

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY JULY 12, 2010 AT 9:00 AM
SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS (NON-ACTION ITEM)
5. PRESENTATION OF AWARDS

None
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR THE JUNE 21, 2010 MEETING
8. * APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS
9. * SAN ELIJO WATER RECLAMATION FACILITY TREATED EFFLUENT FLOWS – MONTHLY REPORT
10. * SAN ELIJO JOINT POWERS AUTHORITY RECYCLED WATER PROGRAM – MONTHLY REPORT
11. * RESOLUTION APPOINTING A DEPUTY SECRETARY
12. * 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

13. AUTHORIZATION TO NEGOTIATE LEASE PURCHASE/INSTALLMENT SALE OF A MEMBRANE FILTRATION SYSTEM FOR THE SAN ELIJO WATER RECLAMATION FACILITY

It is recommended that the Board of Directors:

1. Authorize the General Manager to negotiate a lease purchase/installment sales agreement for the acquisition of a membrane filtration system that will then be presented to the Board of Directors for approval;
2. Authorize the Chair to execute an agreement with Trussell Technologies, Inc. for professional engineering services associated with the evaluation and selection of the membrane filtration system; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager Michael Thornton

14. RESOLUTION OF INTENT STATING THE BOARD OF DIRECTOR'S GOAL OF HAVING SEJPA EMPLOYEES PAY THE FULL EMPLOYEE RATE TO THE CALPERS RETIREMENT PLAN

It is recommended that the Board of Directors:

1. Approve Resolution 2010-09, Resolution of the Board of Directors of San Elijo Joint Powers Authority Stating Its Goal That Employees Pay the Full CalPERS Employee Rate of Contribution No Later Than July 1, 2014; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager Michael Thornton

15. DISCUSSION OF DRAFT RECYCLED WATER INFRASTRUCTURE INCENTIVE AGREEMENT WITH SANTA FE IRRIGATION DISTRICT

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Staff Reference: General Manager Michael Thornton

16. GENERAL MANAGER'S REPORT

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

17. GENERAL COUNSEL'S REPORT

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

18. BOARD MEMBER COMMENTS

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

19. CLOSED SESSION

The Board of Directors will adjourn to closed session per Government Code Section 54957 with respect to Public Employee Performance Evaluation; Title: General Manager.

A closed session may be held at any time during this meeting of the San Elijo Joint Powers Authority for the purposes of discussing potential or pending litigation or other appropriate matters pursuant to the "Ralph M. Brown Act".

20. ADJOURNMENT

The next regular scheduled San Elijo Joint Powers Authority Board Meeting will be September 13, 2010 at 9:00 a.m.

NOTICE:

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

The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board is available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at www.sejpa.org. The SEJPA Board meetings are held on the second Monday of the month, except August.

AFFIDAVIT OF POSTING

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

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

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

Date: July 7, 2010

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

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

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON JUNE 21, 2010
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Maggie Houlihan, Chair

Tom Campbell, Vice Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, June 21, 2010, at 9:00 a.m., at the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff by the Sea, California.

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:

Teresa Barth
Thomas Campbell
Maggie Houlihan (Arrived at 9:03)
Dave Roberts

Others Present:

General Manager
Director of Finance/Administration
Director of Operations
Administrative Assistant
Accounting Technician
Safety/HR Administrator

Michael Thornton
Greg Lewis
Christopher Trees
Monica Blake
Carrie Cook
Marisa Buckles

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

A. Aiko Osugi

City of Encinitas,
Director of Public Works
City of Solana Beach,
Director of Engineering/Public Works

Larry Watt

Mohammad "Mo" Sammak

3. PLEDGE OF ALLEGIANCE

Mo Sammak led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

Moved by Board Member Roberts and seconded by Board Member Barth to approve the Consent Calendar with unanimous vote of approval.

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the May 10, 2010 meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
Agenda Item No. 9	San Elijo Water Reclamation Facility Treated Effluent Flows – Monthly Report
Agenda Item No. 10	San Elijo Joint Powers Authority Recycled Water Program – Monthly Report
Agenda Item No. 11	Award of Annual Supplies and Services Contracts for the San Elijo Joint Powers Authority

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2010-11 BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF SEJPA TREASURER

Director of Finance/Administration Greg Lewis presented the Fiscal Year (FY) 2010-11 Recommended Budget. He stated that the budget had not changed in material form from the draft version presented to the Board of Directors during the April and May 2010 Board meetings, but that the posting of the second loan payment to the California Energy Commission (CEC) had been included in the operations and maintenance portion of the budget and has been moved and included with the other CEC loan payment in the Debt Service section of the budget. The Director of Finance/Administration also stated that he had met with staff from both Member Agencies to review the budget and that both agencies were satisfied with the budget. The budget is now ready for adoption as presented in Resolution No. 2010-06.

The Director of Finance/Administration reviewed the SEJPA's Investment Policy and stated that annually the Board of Directors adopts the investment policy and appoints the SEJPA Treasurer. For the investment policy, staff is recommending no changes to the policy.

Moved by Vice Chair Campbell and seconded by Board Member Barth to:

1. Adopt Resolution No. 2010-06, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2010-11 with the recommended changes identified in this report; and
2. Adopt Resolution No. 2010-07, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Greg Lewis for the SEJPA Treasurer.

Motion carried with unanimous vote of approval.

14. SAN ELIJO JOINT POWERS AUTHORITY PURCHASING POLICY REVISION

Director of Finance/Administration Greg Lewis reported that both staff and legal counsel have reviewed the SEJPA's purchasing policy to ensure it complies with current government code. From this review, it was determined that the policy is in compliance. One area that the policy was silent on was the allowance for lease purchase agreements as allowed by Government Code Section 6588. Although the inclusion of this code is not required, it will provide the SEJPA the option to lease equipment with the intent of future purchase when deemed appropriate and in the best interest of the agency. Legal counsel drafted Section 11.2 of the SEJPA's purchasing policy to include lease purchase agreements as allowed by Government Code Section 6588. Staff is now presenting Resolution No. 2010-08 Establishing Purchasing Policies and Procedures for the San Elijo Joint Powers Authority

Moved by Board Member Barth and seconded by Board Member Roberts to:

1. Adopt Resolution No. 2010-08, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Establishing Purchasing Policies and Procedures for the San Elijo Joint Powers Authority.

Motion carried with unanimous vote of approval.

15. RESOLUTION FOR SALARY AND BENEFITS FOR FISCAL YEARS 2010-11 AND 2011-12, AND RESOLUTION OF INTENT FOR EMPLOYEE CALPERS CONTRIBUTIONS

General Manager Michael Thornton reported that for several months the SEJPA Labor Ad Hoc Committee and the full Board of Directors have been working to develop terms for a future labor agreement with the SEJPA staff. At the May 2010 Board meeting, the General Manager was given directions for preparing an agreement offer that would provide a 2 percent cost of living increase and that would include employees increasing their contribution to their retirement plan. In addition, the Board of Directors

also requested a resolution-of-intent to outline the goal for the employees to pay the full Employee's CALPERS contribution rate, which is 8 percent of the employee's salary.

The General Manager reported that he had met with the SEJPA employees in an open forum for discussion on the proposed labor agreement terms for Fiscal Years 2010-11 and 2011-12 and the resolution-of-intent. The employees voted to accept the labor terms as proposed by the Board of Directors, which is presented in Resolution 2010-04. The employees also acknowledged the resolution-of-intent establishing the goal of the Board of Directors to continue to have the employees contribute more in future labor agreements to their retirement plan.

The Board of Directors went into Closed Session to discuss the Resolution per Government Code Section 54957.6. The Board of Directors came out of Closed Session at 9:55 a.m. with the following reportable action:

The General Manager read the amended Resolution 2010-04.

Moved by Board Member Barth and seconded by Vice Chair Campbell to:

1. Adopt amended Resolution 2010-04, A Resolution of the Board of Directors of the San Elijo Joint Powers Authority Adopting Salary and Benefits for Fiscal Years 2010-11 and 2011-12, as read; and
2. Pull Resolution 2010-09, A Resolution of the Board of Directors of the San Elijo Joint Powers Authority Stating its Non-Binding Goal that Employees Pay the Full CalPERS Employee Rate of Contribution no Later than July 1, 2014, for amendments to be presented at the next regular Board of Directors meeting.

Motion carried with unanimous vote of approval.

15. GENERAL MANAGER'S REPORT

General Manager Michael Thornton reported that SEJPA has passed the 10-year date for no lost days due to work injuries. He stated that the SEJPA has an outstanding record for low injury claims and complimented staff for their efforts in developing a culture of safe work practices.

General Manager reported that the staff is working diligently on the Recycled Water Demineralization Project. Efforts are proceeding simultaneously on the project design, environmental permitting, and project financing. In the area of financing, the project has encountered some challenges as the main financing source, the State Revolving Fund (SRF), has expressed some concerns that the SEJPA's recycled water sales agreements expire in 2016. To broaden the SEJPA's financing options, staff has met with a local bank to discuss financing terms for the project.

General Manager presented a PowerPoint presentation that highlighted the automation and remote control functionality of the recently completed Eden Gardens Pump Station.

16. GENERAL COUNSEL'S REPORT

None

17. BOARD MEMBER COMMENTS

None

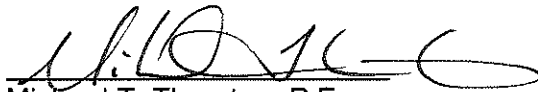
18. CLOSED SESSION

None

19. ADJOURNMENT

The Board of Directors adjourned at 10:14 a.m. The next Board of Directors meeting will be held on July 12, 2010.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

