, undertakings, duties and obligations under this Contract nor limit the rights and remedies of the SEJPA then existing or which may thereafter accrue hereunder in any manner whatsoever. Any retention or payment of moneys due Contractor by SEJPA will not release Contractor from liability.

E. Opportunity to Cure:

Before SEJPA may terminate the Contract for Default, SEJPA must first provide the Contractor with seven days' written notice and a reasonable opportunity to cure Contractor's failure to perform. Contractor must cure within the timeframe of the seven days' notice unless SEJPA expressly agrees to a longer timeframe. If the failure is not cured within the seven days' timeframe the Contract shall automatically terminate effective on the seventh day or on the date set forth in SEJPA's notice.

### 14.3 CONTRACTOR MAY STOP WORK OR TERMINATE

If, through no act or fault of Contractor, the Work is suspended for a period of more than ninety (90) days by SEJPA or under an order of court or other public authority, or Engineer fails to act on any application for payment within thirty (30) days after it is submitted, or SEJPA fails for thirty (30) days to pay Contractor any sum finally determined to be due, then Contractor may, upon seven (7) days' written notice to SEJPA and Engineer, terminate the Agreement and recover from SEJPA payment for all Work executed and any expense sustained plus reasonable termination expenses. In addition and in lieu of terminating the Agreement, if Engineer has failed to act on an application for payment or SEJPA has failed to make any payment as aforesaid, Contractor may upon seven (7) days' written notice to SEJPA and Engineer stop the Work until payment of all amounts then due. The provision of this paragraph shall not relieve Contractor of his obligations under Paragraph 6.14 to carry on the Work in accordance with the progress schedule and without delay during disputes and disagreements with SEJPA.

## ARTICLE GC 15 - **DISPUTE RESOLUTION**

15.1 Pursuant to Public Contracts Code Section 9204, and notwithstanding Public Contract Code sections 20104 and 10240, claims which arise between the Contractor and the SEJPA under the Agreement shall be dealt with as follows:

For purposes of this Article 16:

1. "Claim" means a separate demand by Contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:
  - A. A time extension, including, without limitation, for relief from damages or penalties for delay assessed by SEJPA under the Agreement.
  - B. Payment by SEJPA of money or damages arising from work done by, or on behalf of, the Contractor pursuant to the Agreement and payment for which is not otherwise expressly provided or to which the Contractor is not otherwise entitled.
  - C. Payment of an amount that is disputed by the SEJPA.
2. Upon receipt of a Claim pursuant to this section, the SEJPA shall conduct a reasonable review of the Claim and, within a period not to exceed 45 days, shall provide the Contractor a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Upon receipt of a Claim, SEJPA and Contractor may, by mutual agreement, extend the time period provided in this subdivision.
3. The Contractor shall furnish reasonable documentation to support the claim.
4. If SEJPA needs approval from its governing body to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the Claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a Claim sent by



registered mail or certified mail, return receipt requested, SEJPA shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

5. Any payment due on an undisputed portion of the Claim shall be processed and made within 60 days after SEJPA issues its written statement. If SEJPA fails to issue a written statement, paragraph (6) below shall apply.
  - A. If the Contractor disputes SEJPA's written response, or if SEJPA fails to respond to a Claim issued pursuant to this section within the time prescribed, the Contractor may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, SEJPA shall schedule a meet and confer conference within 30 days for settlement of the dispute.
  - B. Within 10 business days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, SEJPA shall provide the Contractor a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the Claim shall be processed and made within 60 days after SEJPA issues its written statement. Any disputed portion of the Claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with SEJPA and the Contractor sharing the associated costs equally. SEJPA and Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the Claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the Claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the Claim remaining in dispute shall be subject to applicable procedures outside this section.
  - C. For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.
  - D. Unless otherwise agreed to by SEJPA and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.
  - E. This section does not preclude a public entity from requiring arbitration of disputes under private arbitration or the Public Works Contract Arbitration Program, if mediation under this section does not resolve the parties' dispute.