PAYMENT OF WARRANTS
10-07 and 11-07
5-Jul-10

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
<u>10-07 WARRANTS</u>		
Ababa - QA	Nuts and bolts - plant and all pump stations	\$499.02
Advanced Air & Vacuum	Repair inlet valve - water reclamation	\$165.00
AG Tech, LLC	Biosolids hauling - May	\$3,958.20
Applied Industrial Technologies	Parts for scrubber one and pump two - plant, wtr rec.	\$477.47
Arredondo, Susana	Expense report - certification testing	\$145.00
Arrowhead	Kitchen and lab supplies	\$264.02
Arrowhead	Kitchen and lab supplies	\$241.68
AT&T	Alarm service - June	\$380.72
AT&T	Phone service - 04/13/10 - 05/12/10	\$372.05
AT&T	Phone service - 05/13/10 - 06/12/10	\$364.55
AT&T - Eden Garden	Phone service - 04/20/10 - 05/19/10	\$87.85
AT&T - Eden Garden	Phone service - 05/20/10 - 06/19/10	\$87.85
Atlas Pumping Service	Grease and scum pumping - June	\$1,109.76
Atlas Pumping Service	Grease and scum pumping - May	\$1,297.23
Aquatic Bioassay	Lab testing - kelp germination - lab	\$960.00
Auma Actuators, Inc.	Air valve actuator - plant	\$2,174.71
Automation General, Inc.	Repair front gate - plant	\$72.00
Barracuda Networks, Inc.	Network backup - June	\$50.00
Bavco Backflow Apparatus	Test hose set - water reclamation	\$223.08
Bay City Electric Work	Performed preventatvie maintenance service - P. S.	\$2,995.01
Blake, Monica	Expense report - mileage	\$19.10
Blake, Monica	Expense report - agenda covers laminated	\$81.24
Blue Skies Landscape	Landscape service - May	\$1,200.00
Blue Skies Landscape	Landscape service - June	\$1,200.00
Brenntag Pacific, Inc.	Sodium Hydroxide - odor control - plant	\$1,410.33
Buckles, Marisa	Expense report - staff meeting	\$41.10
CDM, Inc.	Electrical improvements - plant	\$42,174.53
CWEA Membership	Membership - M. Piper	\$132.00
CWEA - TCP	Certificate renewal - S. Arredondo	\$69.00
Chick's Electric Motor Service	Pump motor rewind and labor - Eden Gardens P. S.	\$9,051.77
Complete Office	Office supplies - June	\$284.33
Conocophillips Fleet	Vehicle fuel - May	\$1,096.75
Cor-o-van Records Mgmt., Inc.	Record storage - May	\$62.37
Coast Waster Management, Inc.	Grit and screening - stormdrains	\$567.36
Cook, Carrie	Expense report - education reimbursement	\$285.68
County - Air Pollution Control	Permit - Solana Beach P. S.	\$365.00
County of San Diego, DEH	Permit - plant	\$1,960.00
Covad	T-1 service - June	\$359.00
DMV	Safety records	\$1.00
DMV	Safety records	\$2.00
David Burpeau	Venomous snake and insects class	\$250.00
Dickson	Data recorders for cross connection tests - wtr rec.	\$938.00
Dudek & Associates	Sediment disposal area design - plant	\$525.00
Dudek & Associates	As needed engineering services - wtr rec.	\$3,216.25
Edco Waste & Recycling Service	Trash and recycling service - May	\$184.01
Edco Waste & Recycling Service	Grit and screening - stormdrain	\$524.91
Edco Waste & Recycling Service	Trash and recycling service - June	\$184.01
El Camino Rental	Boomlift manlift 60' - plant	\$1,235.95
Environmental Water Solutions	Refurbishment of blower #4 - plant	\$5,950.00
Ferguson #667	Gaskets - plant and all pump stations	\$53.95
Ferguson #667	Parts for digester - plant	\$30.58
Fiber Reinforced Product	Parts for secondary #1 baffle - plant	\$4,011.69

PAYMENT OF WARRANTS
10-07 and 11-07
5-Jul-10

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
Flo-Systems, Inc.	Impeller, lock screw, bearing thrust and radial	\$1,403.04
Franklin Miller Inc.	Primary sludge grinder - plant	\$15,981.25
Gierlich Mitchell, Inc.	341A pump - water reclamation	\$1,592.10
GobioSupplies	Kitchen supplies - knives, bowls and plates	\$164.39
Golden State Overnight - GSO	Mailing monthly regulatory reports and lab samples	\$29.84
Green Valley Landscape	Repair broken valve - plant	\$142.00
Green Valley Landscape	Tree service and weed clearing - plant	\$750.00
Grainger, Inc.	V-belt - plant	\$91.92
Grainger, Inc.	Battery testers - plant	\$104.72
Grainger, Inc.	Epoxy, lamp and v-belt - plant and Cardiff P. S.	\$378.53
Grainger, Inc.	First aid - plant and all pump stations	\$166.94
Grainger, Inc.	Drill set, shaft and sleeve - plant	\$296.36
Grainger, Inc.	Cable, wire rope clip, and epoxy - plant	\$98.84
Grainger, Inc.	Strap wrench set - plant	\$106.41
Hach Company	Ampule kit, phosphate, nutrient, nitrification-lab, rec. wtr	\$819.79
Hach Company	Meter stand for probe - lab	\$1,792.50
Harbor Freight Tools	Tool kit set, tool cabinet and wd-40 - plant	\$263.13
Hardy Diagnostics	Duo-spore indicator, dextrose and bile borh - lab	\$459.87
Heartland Automotive Services	Vehicle maintenance	\$177.93
Heartland Automotive Services	Vehicle maintenance	\$43.35
Henke, Michael	Expense report- overtime meal, shade structure- plant	\$90.10
Hirsch Pipe & Supply	Plumbing parts for A-basin - plant	\$1,121.18
Hoch, Adam	Expense report-parts for process model	\$256.29
Home Depot Credit Services	Paint, hardware, plumbing and electric supplies	\$542.27
Horizon Health EAP	EAP - June	\$367.84
Hydrologix Grease Reduction	March- grease reduction - Coast Blvd. P. S.	\$350.00
Hydrologix Grease Reduction	April - grease reduction - Coast Blvd. P. S.	\$350.00
Hydrologix Grease Reduction	June - grease reduction - Coast Blvd. P. S.	\$350.00
Hydroscape Products, Inc.	Purple marking paint, aevor 300 rust proof - rec.wtr	\$70.66
Hydroscape Products, Inc.	Pipe, sch 80 ell, purple marking paint - rec. wtr	\$108.98
JWC Environmental	Grinders - plant	\$14,877.00
Jani-King	Janitorial service - June	\$853.04
Kennedy/Jenks Consultants	Recycled water demineralization - water reclamation	\$4,171.15
Kennedy/Jenks Consultants	Recycled water demineralization - water reclamation	\$4,071.08
Kennedy/Jenks Consultants	State and federal funding - recycled water storage	\$571.65
Konica	Monthly copier maintenance	\$78.48
Lab Safety Supply, Inc.	Latex gloves and rubber pipet filler - lab	\$300.65
Lab Safety Supply, Inc.	Oven gravity - lab	\$694.91
Larsen, Casey	Expense report - mileage and meal - cyber security	\$23.06
Lewis, Greg	Expense report - mileage and batteries	\$41.23
MBC Applied Environmental	Testing - outfall	\$2,199.87
MBC Applied Environmental	Testing - outfall	\$1,804.72
MetLifeSBC	Dental insurance	\$1,441.75
Mid-West Associates	Marprene tubing - plant	\$399.40
Mutual of Omaha	Life and disability insurance - June	\$1,649.01
Napa Auto Parts	Back-up alarm, crawler and core return - plant	\$63.03
OMWD	Manchester - 04/08/10 - 05/10/10	\$35.83
OMWD	Recycled water project	\$16,390.00
Olin Corp - Chlor Alkali	Sodium Hypochlorite - bleach - water reclamation	\$4,089.52
Olin Corp - Chlor Alkali	Sodium Hypochlorite - bleach - water reclamation	\$3,732.47
One Source Distributors, Inc.	Electrical supplies - water reclamation	\$27.23
One Source Distributors, Inc.	Cord for digester - plant	\$353.44
PERS - Health	Health - June 2010	\$15,150.84
PERS - Retirement	Retirement premium - 06/04/10	\$13,662.92

PAYMENT OF WARRANTS
10-07 and 11-07
5-Jul-10

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
PERS - Retirement	Retirement premium - 06/18/10	\$13,662.92
Pacific Pipeline Supply	Gasket and plumbing parts - water reclamation	\$153.69
Pacific Pipeline Supply	Air valve - water reclamation	\$837.38
Pacific Pipeline Supply	Plumbing parts for digester - plant	\$67.43
Petty Cash	Replenish petty cash	\$133.77
Polydyne Inc.	Clarifloc - We-007 / C-378 - Plant, water reclamation	\$10,515.26
Preferred Benefit	Vision insurance - June	\$405.05
Probuild	Repairs, shop and field supplies	\$353.43
Probuild	Repairs, shop and field supplies	\$489.79
Process Pump Sale's, Inc.	Progressive cavity pump - plant	\$6,492.56
Procopio, Cory, Hargreaves	General legal service - April	\$5,614.50
Procopio, Cory, Hargreaves	Legal service regarding Gessner complaint	\$1,340.70
Procopio, Cory, Hargreaves	General legal service - May	\$7,552.50
Procopio, Cory, Hargreaves	Labor and employment	\$85.50
Procopio, Cory, Hargreaves	Legal service regarding Gessner complaint	\$57.00
RTC	Lab supply - anions w.p. - lab	\$71.00
Rain For Rent, Inc.	Cleaning digester - plant	\$988.17
Safetyline, Inc.	Safety vest	\$70.91
San Diego Gas and Electric	Gas and electric - 04/07 - 05/07	\$39,928.34
San Diego Gas and Electric	Gas and electric - 05/10 - 06/06 - Cardiff P.S.	\$1,358.04
San Diego Gas and Electric	Gas and electric - 03/10/10 - 05/10/10 - Eden Gardens	\$6,057.62
San Diego Gas and Electric	Gas and electric - 05/07 - 06/08	\$40,491.00
San Diego Gas and Electric	Gas and electric - 05/10 - 06/06 - Eden Gardens	\$502.44
San Dieguito Water District	Manchester - 04/26/10 - 05/26/10	\$2,951.20
San Dieguito Water District	Manchester - 04/26/10 - 05/26/10	\$119.04
San Dieguito Water District	Manchester - 04/26/10 - 05/26/10	\$488.56
San Dieguito Water District	Manchester - 04/26/10 - 05/26/10	\$203.36
San Dieguito Water District	Manchester - 04/26/10 - 05/26/10	\$567.92
San Dieguito Water District	Manchester - 03/29/10 - 05/24/10	\$149.81
San Dieguito Water District	Manchester - 03/29/10 - 05/24/10	\$182.03
San Dieguito Water District	S. Coast Highway - 03/29/10 - 05/24/10	\$42.48
San Dieguito Water District	2710 Manchester - 03/29/10 - 05/24/10	\$222.91
San Elijo Payroll Account	Payroll - 06/04/2010	\$74,475.86
San Elijo Payroll Account	Payroll - 06/18/2010	\$74,572.00
Santa Fe Irrigation District	Valley - 04/29/10 - 05/27/10	\$36.93
Santa Fe Irrigation District	Seabright Ln - 03/02/10 - 05/04/10	\$49.01
Santa Fe Irrigation District	Lomas Santa Fe - 03/17/10 - 05/19/10	\$743.16
Siemens Water Technologies	Buffer - water reclamation	\$410.43
Siemens Water Technologies	Hydrogen peroxide - Olivenhain P. S.	\$3,095.00
Smart & Final	Kitchen,meeting, cleaning supplies - plant and P. S.	\$107.26
Specialty Seals & Accessories	Refurbish scrubbers - plant	\$525.81
Specialty Seals & Accessories	Repair parts for pump #1 - Cardiff P. S.	\$668.32
Specialty Seals & Accessories	Refurbish scrubbers - plant	\$525.81
Spraying System Co.	Polypropylene tank mixing eductor - plant	\$158.82
Sprint	Cellular phone service - April/May	\$685.35
Sprint	Cellular phone service - May/June	\$680.23
State of California	Loan payment	\$64,237.99
State Water Resource Control	Membership - J. Boyle	\$130.00
Sunbelt Rentals	Air compressor - Olivenhain P. S.	\$130.71
T.S. Industrial Supply	Parts for A-basin and Wacker pump - plant, all P.S.	\$407.80
T.S. Industrial Supply	Parts for digester - plant	\$90.12
Terra Renewal, LLC	Biosolids hauling - April	\$6,364.11
Terra Renewal, LLC	Biosolids hauling - May	\$8,506.99
Test America	Lab testing - April	\$158.00