6. Failure by SEJPA to respond to a Claim from a Contractor within the time periods described in this subdivision or to otherwise meet the time requirements of this section shall result in the Claim being deemed rejected in its entirety. A Claim that is denied by reason of SEJPA's failure to have responded to a Claim, or its failure to otherwise meet the time requirements of this section, shall not constitute an adverse finding with regard to the merits of the Claim or the responsibility or qualifications of the Contractor.
7. Amounts not paid in a timely manner as required by this section shall bear interest at 7 percent per annum. SEJPA shall not be required to make any payments under this Article 16, and no amounts shall be considered untimely, unless and until the conditions for final payment have been met under Article 14 of these General Conditions.
8. If a Subcontractor or a lower tier Subcontractor lacks legal standing to assert a Claim against SEJPA because privity of contract does not exist, the Contractor may present to SEJPA a Claim on behalf of a Subcontractor or lower tier Subcontractor. A Subcontractor may request in writing, either on his or her own behalf or on behalf of a lower tier Subcontractor, that the Contractor present a Claim for work which was performed by the Subcontractor or by a lower tier Subcontractor on behalf of the Subcontractor. The Subcontractor requesting that the Claim be presented to SEJPA shall furnish reasonable documentation to support the Claim. Within 45 days of receipt of this written request, the Contractor shall notify the Subcontractor in writing as to whether the Contractor presented the CLAIM to SEJPA and, if the original Contractor did not present the Claim, provide the Subcontractor with a statement of the reasons for not having done so.

## ARTICLE GC 16 - **MISCELLANEOUS**

### 16.1 GIVING NOTICE

See Agreement, Section 13.0.

### 16.2 COMPUTATION OF TIME

When any period of time is referred to in the Contract Documents by days, it shall refer to calendar days and shall be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day shall be omitted from the computation.

### 16.3 GENERAL

- A. Should SEJPA or Contractor suffer injury or damage to Persons or property because of any error, omission or act of the other party or of any of the other party's employees or agents or others for whose acts the other party is legally liable, Claim shall be made in writing to the other party within a reasonable time of the first observance of such injury or damage.

- B. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto, and, in particular but without limitation, the warranties, guarantees and obligations imposed upon Contractor by Paragraphs 6.15, 13.1, 13.6, 13.7, and 14.13 and all of the rights and remedies available to SEJPA and Engineer thereunder, shall be in addition to, and shall not be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by law or contract, by special warranty or guarantee or by other provisions of the Contract Documents, and the provisions of this Paragraph shall be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right and remedy to which they apply. All representations, warranties and guarantees made in the Contract Documents shall survive final payment and termination or completion of this Agreement.

#### 16.4 HEADINGS

The Article and Paragraph headings are inserted for convenience only and do not constitute part of these General Conditions.

END OF GENERAL CONDITIONS

## SECTION 00800

### SUPPLEMENTARY CONDITIONS

#### 1.01 MODIFICATION OF THE GENERAL CONDITIONS

- A. General. These Supplementary Conditions are a part of and modify the preceding General Conditions. Provisions and requirements of the General Conditions not so modified shall remain in full force and effect.
- B. Modifications. The Articles, paragraphs, and subparagraphs mentioned herein are those of the General Conditions.
1. Article GC 1.1 – ENGINEER. Under these Contract Documents, the Engineer designation shall include: Roesling, Nakamura, Terada Architects, Fuscoe Engineering, Kimley-Horn & Associates, and Kennedy Jenks acting through its authorized representative.
  2. Article GC 3.1.A – Order of Precedence. In case of conflicts among the Contract Documents, the order of precedence shall be as follows:
    1. Change Orders or Field Orders
    2. Permits and License Agreements
    3. Contract Addendum
    4. Supplementary Conditions
    5. Specifications
    6. Plans (Contract Drawings)
    7. Agreement
    8. General Conditions
    9. Guaranteed Maximum Price Package
    10. Standard Plans, including Water Agencies' Standards and San Diego Regional Standards
    11. Standard Specifications for Public Works Construction
    12. Reference Documents

With reference to the Drawings, the order of precedence shall be as follows:

1. Figures govern over scaled dimensions
2. Detail drawings govern over general drawings
3. Change Order drawings govern over Contract Drawings
4. Contract Drawings govern over Standard Drawings
5. Contract Drawings govern over Shop Drawings

Notwithstanding the orders of precedence established above, in the event of conflicts, the higher standard shall always apply.