PAYMENT OF WARRANTS
10-07 and 11-07
5-Jul-10

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
Test America	Lab testing - June	\$461.00
The Light House	16" led light bar - safety	\$652.48
Thatcher Company of California	Aluminum sulfate - water reclamation	\$3,241.51
Thornton, Michael	Expense report - education reimbursement	\$618.98
Thornton, Michael	Expense report - meeting	\$24.04
UPS	Shipped parts - plant	\$81.45
UPS Freight	Freight - lab	\$73.00
Underground Service Alert	Dig alert - May	\$52.50
Union Bank of CA	2003 refunding revenue bonds service fee	\$2,443.00
Unifirst Corporation	Uniform service - June	\$426.18
Unifirst Corporation	Uniform service - May	\$231.56
Union-Tribune Publishing	Subscription	\$274.52
Union-Tribune Publishing	Legal notice for bidding	\$218.00
Union-Tribune Publishing	Legal notice for bidding	\$602.00
USA Bluebook	Sewage pump for A-basin - plant	\$672.85
USA Bluebook	Gasket, assembly, wire seal and plug - plant	\$29.63
USA Bluebook	Caustic pump - plant	\$46.98
USA Bluebook	sd900 standard portable sampler 2.50 bottle - lab	\$3,339.33
VWR International, Inc.	Cabinet dessicator with three shelves - lab	\$451.46
VWR International, Inc.	Oven gravity small - lab	\$1,466.00
VWR International, Inc.	Tubes, detergent alcotabs, brush vol flask - outfall,lab	\$986.34
VWR International, Inc.	Tubes, filter, whirlpak, condctvy and broth	\$929.29
VWR International, Inc.	Gloves, cap membrane kit, buffer and filters - lab	\$988.88
Valley Chain & Gear, Inc.	Rapid mixer motor - water reclamation	\$792.08
Western Hose & Gasket	Cam lock 4" female to 3" male	\$61.88
Western Hose & Gasket	Assembly parts for pump - plant	\$656.87
Western Hose & Gasket	Adapter and water hose - digester - plant	\$330.84
Total 10-07 Warrants		\$607,613.29
11-07 WARRANTS		
Alliant Insurance Service	Commercial - 07.01.10 - 07.01.11	\$1,557.01
County of San Diego - DEH	Permit - Cardiff P. S.	\$461.00
County of San Diego - DEH	Permit - Olivenhain P. S.	\$461.00
County of San Diego - DEH	Permit - Eden Gardens P. S.	\$296.00
County of San Diego - DEH	Permit - Solana P. S.	\$296.00
County of San Diego - DEH	Permit - San Elijo Hills P. S.	\$296.00
Libert Cassidy Whitmore	Employment relations training - 07/01/10 - 06/30/11	\$2,558.00
MetLifeSBC	Dental Insurance	\$1,441.75
Mutual of Omaha	Life disability - insurance	\$1,654.01
PERS - Health	Health - July	\$15,150.84
PERS - Retirement	Retirement Premium - 07/02/2010	\$13,901.70
SCAP	Annual membership	\$2,360.00
San Elijo Payroll Account	Payroll - 07/02/10	\$76,759.23
WEF	Membership - J. Clark	\$217.00
Total 11-07 Warrants		\$117,409.54
Total 10-07 and 11-07 Warrants		\$725,022.83


SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

5-Jul-10

PAYMENT OF WARRANTS		\$725,022.83
Reference Number	10-07 and 11-07	

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.



Gregory Lewis
Director of Finance/Administration
Treasurer

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION
AS OF

5-Jul-10

<u>FUNDS ON DEPOSIT WITH</u>	<u>AMOUNT</u>
LOCAL AGENCY INVESTMENT FUND <i>(MARCH 2010 YIELD 0.55%)</i>	
SELF INSURANCE RESERVE	\$ 300,000.00
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 6,044,274.07
CALIFORNIA BANK AND TRUST <i>(MARCH 2010 YIELD 0.10%)</i>	
REGULAR CHECKING	\$ 65,598.42
PAYROLL CHECKING	\$ 5,000.00
TOTAL RESOURCES	\$ 7,044,872.49

*

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 12, 2010

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

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

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Plant Performance and Evaluation

Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all NPDES ocean effluent limitation requirements for the month of May 2010. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for CBOD and TSS were 98.3 percent and 96.2 percent, respectively (shown in Figure 1 and Figure 2).

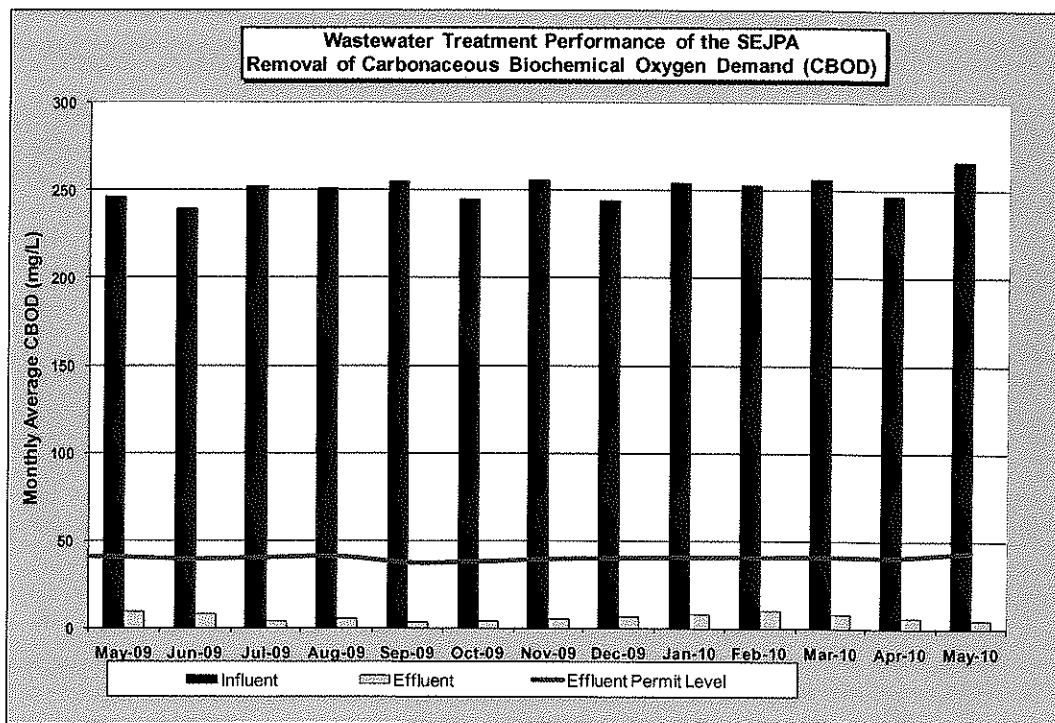


FIGURE 1

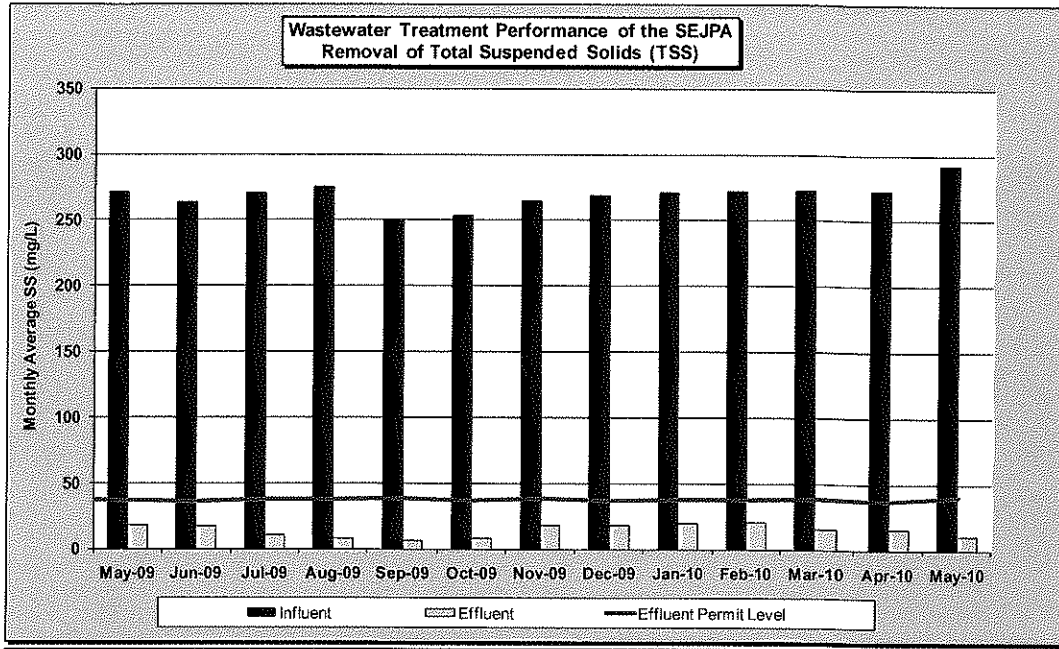


FIGURE 2

Member Agency Flows

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

	May	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.379	0.672
City of Solana Beach	1.385	0.675
Rancho Santa Fe SID	0.128	0.063
Total San Elijo WRF Flow	2.892	1.410

Notes: As of July 1995, Rancho Santa Fe Community Services District (CSD) combined SID #2 and SID #3 into one Sewer Improvement District (SID).

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

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

Figure 3 (attached) presents the 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. As shown in the figure, the average treated flow typically ranges between 2.9 and 3.1 million gallons per day (mgd). Also shown in Figure 3 is the total wastewater treatment capacity of the plant, 5.25 mgd, of which each Member Agency has the right to 2.5 mgd, and Rancho Santa Fe Community Service District has the right to 0.25 mgd.

City of Escondido Flows

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

	May (mgd)
Escondido (Average flow rate)	10.3
Escondido (Peak flow rate)	18.5

Connected Equivalent Dwelling Units

The number of EDUs connected for each of the Member Agencies for the month of May is as follows:

	May (EDU)
Cardiff Sanitary Division	8,201
Rancho Santa Fe SID	474
City of Solana Beach	7,428
San Diego (to Solana Beach)	300
Total EDUs to System	16,403

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachments: Table 1: SEWRF Monthly Report – Flows and EDUs
Figure 3: Average Daily Flow

SAN ELIJO WATER RECLAMATION FACILITY MONTHLY REPORT - FLOWS AND EDUS

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)			AVERAGE DAILY EFFLUENT FLOW RATE (MGD)			AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)		
	CSD	RSF	TOTAL PLANT	CSD	RSF	TOTAL PLANT	CSD	RSF	TOTAL PLANT
Jan-06	1.515	0.139	1.310	1.410	0.129	1.219	8.044	423	7,659
Feb-06	1.499	0.139	1.313	1.268	0.118	1.111	8.044	423	7,659
Mar-06	1.542	0.144	1.309	1.475	0.137	1.252	8.044	424	7,659
Apr-06	1.523	0.139	1.288	1.400	0.128	1.184	8.044	424	7,728
May-06	1.480	0.134	1.299	0.979	0.089	0.859	8.066	429	7,728
Jun-06	1.471	0.130	1.350	0.762	0.068	0.699	8.080	430	7,728
Jul-06	1.490	0.135	1.436	0.719	0.065	0.693	8.087	431	7,728
Aug-06	1.456	0.144	1.392	0.748	0.074	0.715	8.088	432	7,728
Sep-06	1.403	0.138	1.327	0.744	0.072	0.704	8.092	432	7,728
Oct-06	1.414	0.132	1.286	0.943	0.088	0.857	8.092	432	7,728
Nov-06	1.408	0.135	1.284	1.100	0.105	1.003	8.094	434	7,728
Dec-06	1.429	0.138	1.275	1.296	0.126	1.156	8.099	436	7,728
Jan-07	1.419	0.128	1.282	1.205	0.109	1.089	8.100	441	7,728
Feb-07	1.425	0.129	1.277	1.284	0.116	1.150	8.106	443	7,728
Mar-07	1.421	0.118	1.285	1.014	0.085	0.917	8.112	444	7,728
Apr-07	1.386	0.122	1.267	0.868	0.076	0.794	8.115	447	7,728
May-07	1.411	0.106	1.281	0.763	0.058	0.693	8.116	448	7,728
Jun-07	1.438	0.104	1.304	0.697	0.051	0.632	8.117	449	7,728
Jul-07	1.461	0.109	1.364	0.657	0.049	0.613	8.119	450	7,728
Aug-07	1.442	0.110	1.365	0.571	0.044	0.541	8.120	450	7,728
Sep-07	1.410	0.107	1.270	0.596	0.046	0.537	8.124	452	7,728
Oct-07	1.335	0.096	1.222	0.777	0.056	0.712	8.124	452	7,728
Nov-07	1.430	0.113	1.235	1.122	0.088	0.969	8.138	453	7,728
Dec-07	1.443	0.143	1.225	1.380	0.137	1.171	8.144	453	7,728
Jan-08	1.491	0.144	1.268	1.488	0.144	1.266	8.146	454	7,728
Feb-08	1.620	0.162	1.355	1.499	0.150	1.254	8.150	456	7,728
Mar-08	1.569	0.149	1.365	1.261	0.119	1.097	8.151	456	7,728
Apr-08	1.493	0.125	1.318	1.154	0.097	1.019	8.151	456	7,728
May-08	1.487	0.136	1.339	0.755	0.069	0.680	8.153	456	7,728
Jun-08	1.649	0.131	1.270	0.647	0.052	0.498	8.161	456	7,728
Jul-08	1.713	0.131	1.324	0.722	0.055	0.558	8.163	456	7,728
Aug-08	1.562	0.125	1.483	0.608	0.048	0.577	8.165	457	7,728
Sep-08	1.547	0.121	1.378	0.813	0.064	0.724	8.167	459	7,728
Oct-08	1.478	0.111	1.319	0.671	0.051	0.599	8.170	460	7,728
Nov-08	1.511	0.118	1.329	1.080	0.084	0.950	8.171	462	7,728
Dec-08	1.580	0.156	1.362	1.446	0.143	1.246	8.172	462	7,728
Jan-09	1.522	0.141	1.354	1.256	0.116	1.117	8.177	462	7,728
Feb-09	1.599	0.145	1.330	1.408	0.128	1.171	8.179	462	7,728
Mar-09	1.510	0.124	1.307	1.030	0.085	0.892	8.180	463	7,728
Apr-09	1.463	0.116	1.262	0.731	0.058	0.630	8.183	463	7,728
May-09	1.465	0.117	1.247	0.712	0.057	0.606	8.185	464	7,728
Jun-09	1.479	0.115	1.319	0.712	0.056	0.635	8.185	465	7,728
Jul-09	1.437	0.109	1.376	0.599	0.045	0.573	8.186	467	7,728
Aug-09	1.431	0.113	1.419	0.603	0.047	0.598	8.186	467	7,728
Sep-09	1.404	0.108	1.346	0.690	0.053	0.661	8.187	468	7,728
Oct-09	1.375	0.108	1.332	0.744	0.058	0.721	8.187	468	7,728
Nov-09	1.366	0.111	1.323	0.843	0.069	0.816	8.189	469	7,728
Dec-09	1.401	0.127	1.322	1.149	0.104	1.084	8.193	469	7,728
Jan-10	1.532	0.155	1.372	1.271	0.128	1.138	8.196	472	7,728
Feb-10	1.487	0.148	1.382	1.371	0.136	1.274	8.197	474	7,728
Mar-10	1.455	0.145	1.398	1.108	0.110	1.064	8.198	474	7,728
Apr-10	1.451	0.137	1.391	1.058	0.100	1.014	8.198	474	7,728
May-10	1.379	0.128	1.385	0.672	0.063	0.675	8.201	474	7,728
May-10	1.379	0.128	1.385	0.672	0.063	0.675	8.201	474	7,728

TABLE 1

ASSUMPTIONS: SB average flow includes San Elijo Hills flow of .131 mgd
SB Connected EDUs includes 300 EDUs for the City of San Diego

CSD: Cardiff Sanitary Division
RSF CSD: Ranch Santa Fe Community Service District
SB: Solana Beach
EDU: Equivalent Dwelling Unit

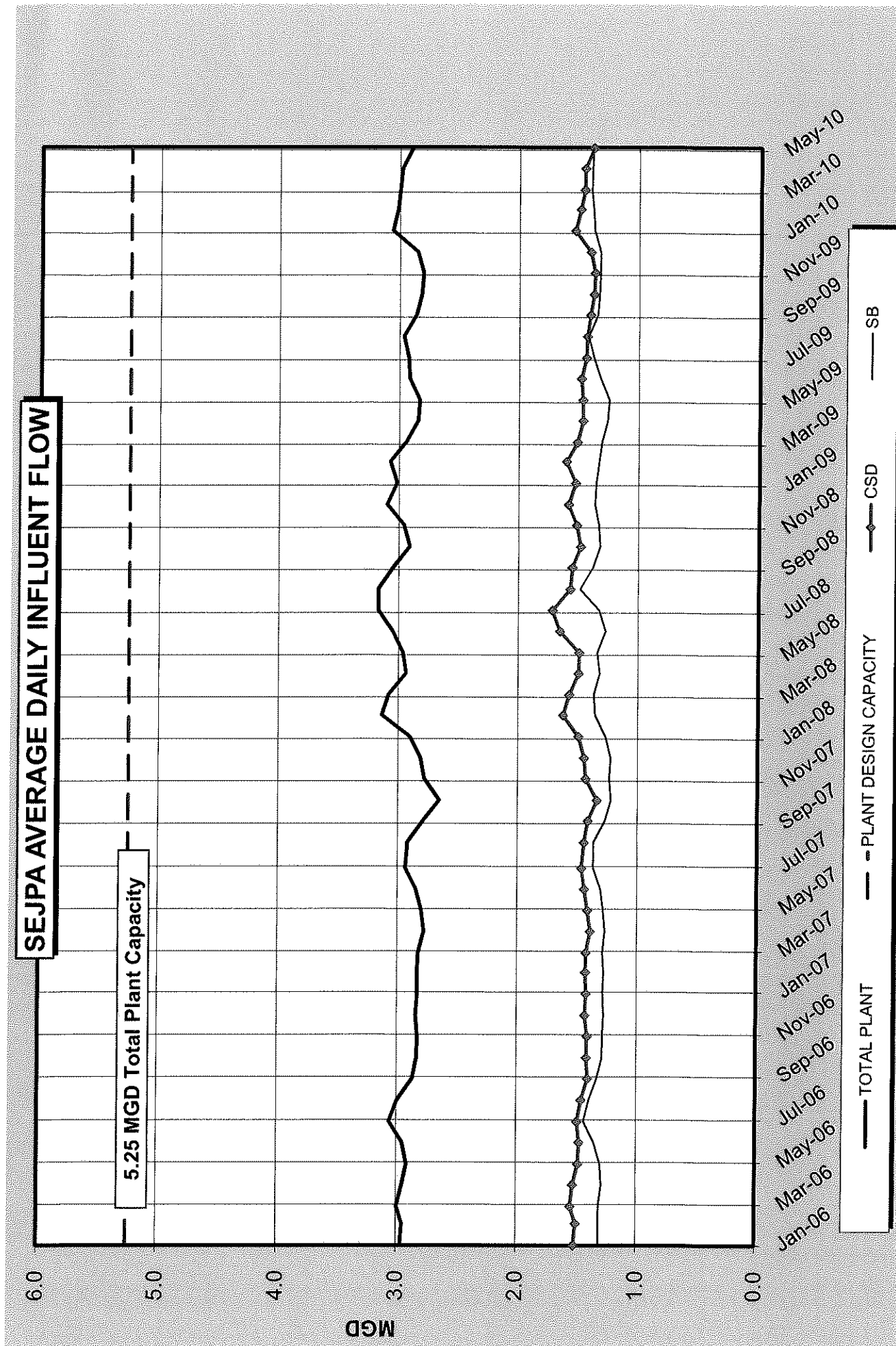


FIGURE 3

*

AGENDA ITEM NO. 10

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 12, 2010

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECLAMATION PROGRAM – MONTHLY REPORT

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of May 2010, recycled water demand was 135.89 acre-feet (AF), which was met using 135.88 AF of recycled water and 0.01 AF of supplementation with potable water. This equates to a blend mix for May of 99.99 percent recycled water and 0.01 percent potable water supplementation.

Figure 1 (attached) provides monthly supply demands for recycled water over the last five years. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning the last nine fiscal years. Recycled water demand can fluctuate from year to year, which is typically a function of weather. For example, Fiscal Year 2003-04, an unusually dry year, resulted in increased recycled water demand; and Fiscal Year 2004-05, an unusually wet year, resulted in lower recycled water demand.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