Supplementary Conditions shall take precedence over permit requirements if the SEJPA determines, in its sole discretion, that a permit is requiring betterment work that the SEJPA is not obligated to complete. In all other instances, permit requirements, when more stringent than specifications as

stated above, shall take precedence, and shall be complied with at no additional cost to the SEJPA.

## 1.02 PERMITS

- A. CONTRACTOR shall obtain and comply with all permits, certifications, and licenses required for the Work, which may include, but are not limited to, the following:
1. City of Encinitas Encroachment Permit
  2. City of Encinitas Public Improvement Permit
  3. Storm Water Permits (SWRCB/RWQCB)
  4. San Diego County Well Permit
  5. All applicable occupational safety and health standards, rules, regulations and orders established by local agencies, State of California, and California Division of Occupational Safety and Health Construction Safety Regulations (Cal OSHA), including obtaining permits required by California Code of Regulations, Title 8, Section 341 and 341 (a).

## 1.03 ENVIRONMENTAL COMPLIANCE

- A. CONTRACTOR shall review and become familiar with the Environmental requirements in the Final Mitigated Negative Declaration for the San Elijo Water Reclamation Facility Upgrades, dated April 2016, prepared by Dudek, including all subsequent addenda. This document covers, among other projects at the San Elijo Water Reclamation Facility site, the Water Campus Improvements. Mitigation requirements for the Water Campus Improvements are covered throughout the reference MND document and will require coordination between the CONTRACTOR and the Owner.
- B. Monitoring, including associated costs, described in the referenced MND shall be provided for and paid by the Owner.
- C. The CONTRACTOR shall cooperate in good faith with all requirements in the MND and coordinate closely with the Owner and the Owner's representatives.

## 1.04 CONTRACTOR CONTINGENCY

- A. The GMP proposal includes a budgeted line item for a CONTRACTOR CONTINGENCY fund, this fund may be used to cover scope of work costs required by the Contract Documents that arise after GMP approval. The CONTRACTOR CONTINGENCY is a predetermined amount and SEJPA shall not be required to supplement or replenish the CONTRACTOR CONTINGENCY in any event. The Contractor shall obtain SEJPA approval prior to the use of any of the CONTRACTOR CONTINGENCY, and this approval shall not be unreasonably withheld.
- B. The Contractor shall not include mark-up for overhead and profit on CONTRACTOR CONTINGENCY Items. Subcontractor's markups will be limited per General Conditions Article 11.

- C. With each Monthly Report, per SC 1.09 below, the Contractor shall submit an accounting of the Contractor's use of the CONTRACTOR CONTINGENCY.
- D. Eligible uses of the CONTRACTOR CONTINGENCY include:
- a. Re-work due to ambiguities or conflict in construction documents.
  - b. Work shown or inferred on construction documents but missing from bid packages.
  - c. Work shown or inferred in the construction documents, but not described to the extent that it is sufficient to obtain competitive bids.
  - d. Overtime and sequencing changes required to complete the work as approved by SEJPA
  - e. Expenditures suggested by Design-Builder and agreed to by SEJPA for the benefit of the Project.
  - f. Coordination of installation tolerances between trades
  - g. Contractor cash allowances per 1.07.
- E. Ineligible Uses of the CONTRACTOR CONTINGENCY include:
- a. Insurance co-pay costs..
  - b. Contractor's Overhead and Profit.
  - c. Work specified in subcontracts.

#### 1.05 OWNER CONTINGENCY

- A. The GMP proposal does not include Owner Contingency items. Owner Contingency expenses will be facilitated via the change order process per General Conditions Section Article 11.
- B. Owner Contingency will be utilized for the below items:
- Design Errors and Omissions.
  - Unforeseen Conditions.
  - Owner-initiated changes in Scope of Work from Contract Documents and as identified in the Contractor's GMP proposal.
  - OWNER CASH ALLOWANCES as defined in SC 1.06

#### 1.06 OWNER CASH ALLOWANCES

Contractor's GMP proposal includes the following OWNER CASH ALLOWANCES:

1. Recycled water fill station = \$20,000
2. Power connection for traffic signal = \$15,000
3. Lunchroom window = \$12,000
4. Audio Visual Equipment = \$40,000
5. Plan Check Comment Revisions = \$75,008

Cost variances in these items (cost savings or cost increase) shall be owned by SEJPA.

#### 1.07 CONTRACTOR CASH ALLOWANCES

Contractor's GMP proposal includes cash allowances, including both "OWNER CASH ALLOWANCES" and "CONTRACTOR CASH ALLOWANCES." Except for those items specified in SC 1.06 (OWNER CASH ALLOWANCES), all other cash allowances shall be deemed "CONTRACTOR CASH ALLOWANCES." Cost variations in CONTRACTOR CASH ALLOWANCES (cost savings or cost increases) shall add to or deduct from the CONTRACTOR CONTINGENCY.

#### 1.08 FINAL COST REPORT AND CALCULATION OF PROJECT SAVINGS

The final payment under this Agreement shall be made pursuant to a Final Cost Report. If the actual cost of the Work is less than the GMP, as modified through Change Orders, then the difference between the GMP and the actual cost of the Work shall be considered Project Savings. Contractor and SEJPA shall share the Project Savings in a 70/30 (SEJPA/Contractor) split, meaning SEJPA shall be entitled to 70% of the total Project Savings amount and Contractor shall be entitled to 30% of the total Project Savings amount. The Final Cost Report shall be calculated as follows:

Final Cost Report:

- (1) Contractor Project Staff – lump sum, fixed amount. This amount shall not be reduced or modified in order to achieve Project Savings or increase the GMP.
- (2) Contractor Fee and Head Office Overhead – lump sum, fixed amount. This amount shall not be reduced or modified in order to achieve Project Savings or increase the GMP.
- (3) Contractor Contingency - Contractor to itemize all uses of CONTRACTOR CONTINGENCY and provide the contingency balance at the end of Work. Any unused amount in the CONTRACTOR CONTINGENCY shall be considered Project Savings, 70% of which shall return to SEJPA pursuant to this section.
- (4) Change Orders - Provide a line item breakdown for SEJPA change orders. Change Orders shall be additive/deductive as appropriate.
- (5) Direct Cost of Construction (Subcontractors) -. Contractor to itemize all subcontractor and vendor costs for the direct cost balance. Savings shall return to CONTRACTOR CONTINGENCY.
- (6) Subcontractor markup – a not-to-exceed line item. Contractor to itemize and adjust based on actual direct costs. Savings shall return to CONTRACTOR CONTINGENCY.
- (7) Self-perform Work - Lump sum
- (8) General Requirements - a not-to-exceed line item. Contractor to itemize all costs. Savings shall return to CONTRACTOR CONTINGENCY.

If the actual cost of the Work is less than the GMP, as modified through Change Orders, then the Contractor and SEJPA shall share the savings in a 70/30 (SEJPA/Contractor) split. Contractor agrees to use all reasonable efforts to maximize the cost savings for the mutual benefit of the parties. The Contractor shall bear all cost of the work in excess of the GMP, inclusive of CONTRACTOR CONTINGENCY, except as modified through Change Orders.

#### 1.09 CONTRACTOR'S STAFF

If the Contractor's onsite personnel fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor requiring a change to the Contractor's onsite personnel.