MONTHLY RECYCLED WATER DEMAND

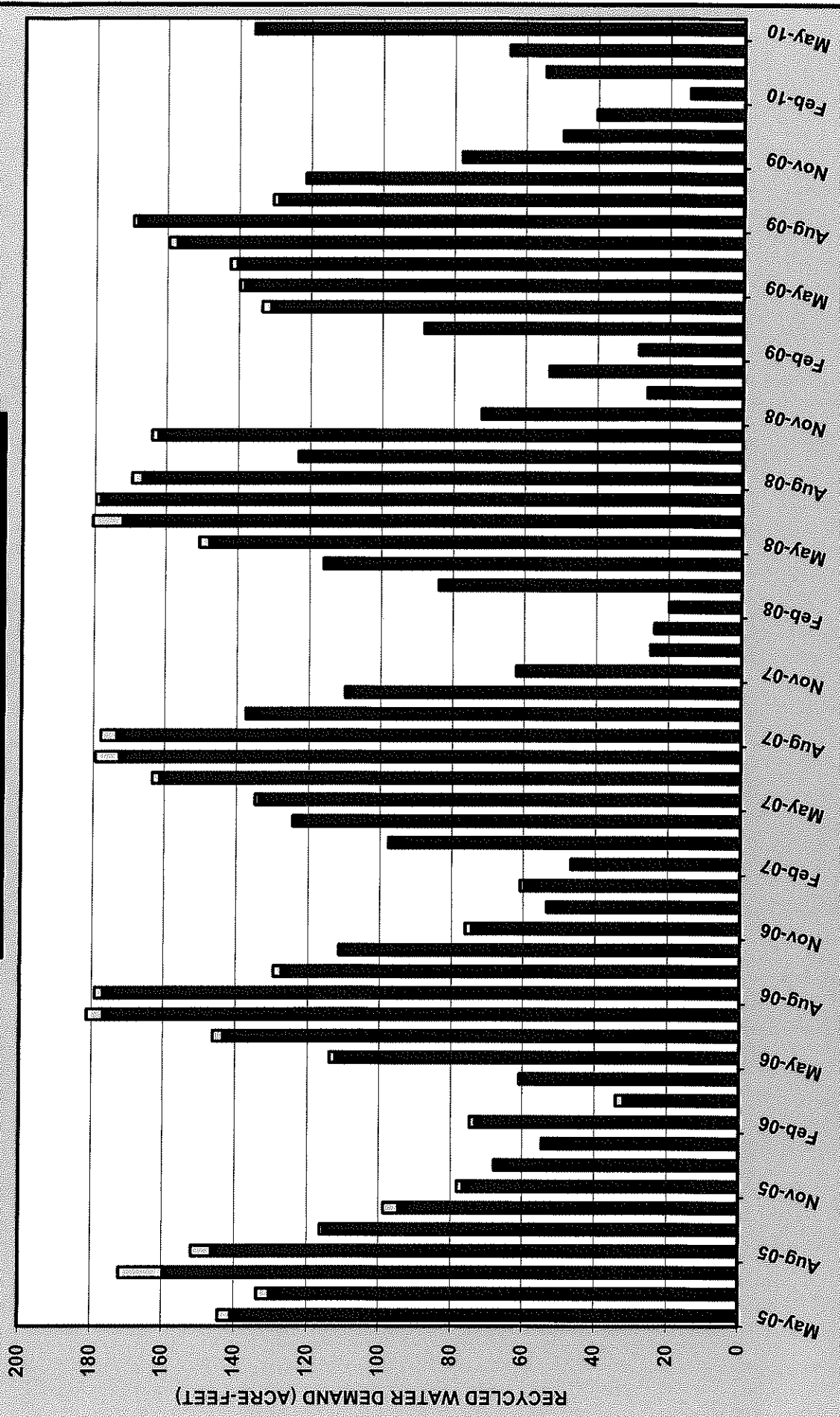


Figure 1

ANNUAL RECYCLED WATER DEMAND

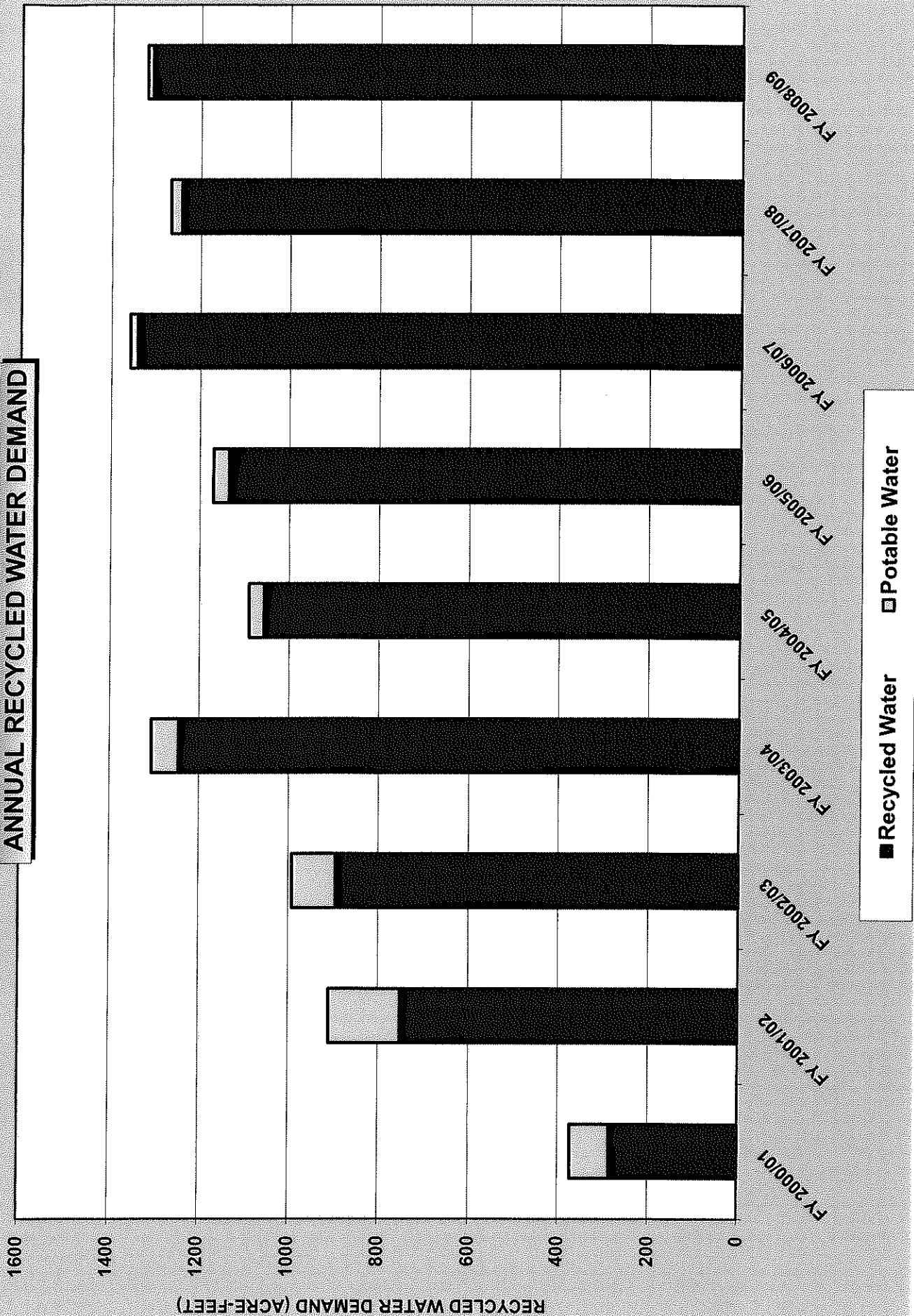


Figure 2

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 12, 2010

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RESOLUTION APPOINTING A DEPUTY SECRETARY

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve Resolution 2011-01, Resolution of the Board of Directors of San Elijo Joint Powers Authority Appointing a Deputy Secretary; and
2. Discuss and take action as appropriate.

BACKGROUND

The General Manager serves as the Secretary to the Board of Directors. Duties of the Secretary include preparing meeting minutes; attesting to signatures on contracts, ordinances, resolutions, or other agreements; keeping all files and records of the SEJPA; and accepting service of process or other documents on behalf of the SEJPA. In 2008, the Board of Directors adopted Resolution No. 2008-04 designating a Deputy Secretary to assist in carrying out the duties of the Secretary. At that time the Assistant General Manager was appointed as the Deputy Secretary.

DISCUSSION

In May 2009, the position of Assistant General Manager was eliminated and the position of Director of Operations was created. The General Manager recommends that the Board consider appointing the SEJPA Director of Operations as the new Deputy Secretary as presented in Resolution 2011-01.

It is therefore recommended that the Board of Directors:

1. Approve Resolution 2011-01, Resolution of the Board of Directors of San Elijo Joint Powers Authority Appointing a new Deputy Secretary; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, PE
General Manager

Attachment: Resolution 2011-01, Resolution of the Board of Directors of San Elijo Joint Powers Authority Appointing a Deputy Secretary

ATTACHMENT

RESOLUTION NO. 2011-01

**RESOLUTION OF THE BOARD OF DIRECTORS
OF SAN ELIJO JOINT POWERS AUTHORITY
APPOINTING A DEPUTY SECRETARY**

WHEREAS, the Board of Directors of San Elijo Joint Powers Authority (SEJPA) previously adopted Resolution No. 2008-04 designating a Deputy Secretary to assist in carrying out the functions of the Secretary, including preparation of meeting minutes; attesting to signatures on resolutions, ordinances, contracts, or other documents; keeping all files and records of the SEJPA; and accepting service of process or other documents on behalf of the SEJPA, as well as other duties pursuant to Section 3.2 of the Joint Powers Agreement establishing the SEJPA;

WHEREAS, the Board of Directors desires to update this appointment; and

WHEREAS, the General Manager serves as the Secretary of the Board, has recommended that Christopher A. Trees, SEJPA Director of Operations, be appointed Deputy Secretary;

NOW, THEREFORE, be it resolved:

1. The Director of Operations is hereby appointed as Deputy Secretary of the Board, pursuant to Section 3.2 of the Joint Powers Agreement, and authorized to assist in carrying out the functions of the Secretary, including preparation of minutes, attesting to signatures, keeping of files and records of SEJPA, accepting service of process or other documents on behalf of the SEJPA, and other duties as pursuant to Section 3.2 of the Joint Powers Agreement establishing the SEJPA.

2. The Deputy Secretary may act on behalf of the Secretary in his/her absence, and may carry out any other functions of the Secretary, as deemed necessary or convenient by the Board or the Secretary.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors held on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Maggie Houlihan, Chairperson
SEJPA Board of Directors

ATTEST:

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

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 12, 2010

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: AUTHORIZATION TO NEGOTIATE LEASE PURCHASE/INSTALLMENT SALE
OF A MEMBRANE FILTRATION SYSTEM FOR THE SAN ELIJO WATER
RECLAMATION FACILITY

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to negotiate a lease purchase/installment sales agreement for the acquisition of a membrane filtration system that will then be presented to the Board of Directors for approval;
2. Authorize the Chair to execute an agreement with Trussell Technologies, Inc. for professional engineering services associated with the evaluation and selection of the membrane filtration system; and
3. Discuss and take action as appropriate.

DISCUSSION

The San Elijo Joint Powers Authority (SEJPA) owns and operates the San Elijo Water Reclamation Facility (SEWRF) that includes tertiary filtration to produce up to 2.48 million gallons per day (MGD) of recycled water. The recycled water currently meets California Title 22 requirements, however, the total dissolved solids (TDS) concentrations in the recycled water is increasing and can exceed the Agency's permit allowance. TDS, which is a measurement of sodium, chlorides, and other minerals, does not pose a health risk to people but it can have negative effects on plant material. The SEJPA has received permit violation notices for TDS exceedance from the San Diego Regional Water Quality Control Board.

Trussell Technologies prepared a study for SEJPA titled "Conceptual Design of a 0.5 MGD Demineralization Facility," dated January 2009, (Trussell Study) that recommended a Recycled Water Demineralization (RWD) process consisting of microfiltration (MF) or ultrafiltration (UF) followed by reverse osmosis (RO) to reduce TDS levels in the recycled water. A portion of the WRF secondary effluent will be treated through the RWD system to produce low TDS water that will be blended with tertiary filtered water to reduce the overall TDS of the recycled water.

The source water turbidity and suspended solids, typical of a secondary effluent, will need to be filtered out of the water for efficient operation of the RO membrane system. MF and UF are membrane treatment processes that utilize physical straining to remove particulate matter from water. For the RWD system, both pressure and immersed systems are available as pre-packaged, skid-mounted systems.

In December 2009, Kennedy/Jenks finalized the Preliminary Design Report for the RWD Project. This report reviewed the various MF/UF systems readily available and stated that there are at least four experienced MF and UF manufacturers that could provide packaged membrane filtration systems for the RWD facility. These membrane system suppliers are Norit, Pall, Siemens/Memcor, and GE/Zenon. The manufacturers can provide both MF and/or UF membrane elements for their packaged systems. Both MF and UF membranes will provide a filtered water quality suitable for pretreatment ahead of the RO systems.

The Norit system is a pressurized, "inside-out" configuration where the feed water is on the inside of the membrane hollow fiber and the filtered water passes through to the outside of the fiber. For secondary effluent, this configuration requires a cross-flow to minimize fouling that can be several times the production rate of the system. This increases the energy requirements of the system. Kennedy/Jenks did not recommend Norit for the SEWRF wastewater application due to the increased energy and intensive cross flow required for operation of this system.

The Pall, Siemens/Memcor, and GE/Zenon are all "outside-in" configuration systems where the feed water is on the outside of the membrane hollow fiber and the filtered water passes through to the inside of the fiber. Pall makes a pressure system. Siemens/Memcor makes both pressure and immersed systems. GE/Zenon makes an immersed system and has just introduced a pressure system. Kennedy/Jenks recommended using the "outside-in" configuration for this application because it will have lower energy costs and there are a number of reputable systems for competitive bidding.

At this time, SEJPA staff is requesting Board approval to enter into negotiations with the consultant's recommended top three manufacturers for the acquisition of a packaged membrane filtration system for the Recycled Water Demineralization Project per Section 11.2 of the San Elijo Joint Powers Authority's purchasing policy. At a future meeting, the General Manager will return a contract for consideration by the Board.

Due to the highly technical nature of the equipment, and the need to evaluate operational cost as well as equipment cost, staff has requested a proposal from Trussell Technologies to assist in the negotiations and help evaluate the cost and value of each proposal. Trussell has extensive experience with MF/UF equipment and has been involved in the RWD process since 2008.

FINANCIAL IMPACT

In July 2009 the SEJPA Board of Directors appropriated \$985,000 towards the design and construction of the Recycled Water Demineralization Project. To date, approximately \$690,000 in contracts have been awarded. Approving the proposed Trussell Technologies contract worth \$24,592 would raise the total funds committed to approximately \$715,000 of the \$985,000.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to negotiate a lease purchase/installment sales agreement for the acquisition of a membrane filtration system that will then be presented to the Board of Directors for approval;
2. Authorize the Chair to execute an agreement with Trussell Technologies, Inc. for professional engineering services associated with the evaluation and selection of the membrane filtration system; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment: Agreement #9 with Trussell Technologies

ATTACHMENT

AGREEMENT #9

This **AGREEMENT** is made and entered into on this ____th day of July, 2010 by and between the San Elijo Joint Powers Authority, hereinafter referred to as "AUTHORITY", and Trussell Technologies Inc., hereinafter referred to as "CONSULTANT".

WITNESSETH:

WHEREAS, AUTHORITY requires the professional services for the San Elijo Water Reclamation Facility owned and operated by the San Elijo Joint Powers Authority,

WHEREAS, CONSULTANT represents that it has available, adequate personnel who are well-qualified by reason of education and experience in these matters to perform the necessary professional services under the direction of the AUTHORITY, and

WHEREAS, the AUTHORITY desires and the CONSULTANT is willing to provide professional services for the San Elijo Water Reclamation Facility owned and operated by the San Elijo Joint Powers Authority,

NOW THEREFORE, the AUTHORITY and CONSULTANT do hereby enter into the following agreement.

1. TERM OF AGREEMENT. The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until completion and acceptance of the work effort by the General Manager of the AUTHORITY.
2. AUTHORITY OBLIGATIONS
 - 2.1 DATA FURNISHED BY AUTHORITY. For the purpose of aiding CONSULTANT in the performance of its obligations under this Agreement, AUTHORITY shall furnish CONSULTANT with all data in its possession relevant to the project and shall direct its officers, agents and employees to render all reasonable assistance to CONSULTANT in connection with its performance under this Agreement. AUTHORITY is responsible for the reasonable correctness of data so furnished, but it shall likewise be the responsibility of CONSULTANT to apply reasonable caution in its use and interpretation of the data and to promptly advise AUTHORITY of any incorrectness or inconsistencies in the data furnished.
 - 2.2 PAYMENT TO CONSULTANT
 - 2.2.1 DETERMINATION OF COMPENSATION. The compensation by AUTHORITY to CONSULTANT for services under this Agreement shall be at a time and material basis, as outlined in the Scope of Work attached, and in accordance with Trussell Technology Inc 2010 hourly billing rates, not to exceed \$24,592.
 - 2.2.2 PAYMENT OF COMPENSATION. Compensation shall be billed monthly in increments based on the work completed, and AUTHORITY shall make payment to CONSULTANT within thirty (30) calendar days of approval of invoices.

2.3 AUTHORITY'S PROJECT OFFICER. AUTHORITY's Project Officer, who shall be empowered to act for the AUTHORITY in accordance with law or AUTHORITY ordinance, shall be the General Manager of the AUTHORITY. AUTHORITY's Project Officer or duly-authorized representative shall act on behalf of AUTHORITY in administrative matters of the Contract Documents. This includes, but is not limited to, review of change orders, correspondence, progress payments, etc.

3. CONSULTANT'S OBLIGATIONS

3.1 SERVICES TO BE PERFORMED

3.1.1 PROFESSIONAL SERVICES. CONSULTANT shall perform professional engineering services as requested by the AUTHORITY for the San Elijo Water Reclamation Facility owned and operated by the San Elijo Joint Powers Authority.

3.2 TIME PERIOD.

3.2.1 CONSULTANTING SERVICES. CONSULTANT will commence performance of services upon execution of this agreement.

3.3 CONSULTANT'S PROJECT OFFICER. CONSULTANT's Project Officer shall be empowered to act for CONSULTANT in accordance with the Agreement in all matters relating to the technical administration of services to be provided, shall be CONSULTANT'S duly appointed Project Officer.

The CONSULTANT'S Project Officer shall be R. Shane Trussell, Ph. D. P.E.

3.4 RESPONSIBILITY OF CONSULTANT.

- (a) CONSULTANT shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all services furnished by CONSULTANT under this Agreement. CONSULTANT shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in his analysis, reports, and other services.
- (b) CONSULTANT shall perform such professional services as may be necessary to accomplish the work required to be performed under this Agreement, in accordance with this Agreement in effect on the date of execution of this Agreement.
- (c) Acceptance by AUTHORITY of reports, and incidental professional work or materials furnished hereunder, shall not in any way relieve CONSULTANT of responsibility for the technical adequacy of his work. Neither AUTHORITY's acceptance of, nor payment for any of the services, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.
- (d) CONSULTANT shall be and remain liable in accordance with applicable law for all damages to AUTHORITY caused by CONSULTANT's negligent performance of any of the services furnished under this Agreement, except for errors, omissions or other deficiencies to the extent attributable to

AUTHORITY, AUTHORITY-furnished data, or any third party. CONSULTANT shall not be responsible for any time delays in the project caused by circumstances beyond CONSULTANT's control.

(e) "Errors, omissions, and deficiencies" are defined as acts of CONSULTANT in preparing drawings, specifications, reports, or other work under this Agreement, which are the result of CONSULTANT's failure to perform in accordance with the standard of practice normally exercised in the performance of professional services of a similar nature, and which result in cost to AUTHORITY in excess of what the cost would have been had such act not occurred. Nothing contained herein shall serve to expand or increase the responsibility of CONSULTANT to any party beyond that imposed by the common law of the State of California.

4. **INSURANCE.** During the course of the Agreement, CONSULTANT shall pay for and maintain, in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of CONSULTANT in connection with or related to the work covered hereby. CONSULTANT shall further take out and shall furnish satisfactory proof, by certificate or otherwise as may be required, that he has taken out commercial general liability insurance with AUTHORITY included herein as an additional insured. Insurance carrier shall be satisfactory to AUTHORITY, and insurance shall be in such form approved by AUTHORITY so as to protect AUTHORITY and its employees against loss from liability imposed by law from damages on account of bodily injury, including death resulting therefrom, suffered or alleged to have been suffered by any person or persons, other than employees, resulting directly from the negligent performance or execution of this Agreement by CONSULTANT, and also to protect AUTHORITY and its employees against loss from liability imposed by law for damage to any property, caused directly by the negligent performance or execution of the Agreement by CONSULTANT; which insurance shall also cover accidents arising out of the use and operation of automobiles, trucks, and/or other mobile equipment. All said commercial liability and property damage insurance shall be for the period of performance under this Agreement. The amounts of coverage of said insurance shall be the following:

General and Professional Liability - \$1,000,000 limit
Auto Insurance (company owned) - \$ 500,000 limit
Auto Insurance (non-company owned) - \$1,000,000 limit

Said policies shall have a non-cancellation clause providing that thirty (30) days written notice shall be given to AUTHORITY prior to any material modification or cancellation, and a certificate of such insurance shall be furnished to AUTHORITY by direct mail from CONSULTANT's insurance carrier and shall specifically cover any contractual liability incurred hereunder. CONSULTANT shall further maintain adequate Workers' Compensation Insurance, including occupational disease provisions, under the laws of the State of California and employer's general liability insurance for the benefit of its employees, and shall require similar insurance to be provided by its subcontractors. A certificate shall be furnished to AUTHORITY showing compliance with above.

CONSULTANT further agrees to provide AUTHORITY within seven (7) days from the date of execution of this Agreement, proof of insurance verifying that CONSULTANT maintains Professional Liability Insurance (Errors and Omissions) in the amount of \$1,000,000. Said Professional Liability Insurance shall be paid for by CONSULTANT, and shall be maintained in full force and effect throughout the term of the Agreement.

5. HOLD HARMLESS AND INDEMNIFICATION. CONSULTANT agrees to indemnify, defend and hold harmless AUTHORITY, its officers, its officials, employees, representatives and agents from and against all claims, lawsuits, liabilities or damages to the extent caused by any negligent act or omission of CONSULTANT, his agents, employees, and subcontractor and employees thereof, pursuant to this Agreement. CONSULTANT shall indemnify AUTHORITY and do whatever is necessary to protect AUTHORITY, its officials, officers, employees, agents, and representatives as to any such claims, lawsuits, liabilities or damages. CONSULTANT's liability for all of the aforesaid matters is limited to the proceeds recovered from insurance carried by the CONSULTANT and within the monetary limits of the insurance specified in Article thereto. In no event shall CONSULTANT or AUTHORITY be liable in contract, tort, strict liability, warranty or otherwise for any special, indirect incidental or consequential damages.

AUTHORITY agrees to hold harmless and defend CONSULTANT, its officers, agents, and employees with respect to any claim or legal proceedings or judgment made, filed, or presented against and foregoing, by reason of AUTHORITY's, its officers, agents, employees, malfeasance, misfeasance, or nonfeasance during the term of this Agreement.

6. ASSIGNMENT. Except as expressly provided herein, this Agreement shall not be assignable by either party without the prior written consent of the other party hereto. No assignment of this Agreement shall relieve the assignor until the Agreement shall have been assumed by the assignee. When duly assigned in accordance with the foregoing, this Agreement shall be binding upon and shall insure to the benefit of the assignee.
7. TERMINATION. If, during the term of this Agreement, AUTHORITY determines that the CONSULTANT is not faithfully abiding by any term of condition contained herein, AUTHORITY may notify CONSULTANT in writing of such defect of failure to perform; which notice must give CONSULTANT a ten (10) day notice time thereafter in which to perform said work or cure the deficiency. If CONSULTANT has not performed the work or cured the deficiency within the number of days specified in the notice, such shall constitute a breach of this Agreement, and AUTHORITY may terminate this Agreement immediately by written notice to CONSULTANT to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under this Agreement. In said event, CONSULTANT shall be entitled to the reasonable value of its service performed from the beginning of the period in which the breach occurs up to the day it received AUTHORITY's notice of termination, minus any offset from such payment representing AUTHORITY's damages from such breach. In no event, however, shall CONSULTANT be entitled to receive in excess of the total lump sum price bid of the proposal and special services.
8. OWNERSHIP OF DOCUMENTS. Reports, model database, electronic maps, as herein required, are the property of AUTHORITY following payment in full to the CONSULTANT for services rendered. Upon completion of all work under this Agreement, or in the event this Agreement is terminated prior to completion of all such work, all documents, plans, specifications, photograph rendering, drawings of the facility, and all other material provided to assist CONSULTANT in performing under this Agreement shall be delivered forthwith to AUTHORITY.