## 1.10 MONTHLY REPORTS

The Contractor shall submit a Project Monthly Status Report to SEJPA 10 days after each month end during the construction phase. The Monthly Status report shall include:

1. Health, Safety & Environment
2. Financial Summary
  - 2.1. Contract Summary
  - 2.2. Cash Allowance Status
  - 2.3. Contractor Contingency Status
  - 2.4. Change Order Status
3. Contract Administration –RFIs & Submittals
4. Schedule Status
5. Quality Management
  - 5.1. Quality Status
  - 5.2. Quality Update
  - 5.3. List of Quality Issues
6. Key Decisions, Concerns & Impacts
7. Progress Photos
8. Opportunity & Risk Register Report

END OF SECTION



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

May 4, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL  
YEAR 2020-21 RECOMMENDED BUDGET

RECOMMENDATION

It is recommended that the Board of Directors:

1. Review the Fiscal Year 2020-21 Recommended Budget.

DISCUSSION

The Fiscal Year (FY) 2020-21 San Elijo Joint Powers Authority (SEJPA) Recommended Budget has been prepared in accordance with the SEJPA formation agreement and SEJPA service agreements with other government entities. The budget estimates all expenditures necessary to provide wastewater treatment, waste disposal, water recycling, laboratory, ocean outfall, pump station, and other services.

The Recommended FY 2020-21 Budget consists of \$7,706,394 operating costs, \$2,460,973 debt service, and \$1,730,000 capital projects for a total budget of \$11,897,367. Wastewater and disposal services are the largest programs by cost having a recommended budget of \$8,689,370. These programs include operations and maintenance for wastewater, laboratory, ocean outfall, and pump stations, as well as capital and bond debt. Recycled Water, which includes operations and maintenance, as well as debt service expenses, has a recommended budget of \$3,145,107. The SEJPA provides its Member Agencies storm water, urban runoff, and emergency generator services that have a total recommended budget of \$62,809.

SEJPA management has reviewed the recommended budget in detail to control costs, maximize value, and ensure the agency's ability to perform its vital functions. The proposed operating budget for all programs will increase by \$765,039, which is in line with the Member Agencies FY 2020-21 Adopted Budgets. The Recycled Water Program represents the largest increase of \$332,270. The increase in Recycled Water Program includes budget for analysis of storage and conveyance improvements, potable reuse regional study, and a \$100,000 retrofit loan program to provide financial assistance to new Recycled Water customers in connection with the recently completed pipeline extensions. Wastewater Treatment Program is proposed to increase \$92,883 primarily as a result of chemical price increases, biosolids hauling cost increases, and operational cost increases in IT support and insurance premiums. The Laboratory program is recommended

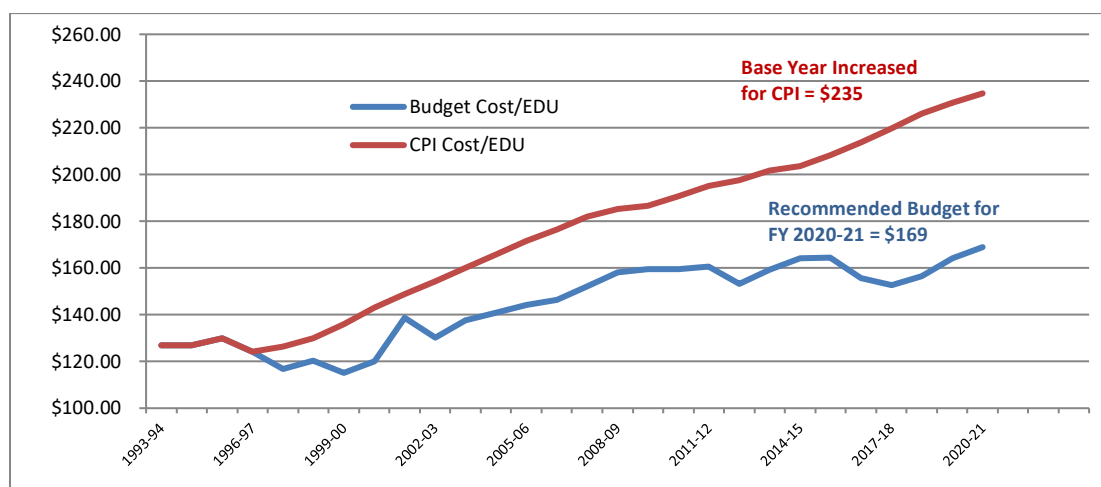
to increase \$123,852 due to additional supplies, testing, and personnel required to comply with Environmental Laboratory Accreditation Program (ELAP). In December 2019, Board approved an added position in Laboratory Program. Ocean Outfall Program is recommended to increase by \$171,243 for the plume tracking study to comply with new NPDES permit regulations. An electrical arc flash safety study is planned for all pump stations in compliance with OSHA's (Occupational Safety and Health Administration) requirement to protect employees from electrical hazards. Solana Beach Pump Stations are scheduled to complete the arc flash study in FY 2019-20. The Del Mar Pump Station is currently not scheduled for this study; however, study is in discuss with Del Mar to perform this work in FY2021-22. In addition, the City of Del Mar is considering transitioning to SEJPA to provide full pump station and operational service. This budget reflects the transition period to facilitate Del Mar's evaluation of obtaining full service.

PROGRAM	FY 2019-20 ADOPTED BUDGET	FY 2020-21 RECOMMENDED BUDGET	\$ CHANGE	% CHANGE
Wastewater Treatment	\$3,012,864	\$3,105,747	\$92,883	3.1%
Laboratory	565,365	689,217	123,852	21.9%
Ocean Outfall	835,925	1,007,168	171,243	20.5%
Cardiff Sanitary Division Pump Stations	283,454	342,569	59,115	20.9%
Encinitas Sanitary Division Pump Stations	141,940	187,469	45,529	32.1%
City of Encinitas Urban and Storm Water Services	31,179	32,010	831	2.7%
City of Solana Beach Pump Stations	471,634	408,910	(62,724)	-13.3%
City of Solana Beach Generator Maintenance Services	13,151	13,694	543	4.1%
City of Del Mar Pump Station	50,834	52,331	1,497	2.9%
<b>Total Operating Costs Before Recycled Water</b>	<b>5,406,346</b>	<b>5,839,115</b>	<b>432,769</b>	<b>8.0%</b>
Recycled Water	1,535,009	1,867,279	332,270	21.6%
<b>Total Operating Costs</b>	<b>\$6,941,355</b>	<b>\$7,706,394</b>	<b>\$765,039</b>	<b>11.0%</b>

The cost for wastewater treatment and disposal services for the Member Agencies and other participating agencies is proportionally allocated based on use, indicated by measured flows or level of effort, as appropriate. Flows are averaged over a 12-month period using the previous calendar year to determine the cost sharing estimate for the subsequent fiscal year. It should be noted that flows can vary from year to year, impacting the amount of expense for each agency.

Entity	Influent (mgd)	% Change YoY	Effluent (mgd)	% Change YoY
City of Encinitas	1.198	-1.4%	0.679	0.4%
City of Solana Beach	0.988	6.2%	0.548	7.7%
Rancho Santa Fe CSD's	0.141	15.6%	0.081	19.1%
City of Del Mar	0.420	23.5%	0.224	22.4%
City of Escondido	-	-	9.920	11.5%
<b>Total</b>	<b>2.747</b>	<b>5.4%</b>	<b>11.452</b>	<b>10.7%</b>

On the basis of 16,621 connected equivalent dwelling units (EDU's) located in the two Member Agency cities served by SEJPA, wastewater treatment and disposal services are proposed to cost an average of \$168.92 per EDU in FY 2020-21, equating to \$14.08 per month per EDU. This represents a monthly increase of \$0.39 per EDU. Below is a graph showing SEJPA's historic cost per EDU for the Member Agencies compared to the escalated rate using the San Diego Consumer Price Index (CPI). This is to show how our rates compares to a recognized benchmark.



The SEJPA owns and operates a Recycled Water utility that sells water to San Dieguito Water District, Santa Fe Irrigation District, Olivenhain Municipal Water District, City of Del Mar, and the Encinitas Ranch Golf Authority. For FY 2020-21, recycled water revenues are planned to increase \$51,358, year over year, due to a planned rate increase and an estimated \$100,000 in grant revenue. The SEJPA is estimating lower recycled water sales at 1,570 acre-feet (AF) for FY 2020-21, which is 73 AF less than the FY 2019-20 budget. This decrease in budgeted sales considers construction that removed existing use and slower than anticipated connection of new customers along recently completed pipeline extensions. There has been significant construction at the Del Mar Fairgrounds, Caltrans freeway expansion work, and construction at our San Elijo Water Campus. As always, higher than normal rainfall can significantly affect recycled water sales. Overall, the program is projected to generate \$3.2 million in recycled water revenues for FY 2020-21, resulting in revenues over expenses of \$68,142.

RECYCLED WATER REVENUE SOURCE	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 ESTIMATED ACTUAL	FY 2019-20 ADOPTED BUDGET	FY 2020-21 RECOMMENDED BUDGET
Santa Fe Irrigation District	\$795,278	\$788,396	\$862,157	\$861,100	\$893,800
San Dieguito Water District	\$615,545	\$499,216	\$660,045	\$726,800	\$656,000
City of Del Mar	\$171,284	\$133,936	\$187,513	\$202,240	\$196,800
Encinitas Ranch Golf Course	\$258,832	\$269,183	\$279,951	\$279,951	\$291,149
Olivenhain MWD	\$297,114	\$331,796	\$342,864	\$331,800	\$369,000
<b>Total Customers</b>	<b>\$2,138,054</b>	<b>\$2,022,527</b>	<b>\$2,332,530</b>	<b>\$2,401,891</b>	<b>\$2,406,749</b>
MWD/CWA Incentives	\$720,000	\$638,100	\$720,000	\$720,000	\$706,500
IRWM Grant	-	-	\$40,000	40,000	\$100,000
<b>Total Revenue</b>	<b>\$2,858,054</b>	<b>\$2,660,627</b>	<b>\$3,092,530</b>	<b>\$3,161,891</b>	<b>\$3,213,249</b>

The SEJPA Capital Improvement Program includes both new and ongoing projects for improvements to the Wastewater Treatment, Ocean Outfall, and the Recycled Water programs. Most of these projects were identified in the 2015 Facility Plan. This program also considers pump station projects which are funded entirely by the owner of the pump station.

The 2017 Revenue Bonds (Clean Water Bonds) provide funding for wastewater, recycled water, and ocean outfall capital projects. Projects that have been or are currently being funded include the land outfall replacement, SCADA system improvements, preliminary treatment and odor control upgrades, and the Encinitas Ranch recycled water expansion. Furthermore, the 2017 Bonds will also provide the main source of funding (coupled with grants, cash, and other contributions) for the modernization of the water campus, energy efficiency improvements, and digester and solid treatment rehabilitation and upgrades.

For FY 2020-21, the SEJPA is budgeting pay-as-you-go or cash revenue for capital needs in the amount of \$1,450,000 for agencies served by SEJPA. Pay-as-you-go capital is budgeted at \$1,070,000 for Wastewater related improvements and \$185,000 for Ocean Outfall. In addition, the SEJPA is collecting capital costs associated with relocation of sewer force mains and access to appurtenances and maintenance that has a proposed funding level of \$195,000. Recycled Water appropriation is \$280,000 for a Planning, Conveyance and Storage evaluation and a valve replacement project. Table 1 below depicts the pay-as-you-go capital requests for each agency served by SEJPA:

SOURCE	WASTEWATER	OCEAN OUTFALL	PUMP STATION FORCE MAIN	TOTAL
Encinitas	\$448,381	\$32,864	\$170,000	\$651,245
Solana Beach	448,381	32,864	25,000	506,245
Del Mar	122,286	8,890		131,176
Rancho Santa Fe	50,952	3,706		54,658
Escondido		106,676		106,676
<b>Total</b>	<b>\$1,070,000</b>	<b>\$185,000</b>	<b>\$195,000</b>	<b>\$1,450,000</b>

Debt service for the SEJPA is budgeted at \$2,460,973, which has increased from the prior year by \$3,902. The 2011 Revenue Bonds and the State Revolving Fund Loan will be fully retired in FY 2020-21. The terms of the SRF loan required SEJPA to create a reserve, which has a fund balance of \$630,000. This amount will be transferred to the Recycled Water Fund when the loan is paid in full.

In summary, the planned debt service for the proposed FY 2020-21 Budget is as follows:

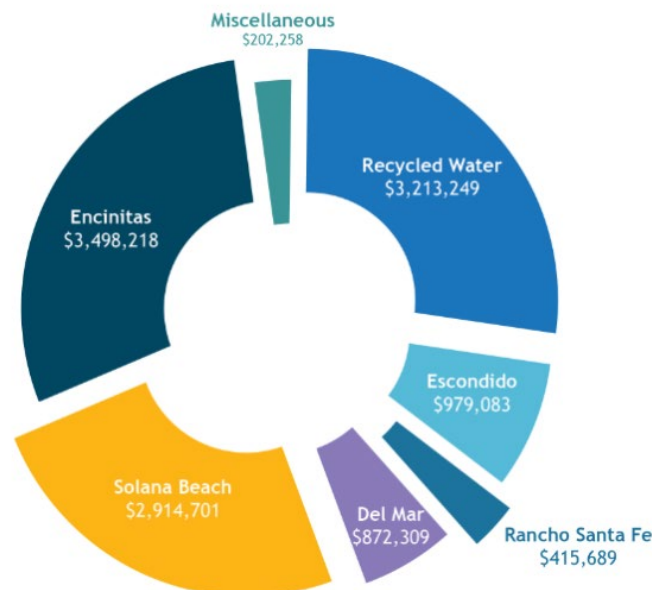
- 2011 Refunding Bond payment of \$123,420 (1991 Secondary Treatment Project)
- 2017 Revenue Bond payment of \$1,339,725 (2017 Clean Water Projects)
- State Revolving Fund loan payment of \$834,675 (2000 Recycled Water Project)
- Advanced Water Purification (AWP) loan payment of \$148,153 (constructed in 2013)
- SFID pipeline acquisition of \$15,000 (8<sup>th</sup> year)

Further information for the FY 2020-21 Recommended Budget is discussed in detail in the budget document, along with information regarding the contribution requirements of the various agencies served by the SEJPA.

## SUMMARY

The recommended FY 2020-21 Budget consists of \$7,706,394 operating costs, \$2,460,973 debt service, and \$1,730,000 capital projects for a total budget of \$11,897,367. The SEJPA receives revenues from seven primary sources, with the three largest customers being the City of Encinitas, the City of Solana Beach, and the Recycled Water Program, which are expected to provide \$3,498,218, \$2,914,701, and \$3,213,249, respectively. The graph below shows the revenue source allocations (operational and capital) for FY 2020-21.

### **OPERATIONAL & CAPITAL REVENUE BY SOURCE**



The May 4, 2020 Board Agenda will include a budget discussion item for the Board to publicly discuss any changes or comments on the recommended budget. The budget will be brought to the June 8, 2020 meeting for Board approval.

It is therefore recommended that the Board of Directors:

1. Review the Fiscal Year 2020-21 Recommended Budget.

Respectfully submitted,

Amy Chang  
Director of Finance and Administration

Budget Document will be available on our website.