Any use of the aforesaid completed documents for other AUTHORITY projects at other sites and/or any use of the aforesaid incomplete documents without specific, written

verification by CONSULTANT will be at AUTHORITY's sole risk and without liability or legal exposure to CONSULTANT, and AUTHORITY shall indemnify and hold harmless CONSULTANT from all claims, damages, losses and expense, including attorneys' fees, arising out of or resulting therefrom.

9. SUBCONTRACTS. AUTHORITY has entered into this Agreement in order to receive the professional service of CONSULTANT. The provisions of the Agreement shall apply to any subcontractor to CONSULTANT. AUTHORITY shall have the right to approve all subcontractor agreements.
10. ENTIRE AGREEMENT. This Agreement constitutes the whole Agreement between the parties hereto with respect to the subject matter hereof, and neither party nor any of its agents or employees had made any representation except as specifically provided herein. Neither of the parties in executing or performing this Agreement is relying upon any statement or information to whosoever made or given directly or indirectly, verbally or in writing by any individual or corporation except as specifically provided herein. The Agreement may not be modified or altered except in writing signed by all parties of the Agreement.
11. PROHIBITED EMPLOYMENT DISCRIMINATION. In the performance of the terms of this Agreement, CONTRACTOR agrees that it will not engage in, nor permit such subcontractors as it may employ to engage in, discrimination in employment of persons in violation of Government Code Sections 12940 et seq.
12. NOTICES. All communications, notices, and demands of any kind which either party hereto may be required or may desire to give to or serve upon the other party or any office hereof or by enclosing it in a sealed envelope and depositing it in the United States mail, postage prepaid, certified return-receipt, and addressed to the respective parties as follows:

<u>AUTHORITY:</u> San Elijo Joint Powers Authority 2695 Manchester Avenue, P.O. Box 1077 Cardiff by the Sea, California 92007-7077	<u>CONSULTANT:</u> Trussell Technologies, Inc. 232 North Lake Avenue, Suite 300 Pasadena, California 91101
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13. LITIGATION COSTS. In the event an action is filed by either party to enforce any rights or obligations under this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs, in addition to any other relief granted by the Court.
14. AUTHORITY TO EXECUTE AGREEMENT. Both AUTHORITY and CONSULTANT do covenant that each individual executing this Agreement on behalf of each party is a person duly authorized and empowered to execute agreements for such party.
15. THIRD PARTY RIGHTS. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than AUTHORITY and CONSULTANT.

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

SAN ELIJO JOINT POWERS AUTHORITY

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

Date: _____

SAN ELIJO JOINT POWERS AUTHORITY

By: _____
Maggie Houlihan, Chairperson

Date: _____

Trussell Technologies, Inc. (CONSULTANT)

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

Date: _____

SCOPE OF WORK

The purpose of this project is to assist the San Elijo Joint Powers Authority (SEJPA) in the negotiating, selection, and contracting of membrane filtration equipment for the desalination system. The proposed scope of work for this project is outlined below.

TASK 1 – Summarize Commercialized Membrane Filtration Equipment

Trussell Technologies, Inc. will contact membrane filtration (MF) manufacturers and conduct a survey of existing facilities with MF equipment being used in wastewater applications. Trussell Technologies, Inc will contact plant staff at these various facilities to document current performance, including design flux, operating flux, cleaning intervals, chemical consumption, required number of operations and maintenance staff. A draft technical memorandum (TM) will be prepared and provided to the SEJPA for review and comments. Trussell Technologies will prepare a final TM that incorporates SEJPA comments.

TASK 2 – Negotiate Scope of Supply and Contract Terms

Trussell Technologies will review the contract terms provided by three membrane filtration manufacturers. The warranty conditions will be reviewed and any comments suggestions will be developed in collaboration to provide written response to the manufacturer. The scope and specifications of supply included with the submittal will be reviewed for suitability in the SEWRF application.

TASK 3 – Recommend Preferred MF Equipment for Lease

Upon completion of the survey and negotiations, a letter of recommendation will be made to the SEJPA to summarize the findings from Tasks 1 and 2.

SCHEDULE

Trussell Technologies, Inc. estimates that these tasks can be completed in 26 weeks from the notice to proceed.

PROPOSED FEE

The professional services fee for the scope of work outlined above is \$24,592. The level of effort for each task is provided in the table below:

Task Number	Level of Effort
1	\$13,672
2	\$9,360
3	\$1,560
TOTAL	\$24,592

The 2010 billing rates are provided as an attachment.



TRUSSELL TECHNOLOGIES, INC.
HOURLY BILLING RATES
 Effective: January 2010

	Billing Rate		
	Normal Hourly Rate ¹	Expert Daily Rate ²	
Senior Company Officer	\$ 280	\$ 3,360	R. Rhodes Trussell, Ph.D., P.E.
Principal Engineer III	\$ 226	\$ 2,712	
Principal Engineer II	\$ 209	\$ 2,511	
Principal Engineer I	\$ 194	\$ 2,325	Jennifer Aieta, M.S., P.E.; R. Shane Trussell, Ph.D., P.E.
Supervising Engineer III	\$ 179	\$ 2,153	David R. Hokanson, Ph.D., P.E.; Céline Trussell, P.E.
Supervising Engineer II	\$ 166	\$ 1,993	
Supervising Engineer I	\$ 154	\$ 1,846	Fred Gerringer, D.Env., P.E.; Elaine Howe, P.E.
Senior Engineer III	\$ 142	\$ 1,709	Gordon Williams, Ph.D.
Senior Engineer II	\$ 132	\$ 1,582	Sangam Tiwari, Ph.D.
Senior Engineer I	\$ 122	\$ 1,465	
Engineer II	\$ 113	-	Joanne Chiu, Eileen Idica, Ph.D.
Engineer I	\$ 105	-	Zachary Scott
Associate Engineer II	\$ 97	-	Teresa Venezia, Emily Owens
Associate Engineer I	\$ 90	-	Jay Wang,
Office Manager III	\$ 90	-	Jayne Chesebrough, Brett Faulkner
Assistant Engineer II	\$ 83	-	
Office Manager II	\$ 83	-	
Assistant Engineer I	\$ 77	-	Tina Jones
Office Manager I	\$ 77	-	
Office Assistant II	\$ 71	-	Liz Odle
Office Assistant I	\$ 66	-	

1. Time will be billed in increments of one half hour

2. Time will be billed in increments of one day

Other Direct Costs

Mileage for vehicle use to be reimbursed at current IRS rate.

Travel, equipment rental and other direct costs to be reimbursed at actual cost plus five percent.

Outside Professional Services:

Outside professional services to be reimbursed at actual cost plus fifteen percent.

Office Charges

An additional charge of \$9/hour will be added for each employee to cover costs of computer, telephone, copying, faxing, and courier services.

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 12, 2010

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RESOLUTION OF INTENT STATING THE BOARD OF DIRECTOR'S GOAL OF HAVING SEJPA EMPLOYEES PAY THE FULL EMPLOYEE RATE TO THE CALPERS RETIREMENT PLAN

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve Resolution 2010-09, Resolution of the Board of Directors of San Elijo Joint Powers Authority Stating Its Goal that Employees Pay the Full CalPERS Employee Rate of Contribution No Later Than July 1, 2014; and
2. Discuss and take action as appropriate.

BACKGROUND

Like many state and local government agencies, the SEJPA provides its employees with retirement benefits through the California Public Employees' Retirement System (CalPERS). The retirement system requires funding contributions from both the employee and the employer. For the retirement plan that the SEJPA selected, the employees' contribution rate is 8 percent of their salary. For the Fiscal Year (FY) 2010-11, the SEJPA employees will contribute 4.2 percent and the SEJPA will contribute 3.8 percent to the Employees cost of this benefit. Beginning FY2011-12, the employees' contribution will increase to 5.2 percent and the SEJPA contribution will decrease to 2.8 percent. The Board of Directors has determined that prudent policy for maintaining fiscal control of retirement costs is for the employees to increase their contribution to this benefit, with the goal of having the employees pay the full 8 percent by July 2014. Therefore, the Board of Directors and the SEJPA's General Manager have worked together in developing a Resolution of Intent to memorialize this goal of the Board.

DISCUSSION

The Resolution of Intent (Resolution 2010-09) was presented to the Board of Directors at the June 2010 regular meeting. In the meeting, the Board provided additional comments on the resolution. These comments have been incorporated and the resolution is now ready for consideration by the Board.

It is therefore recommended that the Board of Directors:

1. Approve Resolution 2010-09, Resolution of the Board of Directors of San Elijo Joint Powers Authority Stating Its Goal That Employees Pay the Full CalPERS Employee Rate of Contribution No Later Than July 1, 2014; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, PE
General Manager

Attachment: Resolution 2010-09, Resolution of the Board of Directors of San Elijo Joint Powers Authority Stating Its Goal That Employees Pay the Full CalPERS Employee Rate of Contribution No Later Than July 1, 2014

ATTACHMENT

RESOLUTION NO. 2010-09

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN ELIJO JOINT POWERS AUTHORITY
STATING ITS GOAL THAT EMPLOYEES PAY THE FULL CALPERS
EMPLOYEE RATE OF CONTRIBUTION NO LATER THAN JULY 1, 2014**

WHEREAS, the San Elijo Joint Powers Authority (SEJPA), which provides direct employment of SEJPA employees (Employees), has met with its Employees regarding the wages, benefits and certain other items and conditions of employment for the fiscal years 2010-2011 and 2011-2012;

WHEREAS, the Employees of SEJPA are a valuable and important part of the organization of SEJPA and shall continue to have the opportunity to meet with SEJPA on compensation, benefits, and other terms and conditions of employment regarding future fiscal years;

WHEREAS, SEJPA participates in the California Public Employees' Retirement System (CalPERS), 2.5% at 55 Full Formula, One-Year Final Compensation for active SEJPA miscellaneous members;

WHEREAS, the CalPERS employee rate of contribution is eight percent (8%); and

WHEREAS, Employees currently contribute a percentage of the CalPERS employee rate of contribution and SEJPA contributes a percentage of the CalPERS employee rate of contribution, in addition to the CalPERS employer contribution, as established by SEJPA Board of Directors (Board) resolution adopting salary and benefits for the pertinent fiscal year;

NOW THEREFORE, be it resolved by the Board of Directors (Board) of the SEJPA that it is the Board's goal that, subject to further input from Employees during the labor negotiation process for future fiscal years, Employees will pay the full CalPERS employee rate of contribution no later than July 1, 2014.

This resolution states the Board's goal; however, it does not establish Employee and SEJPA contribution rates for future fiscal years. The Board must take further action to establish Employee and SEJPA contribution rates for future fiscal years.

Passed and Adopted by the Board of Directors of the SEJPA this _____ day of _____, 2010, by the following vote:

AYES: Boardmembers:
NOES: Boardmembers:
ABSENT: Boardmembers:
ABSTAIN: Boardmembers:

Maggie Houlihan, Chairperson
SEJPA Board of Directors

ATTEST:

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

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 12, 2010

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: DISCUSSION OF DRAFT RECYCLED WATER INFRASTRUCTURE
INCENTIVE AGREEMENT WITH SANTA FE IRRIGATION DISTRICT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) owns and operates a municipal recycled water utility that serves the cities of Encinitas, Solana Beach, and Del Mar. The SEJPA owns the infrastructure of this utility, including the treatment, storage, and distribution facilities, and wholesales the water to the local water districts that have purvey rights to the water customers. The SEJPA currently has agreements with three retail water purveyors; the City of Del Mar, the Santa Fe Irrigation District (SFID), and the San Dieguito Water District (SDWD), for purchasing recycled water and retailing it to the end customer. The total commitment value of these contracts is 1,244 acre-feet per year (AFY) and the current actual usage fluctuates between 1,200 and 1,300 AFY.

The SEJPA has near-term goals of increasing recycled water demand to at least 1,600 AFY and to build demineralization treatment, which is needed to meet water quality requirements.

At the present time, the SEJPA is focusing on financing and constructing the demineralization system, which has an estimated cost of \$5 million. As the agency's financial resources are limited, the cost burden of the demineralization project will reduce the SEJPA's means to expand the conveyance system needed to reach new customers. To address this, staff is working with SFID and SDWD to examine new opportunities for cost sharing in the expansion of the recycled water program. The draft Recycled Water Infrastructure Incentive Agreement is one option that can facilitate the expansion of the recycled water pipeline system to serve new customers and expand recycled water usage.

DISCUSSION

SFID has identified two large potable water customers that are strong candidates for conversion to recycled water. The combined water use of these sites is on the order of 90 AFY or enough water to server about 200 homes annually. The pipeline needed to reach these customers is

less than a mile in length, if extended from the existing SEJPA recycled water system. SFID has expressed interest in building this pipeline extension and converting the two large customers to recycled water. In addition, there are other potential customer sites that this pipeline could serve as well.

Working collaboratively, SFID and SEJPA staffs have prepared a draft agreement that would allow SFID to finance, build, and own this pipeline. In this proposed agreement, SFID would be responsible for permits, design, construction, and inspection. The estimated total cost is less than \$1 million and will be funded by SFID. In return, the SEJPA will provide incentive funding of \$450 per AF to SFID for all beneficial recycled water usage from customers served by this pipeline. The cost to SEJPA would be fully offset by the MWD/SDCWA incentive program for each AF sold through the new pipeline. The intent of this agreement is to provide an incentive to SFID to connect new customers promptly to this pipeline, which provides financial benefits to the SEJPA and broader environmental benefits to the region.

Currently, the SEJPA receives similar incentives from San Diego County Water Authority (SDCWA) and Metropolitan Water District (MWD) for recycled water that is beneficially used. The SEJPA has these performance incentives until the year 2025 and for water deliveries up to 1600 AF annually. Since the SEJPA's annual water sales are approximately 1,200 to 1,300 AF, the SEJPA is not using its full allotment of its performance incentives. The proposed draft agreement with SFID would allow a portion of these unused credits to assist SFID's recuperating some of the cost to construct the pipeline. Furthermore, this agreement could also be used as the basis for similar agreements with SDWD or the City of Del Mar to provide incentives to those entities to construct pipelines or other facilities at their cost to increase recycled water use.

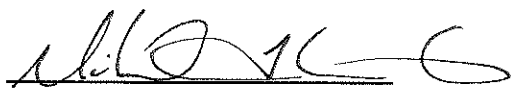
FINANCIAL IMPACT

The proposed agreement has no negative financial impact to the SEJPA with the potential for increasing revenues by \$100,000 annually assuming new customer use of 90 AFY from this pipeline. The agreement allows SFID to finance, design, and construct recycled water pipeline extensions at their cost while complying with the SEJPA's design standards. SFID will own these pipeline extensions and will be responsible for any future maintenance costs associated with pipelines and any appurtenance equipment (air vacuum breakers, water blow offs, valves, etc.). The construction of new pipelines will lead to new customer connections, providing the SEJPA the opportunity to deliver more recycled water without taking on additional infrastructure debt.

It is therefore recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment: SFID Draft Second Amendment

ATTACHMENT

DRAFT
June 30, 2010

**SECOND AMENDMENT TO AGREEMENT FOR SALE OF RECLAIMED WATER
TO THE SANTA FE IRRIGATION DISTRICT
BY THE SAN ELIJO JOINT POWERS AUTHORITY**

This AMENDMENT is made and entered into this ___ day of _____, 2010, by and between the SAN ELIJO JOINT POWERS AUTHORITY, a joint powers authority created by the City of Solana Beach and City of Encinitas (hereinafter called the "SEJPA"), and the SANTA FE IRRIGATION DISTRICT (hereinafter called the "Reclaimed Water Purveyor").

RECITALS

WHEREAS, the SEJPA and the Reclaimed Water Purveyor have entered into an agreement dated October 10, 1996, hereinafter referred to as the "Purveyor Agreement" for sale of reclaimed water by the SEJPA to the Reclaimed Water Purveyor; and

WHEREAS, a First Amendment of the Purveyor Agreement was executed on August 14, 2000 in order to modify duties related to customer service and compliance monitoring; and

WHEREAS, a Joint Participation Agreement For Local Water Supply Development Program Funding dated July 1, 2008 between the San Diego County Water Authority, San Dieguito Water District, SEJPA, and Reclaimed Water Purveyor establishes provisions for the utilization of Local Water Supply Development Program (LWSDP) financial incentives for reclaimed water supplied by the SEJPA; and

WHEREAS, the Reclaimed Water Purveyor is funding the construction and operation of an extension of the SEJPA's reclaimed water distribution system to serve new reclaimed water customers and expand the allowable project yield as defined in the Joint Participation Agreement For Local Water Supply Development Program Funding; and

WHEREAS the Reclaimed Water Purveyor will own, operate, and be responsible for the new reclaimed water pipelines funded and constructed by the Recycled Water Purveyor; and

WHEREAS extension of the reclaimed water distribution system and the associated increased reclaimed water use is mutually beneficial to SEJPA and Reclaimed Water Purveyor.

COVENANTS

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the SEJPA and Reclaimed Water Purveyor agree as follows:

1. That said Purveyor Agreement and First Amendment remain in effect with the following revisions to clarify SEJPA and Reclaimed Water Purveyor responsibilities and application of financial incentives associated with Reclaimed Water Purveyor extensions to the SEJPA's reclaimed water distribution system.

2. That Section 1, Definitions - be revised as follows:

- (G) "Reclaimed Water Distribution System" means the pumps, storage reservoirs, pipelines, and appurtenant valves, metering, and pressure controlling devices necessary to convey the reclaimed water from the San Elijo WRF to the point of delivery .
- (I) "Point of Delivery" means the location where the SEJPA's reclaimed water distribution system delivers reclaimed water to the Reclaimed Water Purveyor owned facilities (water service meter or purveyor-owned pipeline), and shall be the point at which ownership and responsibility of the reclaimed water transfers from the SEJPA to the Reclaimed Water Purveyor.

3. That Section 4, QUANTITY TO BE DELIVERED be revised as follows:

The first sentence shall be revised to say "up to 1.2 million gallons" from "up to 0.94 million gallons". All other terms of this section remain unchanged.

4. That Section 6, OWNERSHIP, OPERATION, AND MAINTENANCE be revised as follows:

The SEJPA shall own and be responsible for the operation and maintenance of the reclaimed water treatment and distribution system components (up to the point of delivery) funded and constructed by the SEJPA. This includes service lines up to but not including customer's reclaimed water meters. Upon request by the Reclaimed Water Purveyor, the SEJPA shall also provide customer relation services, such as responding to telephone and written inquiries about reclaimed water.

The Reclaimed Water Purveyor shall own and be responsible for the operation and maintenance of reclaimed water distribution piping that is funded and constructed by the Reclaimed Water Purveyor. The Reclaimed Water Purveyor shall design and construct distribution system extensions in accordance with the Water Agency Standards. Design and construction initiated by the Reclaimed Water Purveyor shall be closely coordinated with the SEJPA. The Reclaimed Water Purveyor shall be responsible for obtaining all construction permits associated with distribution system extensions initiated and implemented by the Reclaimed Water Purveyor. The Reclaimed Water Purveyor shall be responsible for compliance with the SEJPA's Recycled Water Master Permit (Order No. 2000-10 or superseding Orders) for the operation and maintenance of pipeline extensions and customer connections that fall under this agreement.

5. That Section 13, INCENTIVES AND REBATES, be revised as follows:

Incentives, rebates, grants and/or loans obtained to build and operate the SEJPA's reclaimed water treatment plant and distribution system from the San Diego County Water Authority (CWA), Metropolitan Water District of Southern California, California Water Resources Control Board, et. al., shall be used by the SEJPA to construct, operate, and maintain said system, and to reduce the cost of recycled water to the Reclaimed Water Purveyor and the SEJPA's other

recycled water customers, if any. If additional incentives, rebates, grants and/or loans are obtained by the SEJPA after the initial calculation of the cost of recycled water as detailed in the October 10, 1996 AGREEMENT, the cost of recycled water to the Reclaimed Water Purveyor shall be renegotiated in accordance with SECTION 11 of the AGREEMENT.

It is understood that if the Reclaimed Water Purveyor constructs extensions to the SEJPA's distribution system, that the Reclaimed Water Purveyor shall receive a credit from the SEJPA equal to all CWA and MWD incentives and/or rebates associated with the increase in Allowable Project Yield made possible by the extension of the distribution system (currently this amount is \$450 per afy) for the full term (currently 25 years) of the CWA incentive agreement dated 27 January 2000 (and modified July 2008) and full term of the MWD incentive agreement dated 01 July 1999. The increase in Allowable Project Yield shall be calculated using the recorded reclaimed water customer meters or master meters connected to said pipeline extensions. The total value of the incentives/rebates directed to the Reclaimed Water Purveyor over the term of this agreement cannot exceed the total value of the constructed pipelines. For example; assume the Reclaimed Water Purveyor constructs a pipeline for the total capital cost of \$1.0 million. Also assume the customers connected to the pipeline use 100 afy. Therefore, the total value of the SEJPA credit to the Recycled Water Purveyor is \$45,000 per year ($\$450/\text{afy} \times 100 \text{ afy}$). If the pipelines are constructed in 2010, then there will be a maximum credit term of 15 years (term of the existing CWA incentive agreement). Assuming a \$45,000 credit each year, then the total payout to the Recycled Water Purveyor would be \$675,000 ($\$45,000 \times 15 \text{ yrs}$) which would be acceptable since it would not exceed the total value of the pipeline cost. This example is based on the terms of the current agreements with CWA and MWD, which could change in the future.

Before the activation of any Reclaimed Water Purveyor pipelines, the Purveyor shall submit to the SEJPA the total capital cost of the new pipeline for inclusion to this agreement. The SEJPA will have 60 calendar days to accept the pipeline cost accounting.

It is further understood that by accepting this funding from the SEJPA, the Reclaimed Water Purveyor shall be ineligible to apply for similar financial incentives from either CWA or MWD, as this would be considered double dipping. This AGREEMENT does not prevent the Reclaimed Water Purveyor from pursuing incentives or rebates for other water reclamation projects.

IN WITNESS WHEREOF, the parties hereto have caused this SECOND AMENDMENT to be executed and be effective immediately upon execution by both parties.

SAN ELIJO JPA

SANTA FE IRRIGATION DISTRICT

By:

By:

Title:

Title:

Date:

Date:

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 12, 2010

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: GENERAL MANAGER PERFORMANCE REVIEW

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.


DISCUSSION

Adjourn to closed session per Government Code Section 54957 with respect to Public Employee Performance Evaluation; Title: General Manager.

It is therefore recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager