

**AGENDA**  
**SAN ELIJO JOINT POWERS AUTHORITY**  
**MONDAY JULY 14, 2014 AT 9:00 AM**  
**SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM**  
**2695 MANCHESTER AVENUE**  
**CARDIFF BY THE SEA, CALIFORNIA**

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

Integrated Regional Water Management Grant
6. \* **CONSENT CALENDAR**
7. \* APPROVAL OF MINUTES FOR THE JUNE 9, 2014 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. \* CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY – CULTURE SURVEY SAFETY, HEALTH, ENVIRONMENTAL, LIABILITY, AND LOSS
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. **CONSIDER APPROVAL OF AN AGREEMENT WITH THE OLIVENHAIN MUNICIPAL WATER DISTRICT FOR THE SALE OF RECYCLED WATER FOR THE VILLAGE PARK PROJECT AND CAPITAL COST SHARING**

1. Approve the 2014 OMWD Recycled Water Wholesale Agreement and Authorize the General Manager to sign on behalf of the Agency;
2. Approve the Agreement for the Construction of Improvements Related to the Village Park Recycled Water Project and Authorize the General Manager to sign on behalf of the Agency; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

14. **CONSIDERATION OF CONSTRUCTION CONTRACT – SOLANA BEACH STORM WATER DIVERSION STRUCTURE**

1. Authorize the General Manager to Award Construction Contract to C.E. Wilson Corporation for an amount not to exceed \$131,527; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

15. **GENERAL MANAGER'S REPORT**

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

16. **GENERAL COUNSEL'S REPORT**

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

17. **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.

18. **CLOSED SESSION**

A closed session will be held per Government Code Section 54957: 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".

19. **ADJOURNMENT**

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, September 8, 2014 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](http://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 9, 2014



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

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON JUNE 9, 2014  
AT THE  
SAN ELIJO WATER RECLAMATION FACILITY

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Mark Muir, Chair

David Zito, Vice Chair

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A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, June 9, 2014, 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

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

2. ROLL CALL

*Directors Present:*

Thomas M. Campbell  
Mark Muir  
David Zito

*Directors Absent:*

Teresa Barth

*Others Present:*

General Manager  
Director of Operations  
Director of Finance & Administration  
Administrative Assistant

Michael Thornton  
Christopher Trees  
Paul Kinkel  
Jennifer Basco

*SEJPA Counsel:*

Procopio, Cory, Hargreaves & Savitch

Greg Moser

*City of Encinitas:*

Associate Civil Engineer  
Public Works Management Analyst

Kipp Hefner  
Bill Wilson

*City of Solana Beach:*

City Manager  
Director of Engineering/Public Works

David Ott  
Mohammad "Mo" Sammak

3. PLEDGE OF ALLEGIANCE

Chair Muir led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

General Manager Thornton presented the Southwest Membrane Operator Association Outstanding Membrane Plant Award to the Board of Directors. The SEJPA received this award in recognition of outstanding plant operations and maintenance, and exemplary membrane treatment plant performance for the Advanced Water Treatment Facility.

6. CONSENT CALENDAR

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

Motion carried with unanimous vote of approval:

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the May 12, 2014 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 2014-2015 BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF SEJPA TREASURER

Paul F. Kinkel, Director of Finance/Administration, reported that the Recommended Budget for FY 2014-2015 was presented to both Member Agencies and other government agencies, which receive services by the SEJPA. From these meetings, there were no requested changes to the proposed budget. Mr. Kinkel also informed the Board of Directors that within the scope of State law, the SEJPA evaluated alternative investment options for Fiscal Year 2014-2015, including the California Asset

Management Program (CAMP). At this time, staff is not recommending any changes to the SEJPA's investment policy.

Moved by Vice Chair Zito and seconded by Member Campbell to:

1. Adopt Resolution No. 2014-03, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2014-2015; and
2. Adopt Resolution No. 2014-04, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of SEJPA Treasurer.

Motion carried with the following vote of approval:

AYES: Campbell, Muir, Zito  
NOES: None  
ABSENT: Barth  
ABSTAIN: None

14. CONSIDERATION OF PROVIDING WASTEWATER TREATMENT SERVICE TO THE CITY OF DEL MAR

General Manager Thornton informed the Board of Directors that negotiations with the City of Del Mar for providing wastewater treatment services to the City of Del Mar have been finalized. The Del Mar City Council reviewed the proposed agreement on June 2, 2014 and passed a resolution directing the City Manager to execute the agreement. The agreement is contingent on Del Mar and Solana Beach agreeing to terms for wastewater conveyance. An agreement for conveyance between the parties has been drafted.

Moved by Chair Muir and seconded by Member Campbell to:

1. Authorize the General Manager to enter into agreement with the City of Del Mar for providing wastewater treatment services, contingent upon the City of Solana Beach and the City of Del Mar entering into agreement for wastewater conveyance.

Motion carried with the following vote of approval:

AYES: Campbell, Muir, Zito  
NOES: None  
ABSENT: Barth  
ABSTAIN: None

15. GENERAL MANAGER'S REPORT

General Manager Thornton informed the Board of Directors that the SEJPA participated in the Encinitas Earth Day community event. Next, Mr. Thornton stated that he presented, along with Ms. Kimberly Thorner, General Manager of Olivenhain Municipal Water District, to the Business Leadership Alliance. The topic of the

presentation was the North San Diego County Regional Recycled Water Project and how it integrates into the region's strategy for water supply diversity and local control. Mr. Thornton then stated a meeting with the Army Corp of Engineers is scheduled for June 20, 2014 to discuss regional recycled water projects and how they might qualify for Water Resources Reform and Development Act (WRRDA) funding. Next, Mr. Thornton shared the concept of a multi-agency potable reuse project and how it could come to fruition. Lastly, the General Manager stated that Primo Wind proposes to install a prototype wind turbine at the San Elijo Water Reclamation Facility to evaluate if there is a viable technology and source of energy for the facility.

16. GENERAL COUNSEL'S REPORT

Greg Moser reported on *City of Montebello v. Rosemarie Vasquez et al.*, in which the City of Montebello is seeking declaratory relief for violations of Government Code section 1090. 1090 prohibits city officers and employees from having a financial interest in any contract made by them in their official capacity.

17. BOARD MEMBER COMMENTS

None

18. CLOSED SESSION

The Board of Directors adjourned to closed session at 9:39 a.m., with Michael Thornton per Government Code Section 54957: Employee Performance Evaluation. Title: General Manager.

The Board of Directors came out of closed session at 9:52 a.m. with no reportable action.

19. ADJOURNMENT

The meeting adjourned at 9:53 a.m. The next Board of Directors meeting will be held on July 14, 2014.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

**SAN ELIJO JOINT POWERS AUTHORITY****PAYMENT OF WARRANTS****14-07****For the Month of June-2014**

<b>Check #</b>	<b>Vendor Name</b>	<b>Description</b>	<b>Amount</b>	
30282	Appliance Repair Bookkeeping	Services - Maintenance	Refrigerator repair	195.73
30283	Arrowhead	Supplies - Lab	Kitchen and lab supplies	333.44
30284	AT &T - 9777	Utilities - Telephone	DSL - 04/13/14 - 05/15/14	342.71
30285	AT&T	Utilities - Telephone	DSL - 04/10/14 - 05/09/14	88.67
30286	AT&T	Utilities - Telephone	DSL - 04/20/14 - 05/19/14	89.19
30287	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	1,019.79
30288	Barracuda Networks, Inc	Utilities - Internet	SCADA back-up	50.00
30289	The Brickman Group LTD	Services - Landscape	Landscape service - June	385.00
30290	Marisa Buckles	Subsistence - Travel	Mileage	19.45
30291	California Water Technologies	Supplies - Chemicals	Ferric chloride	5,223.39
30292	Calscience Environmental Lab	Services - Laboratory	Testing water samples	303.00
30293	Chick's Electric Motor Service	Repair Parts Expense	Back-up motor for belt press	506.06
30294	Complete Office	Supplies - Office	Office supplies	193.72
30295	Dudek & Associates	Services - Engineering	Emergency power project - final design	2,771.00
30296	GCS Service Inc.	Services - Maintenance	Autoclave repair	441.50
30297	Fastenal Company	Supplies - Shop & Field	WD40 and batteries	73.15
30298	Ferguson Waterworks	Repair Parts Expense	Plumbing hardware	631.48
30299	Golden State Overnight	Postage/Shipping	Mailing lab samples	59.38
30300	Hach Company	Services - Maintenance	Turbidity sensors	4,525.00
30301	Harrington Industrial Plastics	Repair Parts Expense	Bushings and adapters	596.51
30302	Health and Human Resource	Employee Assistance Program	June	317.68
30303	Hoch Consulting, APC	Services - Engineering	Project engineering services	8,080.00
30304	Home Depot Credit Services	Supplies - Shop & Field	Plumbing hardware and electrical supplies	333.50
30305	John Deere Landscapes, Inc.	Repair Parts Expense	Plumbing supplies	259.74
30306	King Lee Chemical Co.	Supplies - Chemicals	Liquid antiscalant	1,036.27
30307	The Lawton Group	Services - Intern Program	Weeks worked - 04/28/14 - 05/18/14	607.50
30308	LCI Backhoe Service	Subcontractors	Excavation	500.00
30309	MegaPath Corporation	Utilities - Internet	T-1 services - June	279.27
30310	Motion Industries, Inc.	Repair Parts Expense	Eurodrive	853.25
30311	Nobel Systems	Service - IT Support	GeoViewer	8,600.00
30312	Oceanside Driveline	Repair Parts Expense	Carbon-fiber shaft	1,728.00
30313	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium Hypochlorite	2,667.50
30314	OneSource Distributors, Inc.	Licenses	Automation control hardware product support	1,400.00
30315	Pacific Green Landscape	Services - Landscape	Landscape service - May	1,125.00
30316	Parada Painting	Subcontractors	Prep, prime, and coat pipes	27,445.06
30317	P.E.R.S.	Medical Insurance - PERS	Health - June	18,138.69
30318	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 05/10/14 - 05/23/14	15,008.72
30319	Procopio Cory Hargreaves	Services - Legal	General Legal	2,080.50
30320	RSF Security Systems	Services - Alarm	Security - 06/01/14 - 08/31/14	1,413.00
30321	Safe-Entry	Supplies - Safety	Gas detector	825.41
30322	Santa Fe Irrigation District	Utilities - Water	Seabright - 03/03/14 - 05/02/14	70.87
30323	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 04/07/14 - 05/06/14	57,102.08
30324	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - June	1,323.48
30325	T.S. Industrial Supply	Repair Parts Expense	Hose and clamp	118.92
30326	Terminix Processing Center	Services - Maintenance	Pest control - May	217.00
30327	Test America	Services - Laboratory	Testing water samples	145.00
30328	Trussell Technologies, Inc	Services - Engineering	Process engineering and evaluation	838.00
30329	Unifirst Corporation	Services - Uniforms	Uniform service	337.02
30330	UPS	Postage/Shipping	Mailing compliance reports	55.19
30331	Vantagepoint Transfer Agents	EE Deduction Benefits	457 - ICMA	5,872.20
30332	Vantagepoint Transfer Agents	Retirement Plan - PERS	401a - ICMA	2,642.21
30333	Verizon Wireless	Utilities - Telephone	Cell phone service - 04/08/14 - 05/07/14	561.67
30334	WageWorks	Payroll Processing Fees	FSA administration and compliance fee	113.00
30335	Waterman Industries, Inc.	Capital Outlay	Stainless steel gates	12,097.14
30336	Aflac	EE Deduction Benefits	Medical and supplement life insurance	811.08
30337	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling - May	11,921.71
30338	Alliant Insurance	Insurance - Liability	Commerical crime policy - 07/01/14-07/01/15	547.00
30339	Aquatic Bioassay	Services - Laboratory	Lab sample testing	1,040.00
30340	AT & T	Utilities - Telephone	Alarm service	382.82
30341	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	554.88
30342	BankCard Center	Vehicle Maintenance	Standby truck parts, water pumps	2,574.21
30343	Bay City Electric Works	Services - Maintenance	Preventative maintenance on generators	1,311.25



**SAN ELIJO JOINT POWERS AUTHORITY****PAYMENT OF WARRANTS****14-07****For the Month of June-2014**

<b>Check #</b>	<b>Vendor Name</b>	<b>Description</b>	<b>Amount</b>
30344	Bee Friendly	Services - Maintenance	Bee hive removal 300.00
30345	Brenntag Pacific, Inc	Supplies - Chemicals	Sodium Hydroxide 1,957.86
30346	The Brickman Group LTD	Services - Landscape	Repaired sprinkler line 253.00
30347	Coast Waste Management, Inc.	Utilities - Trash	Trash service 114.45
30348	Cortech Engineering, Inc.	Capital Outlay	Pump control system 1,761.52
30349	County of San Diego	Fees - Permits	Facility permit - Olivenhain 292.00
30350	County of San Diego	Fees - Permits	Facility permit - Cardiff 292.00
30351	County of San Diego	Fees - Permits	Facility permit - Eden Gardens 292.00
30352	County of San Diego	Fees - Permits	Facility permit - Solana 292.00
30353	County of San Diego	Fees - Permits	Facility permit - San Elijo Hills 292.00
30354	Crown Point Embroidery	Other Personnel Cost	Employee shirts and hats 433.08
30355	Deluxe	Printing	Accounts payable checks 571.30
30356	EDCO Waste & Recycling Service	Utilities - Trash	Trash service - May 202.41
30357	Ferrellgas	Fuel	Propane for forklift 96.74
30358	Fisher Scientific	Capital Outlay	Incubator 4,254.12
30359	Guardian	Dental/Vision	Dental - 06/01/14 - 06/30/14 1,778.44
30360	Hawthorne	Repair Parts Expense	Hose 34.66
30361	Jani-King of CA, Inc. - SEO	Services - Janitorial	Janitorial service - June 882.64
30362	Jennifer Basco	Subsistence - Travel	Mileage 58.67
30363	Konica Minolta	Services - Maintenance	Monthly copier maintenance 81.63
30364	The Lawton Group	Services - Intern Program	Weeks worked - 05/05/14 - 05/25/14 918.00
30365	Marine Taxonomic Services, LTD	Subcontractors	Water sampling 1,250.00
30366	Marvin J. Paull	Services - Professional	Actuarial valuation of post-retirement benefits 3,340.00
30367	McMaster-Carr Supply Co.	Repair Parts Expense	Plumbing parts 153.17
30368	Napa Auto Parts	Vehicle Maintenance	Truck parts 74.26
30369	Olivenhain Municipal Water	Rent and Services - Lobbying	OMWD pipeline (\$8,379); Lobby (\$12,066) 20,445.00
30370	VOID	VOID	VOID 0.00
30371	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 05/24/14 - 06/06/14 15,008.72
30372	Preferred Benefit Insurance	Dental/Vision	Vision insurance - 06/01/14 - 06/30/14 333.00
30373	ProBuild	Supplies - Shop & Field	Repair, shop, and field supplies 161.31
30374	Rohan & Sons, Inc	Services - Maintenance	Re-set and programmed thermostat 142.50
30375	Rosemount Inc	Repair Parts Expense	Magnetic flowtube transmitters 16,902.47
30376	RSIS, Inc.	Services - Maintenance	Calibrated sensors 845.20
30377	SAF-T-Flo Water Services	Repair Parts Expense	PVC tube with valve 204.51
30378	San Dieguito Water	Utilities - Water	Recycled water meters 9,661.17
30379	Santa Fe Irrigation District	SFID Distribution Pipeline; Utilities	Pipeline (\$1694.01); water meters (\$4658.04) 6,352.05
30380	San Diego Concrete Cutting Co.	Subcontractors	Emergency leak repair 3,250.00
30381	SD SHRM	Dues & Memberships	Membership 125.00
30382	Sunbelt Rentals	Equipment Rental/Lease	Diesel generator - 05/22/14 - 06/18/14 1,890.00
30383	Terminix Processing Center	Services - Maintenance	Pest control 20.00
30384	Michael Thornton	Seminars/Education	WateReuse conference 375.00
30385	Christopher A. Trees	Subsistence - Meals	Meeting 78.67
30386	Unifirst Corporation	Services - Uniforms	Uniform service 224.68
30387	Univar USA Inc.	Supplies - Chemicals	Hydrochloric acid and citric acid 1,218.41
30388	UPS	Postage/Shipping	Ship parts 64.74
30389	Underground Service Alert/SC	Services - Alarm	Dig alerts - May 81.00
30390	USA Bluebook	Repair Parts Expense	Pressure gauge with diaphragm 280.25
30391	Vantagepoint Transfer Agents	EE Deduction Benefits	457 - ICMA 5,872.20
30392	Vantagepoint Transfer Agents	ICMA Retirement	401a - ICMA 2,642.21
30393	VWR International, Inc.	Supplies - Lab	Laboratory supplies 648.07
30394	Waterreuse	Research & Public Education	Direct Potable Reuse Initiative 10,000.00
30395	WEX Bank	Fuel	Fuel - May 1,122.33
30396	World Water Works, Inc.	Repair Parts Expense	Mechanical seal 438.05
30397	Abila	Licenses	Purchase order module and annual support 1,703.89
30398	Alfa Laval Ashbrook Simon-Hart	Repair Parts Expense	Cylinder 300.12
30399	AT&T	Utilities - Telephone	Final invoice 28.43
30400	AT&T	Utilities - Telephone	DSL - 05/10/14 - 06/09/14 88.66
30401	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping 554.88
30402	Brenntag Pacific, Inc	Supplies - Chemicals	Sodium Hydroxide 156.63
30403	Marisa Buckles	Subsistence - Travel	Mileage 18.51
30404	California Water Technologies	Supplies - Chemicals	Ferric Chloride 5,114.24
30405	Calolympic Safety	Supplies - Safety	Calibration gas biosystem and steel hooks 393.30

**SAN ELIJO JOINT POWERS AUTHORITY****PAYMENT OF WARRANTS****14-07****For the Month of June-2014**

<b>Check #</b>	<b>Vendor Name</b>	<b>Description</b>	<b>Amount</b>	
30406	Carollo Engineers	Services - Engineering	Facility plan update	44,233.65
30407	Complete Office	Supplies - Office	Office supplies	287.05
30408	Corodata	Rent	Record storage - May	76.20
30409	County of San Diego	Fees - Permits	Facility permit - Plant	1,717.00
30410	CWEA Membership	Dues & Memberships	Membership	148.00
30411	DC Frost Associates, Inc	Repair Parts Expense	Autobags for Heliclean	491.05
30412	City of Encinitas	Service - IT Support	Administration network	2,000.00
30413	Ferguson Waterworks #1082	Repair Parts Expense	Plumbing supplies	1,283.77
30414	Flo-Systems, Inc.	Repair Parts Expense	Liner cones	1,123.74
30415	Guardian	Dental/Vision	Dental - 07/01/14 - 07/31/14	1,778.44
30416	Hardy Diagnostics	Supplies - Lab	Laboratory supplies	500.79
30417	Hawthorne	Supplies - Shop & Field	Keys for generator	218.17
30418	Health and Human Resource	Employee Assistance Program	July	317.68
30419	Hoch Consulting, APC	Services - Engineering	Project engineering services	8,700.00
30420	Jani-King of CA, Inc. - SEO	Supplies - Janitorial	Janitorial supplies	558.93
30421	The Lawton Group	Services - Intern Program	Weeks worked - 6/02/14 - 06/15/14	1,215.00
30422	McMaster-Carr Supply Co.	Repair Parts Expense	Tubing, pvc pipe, and fuel hose	140.91
30423	MegaPath Corporation	Utilities - Internet	T-1 service - July	279.27
30424	Napa Auto Parts	Vehicle Maintenance	Blower motor	19.21
30425	NEWest Construction	Services - Construction	Emergency generator project	161,514.25
30426	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium Hypochlorite	2,907.04
30427	Olivenhain Municipal Water Dis	Services - Professional	Final design - Via Cantabria pipeline	95,500.00
30428	OneSource Distributors, Inc.	Repair Parts Expense	Meter and fuses	206.37
30429	Pacific Green Landscape	Services - Landscape	Landscape services - June	2,640.00
30430	Pacific Safety Center	Training - Safety	Hazwoper training	175.00
30431	Parada Painting	Subcontractors	Prep, prime, and coat pipe	7,304.94
30432	P.E.R.S.	Medical Insurance - PERS	Health - July	18,138.69
30433	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 06/07/14 - 06/20/14	15,008.72
30434	Procopio Cory Hargreaves	Services - Legal	General - May	1,852.50
30435	Recycle SD, Inc.	Fees - Disposal	Fluorescent lamps and alkaline batteries	40.25
30436	Rohan & Sons, Inc	Services - Maintenance	A/C system maintenance	285.00
30437	SCAP	Services - Legal	Outfall line discharge permit	450.00
30438	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 05/05/14 - 06/04/14	63,811.81
30439	San Elijo Lagoon Conservancy	Due to Other Govt Agencies	Demineralization - 10/1/12 - 01/31/14	8,473.69
30440	T.S. Industrial Supply	Repair Parts Expense	Discharge hose and parts	119.39
30441	Terminix Processing Center	Services - Maintenance	Pest control	242.00
30442	Trussell Technologies, Inc	Services - Engineering	Process engineering and evaluation	430.00
30443	Unifirst Corporation	Services - Uniforms	Uniform service	224.68
30444	The San Diego Union-Tribune	Advertising	Public notice inviting bids	1,034.00
30445	Univar USA Inc.	Supplies - Chemicals	Citric acid and drum deposit	833.53
30446	USA Bluebook	Minor Equip - Shop & Field	pH tester	217.15
30447	Utility Systems Science & Software	Services - Maintenance	Meter rental, cable adapter, and installation	1,373.40
30448	Vantagepoint Transfer Agents	EE Deduction Benefits	457 - ICMA	5,835.36
30449	Vantagepoint Transfer Agents	ICMA Retirement	401a - ICMA	2,642.21
30450	Verizon Wireless	Utilities - Telephone	Cell phone service and GIS equipment	1,431.09
30451	VWR International, Inc.	Supplies - Lab	Laboratory supplies	1,808.51
	San Elijo Payroll Account	Payroll	Payroll - 06/13/14 (Less Retirement Plans)	57,095.89
	San Elijo Payroll Account	Payroll	Payroll - 06/27/14 (Less Retirement Plans)	62,271.11
	Bank Fee		Wire fee	12.00
				<u>\$916,872.58</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Month of June-2014  
As of June 30, 2014**

PAYMENT OF WARRANTS		\$ 916,872.58
Reference Number	14-07	

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.



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Paul F. Kinkel  
Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS  
AND INVESTMENT INFORMATION  
As of June 30, 2014

FUNDS ON DEPOSIT WITH	AMOUNT
<b>LOCAL AGENCY INVESTMENT FUND</b> <i>(JANUARY 2014 YIELD 0.23%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 6,378,573.57
<b>CALIFORNIA BANK AND TRUST</b> <i>(JANUARY 2014 YIELD 0.01%)</i>	
REGULAR CHECKING	\$ 676,511.40
PAYROLL CHECKING	\$ 5,000.00
 TOTAL RESOURCES	 \$ 7,690,084.97

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 14, 2014

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

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

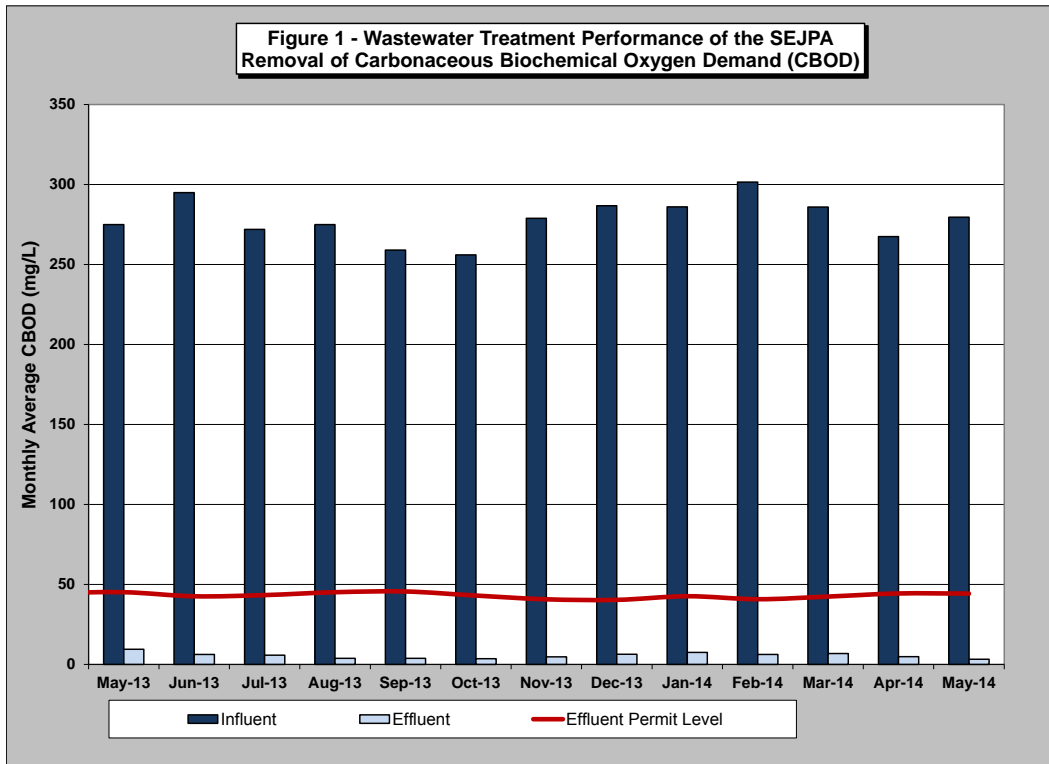
RECOMMENDATION

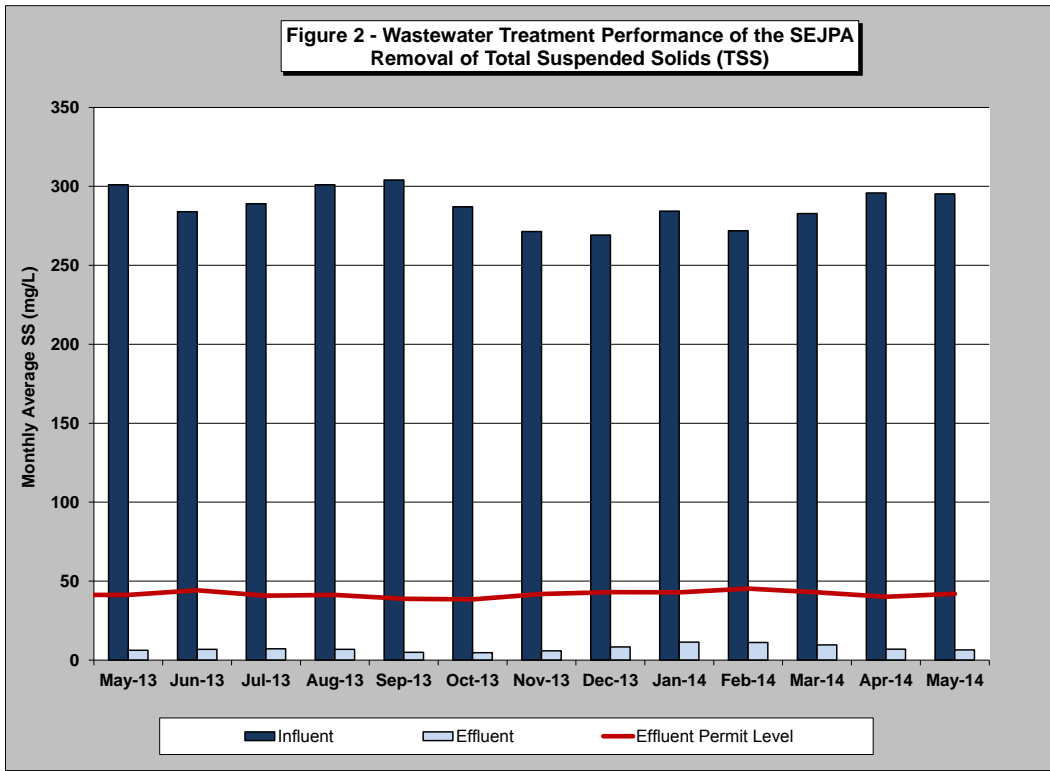
No action required. This memorandum is submitted for information only.

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 2014. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for CBOD and TSS were 98.9 and 97.8 percent removal, respectively, in the period (as shown in Figure 1 and 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 calculated for the San Elijo Water Reclamation Facility.

	May	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.353	0.159
City of Solana Beach	1.127	0.132
Rancho Santa Fe SID	0.124	0.015
<b>Total San Elijo WRF Flow</b>	<b>2.604</b>	<b>0.306</b>

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 (next page) 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 ELIJO 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	SB	TOTAL PLANT	CSD	RSF	SB	TOTAL PLANT	CSD EDUS	RSF CSD EDUS	SB EDUS	TOTAL EDUS	CSD	RSF	SB	TOTAL PLANT
May-09	1.465	0.117	1.247	2.829	0.712	0.057	0.606	1.375	8,185	464	7,728	16,377	179	252	161	173
Jun-09	1.479	0.115	1.319	2.913	0.712	0.056	0.635	1.403	8,185	465	7,728	16,378	181	248	171	178
Jul-09	1.437	0.109	1.376	2.922	0.599	0.045	0.573	1.217	8,186	467	7,728	16,381	176	234	178	181
Aug-09	1.431	0.113	1.419	2.963	0.603	0.047	0.598	1.248	8,186	467	7,728	16,381	175	242	184	178
Sep-09	1.404	0.108	1.346	2.858	0.690	0.053	0.661	1.404	8,187	468	7,728	16,383	171	231	174	174
Oct-09	1.375	0.108	1.332	2.815	0.744	0.058	0.721	1.523	8,187	468	7,728	16,383	168	231	172	172
Nov-09	1.366	0.111	1.323	2.800	0.843	0.069	0.816	1.728	8,189	469	7,728	16,386	167	237	171	171
Dec-09	1.401	0.127	1.322	2.850	1.149	0.104	1.084	2.337	8,193	469	7,728	16,390	171	271	171	174
Jan-10	1.532	0.155	1.372	3.059	1.271	0.128	1.138	2.537	8,196	472	7,728	16,396	187	329	178	187
Feb-10	1.487	0.148	1.382	3.017	1.371	0.136	1.274	2.781	8,197	474	7,728	16,399	181	313	179	184
Mar-10	1.455	0.145	1.398	2.998	1.108	0.110	1.064	2.282	8,198	474	7,728	16,400	177	306	181	183
Apr-10	1.451	0.137	1.391	2.979	1.058	0.100	1.014	2.172	8,198	474	7,728	16,400	177	289	180	182
May-10	1.379	0.128	1.385	2.892	0.672	0.063	0.675	1.410	8,201	474	7,728	16,403	168	270	179	176
Jun-10	1.437	0.122	1.453	3.012	0.650	0.055	0.657	1.362	8,202	474	7,728	16,404	175	258	188	184
Jul-10	1.375	0.119	1.466	2.960	0.694	0.061	0.740	1.495	8,204	475	7,728	16,407	168	251	190	180
Aug-10	1.366	0.125	1.451	2.942	0.585	0.053	0.621	1.259	8,205	475	7,728	16,408	166	263	188	179
Sep-10	1.346	0.114	1.342	2.802	0.627	0.053	0.626	1.306	8,207	475	7,728	16,410	164	240	174	171
Oct-10	1.413	0.123	1.311	2.847	1.177	0.102	1.092	2.371	8,207	477	7,728	16,412	172	258	170	173
Nov-10	1.399	0.117	1.297	2.813	1.090	0.091	1.011	2.192	8,209	478	7,728	16,415	170	245	168	171
Dec-10	1.605	0.215	1.375	3.195	1.417	0.189	1.214	2.820	8,212	478	7,728	16,418	195	450	178	195
Jan-11	1.452	0.158	1.338	2.948	1.272	0.139	1.172	2.583	8,227	478	7,728	16,433	176	331	173	179
Feb-11	1.413	0.156	1.339	2.908	1.176	0.130	1.114	2.420	8,228	480	7,728	16,436	172	325	173	177
Mar-11	1.387	0.208	1.343	2.938	1.186	0.178	1.148	2.512	8,229	480	7,728	16,437	169	434	174	179
Apr-11	1.320	0.181	1.323	2.824	0.867	0.118	0.869	1.854	8,248	482	7,728	16,458	160	376	171	172
May-11	1.327	0.162	1.320	2.809	0.564	0.069	0.561	1.194	8,248	483	7,728	16,459	161	336	171	171
Jun-11	1.343	0.156	1.390	2.889	0.545	0.063	0.564	1.172	8,249	483	7,728	16,460	163	323	180	176
Jul-11	1.293	0.151	1.430	2.874	0.425	0.050	0.470	0.945	8,250	484	7,728	16,462	157	312	185	175
Aug-11	1.292	0.150	1.405	2.847	0.479	0.056	0.521	1.056	8,252	485	7,728	16,465	157	310	182	173
Sep-11	1.262	0.146	1.333	2.741	0.564	0.066	0.596	1.226	8,254	486	7,728	16,468	153	301	172	166
Oct-11	1.260	0.142	1.303	2.705	0.730	0.082	0.755	1.567	8,260	486	7,728	16,474	153	292	169	164
Nov-11	1.338	0.167	1.307	2.812	1.099	0.137	1.074	2.310	8,261	486	7,728	16,475	162	344	169	171
Dec-11	1.299	0.164	1.305	2.768	1.103	0.139	1.108	2.350	8,264	487	7,728	16,479	157	337	169	168
Jan-12	1.291	0.145	1.303	2.739	1.032	0.116	1.042	2.190	8,266	488	7,728	16,482	160	232	169	166
Feb-12	1.259	0.137	1.283	2.679	1.006	0.109	1.025	2.140	8,268	488	7,728	16,484	152	281	166	163
Mar-12	1.313	0.153	1.255	2.721	0.968	0.113	0.925	2.006	8,269	488	7,728	16,485	159	314	162	165
Apr-12	1.348	0.145	1.209	2.702	0.906	0.097	0.813	1.816	8,278	488	7,728	16,494	163	297	156	164
May-12	1.333	0.150	1.211	2.694	0.577	0.065	0.525	1.167	8,280	488	7,728	16,496	161	308	157	163
Jun-12	1.365	0.143	1.237	2.745	0.547	0.057	0.496	1.100	8,284	489	7,728	16,501	165	293	160	166
Jul-12	1.372	0.126	1.296	2.794	0.457	0.042	0.431	0.930	8,289	489	7,728	16,506	166	258	168	169
Aug-12	1.383	0.128	1.291	2.802	0.473	0.044	0.441	0.958	8,290	490	7,728	16,508	167	261	167	170
Sep-12	1.349	0.142	1.220	2.711	0.544	0.058	0.492	1.094	8,291	490	7,728	16,509	163	290	158	164
Oct-12	1.327	0.123	1.203	2.653	0.678	0.063	0.615	1.356	8,294	490	7,728	16,512	160	251	156	161
Nov-12	1.343	0.128	1.181	2.652	0.862	0.082	0.758	1.702	8,299	490	7,728	16,517	162	261	153	161
Dec-12	1.383	0.141	1.197	2.721	1.261	0.129	1.091	2.481	8,300	490	7,728	16,518	167	288	155	165
Jan-13	1.357	0.145	1.215	2.717	1.155	0.124	1.034	2.313	8,300	490	7,728	16,518	163	296	157	164
Feb-13	1.349	0.138	1.201	2.688	1.048	0.108	0.933	2.089	8,301	490	7,728	16,519	163	282	155	163
Mar-13	1.402	0.154	1.235	2.791	0.905	0.100	0.797	1.802	8,302	493	7,728	16,521	169	314	160	169
Apr-13	1.297	0.124	1.237	2.658	0.531	0.051	0.506	1.088	8,304	493	7,728	16,523	156	253	160	161
May-13	1.339	0.126	1.185	2.650	0.376	0.036	0.333	0.745	8,304	493	7,728	16,525	161	256	153	160
Jun-13	1.341	0.126	1.190	2.657	0.269	0.025	0.239	0.533	8,307	493	7,728	16,528	161	256	154	161
Jul-13	1.366	0.144	1.269	2.779	0.482	0.050	0.448	0.980	8,309	493	7,728	16,530	164	292	164	168
Aug-13	1.342	0.168	1.258	2.768	0.380	0.048	0.356	0.784	8,311	494	7,728	16,533	161	340	163	167
Sep-13	1.343	0.117	1.193	2.653	0.403	0.036	0.358	0.797	8,311	494	7,728	16,533	162	237	154	160
Oct-13	1.319	0.132	1.184	2.635	0.629	0.063	0.565	1.257	8,314	494	7,728	16,536	159	267	153	159
Nov-13	1.348	0.133	1.194	2.675	0.932	0.092	0.826	1.850	8,315	494	7,728	16,537	162	270	155	162
Dec-13	1.341	0.134	1.191	2.666	1.030	0.103	0.915	2.048	8,316	494	7,728	16,538	161	272	154	161
Jan-14	1.322	0.135	1.194	2.651	0.851	0.087	0.768	1.706	8,318	495	7,728	16,541	159	273	155	160
Feb-14	1.314	0.127	1.172	2.613	0.954	0.093	0.851	1.898	8,323	495	7,728	16,546	158	257	152	158
Mar-14	1.339	0.134	1.185	2.658	0.858	0.086	0.760	1.704	8,324	496	7,728	16,548	161	270	153	161
Apr-14	1.326	0.128	1.128	2.582	0.449	0.043	0.382	0.874	8,328	498	7,728	16,554	159	257	146	156
May-14	1.353	0.124	1.127	2.604	0.159	0.015	0.132	0.306	8,333	498	7,728	16,559	162	249	146	157

CSD: Cardiff Sanitary Division

RSF CSD: Ranch Santa Fe Community Service District

SB: Solana Beach

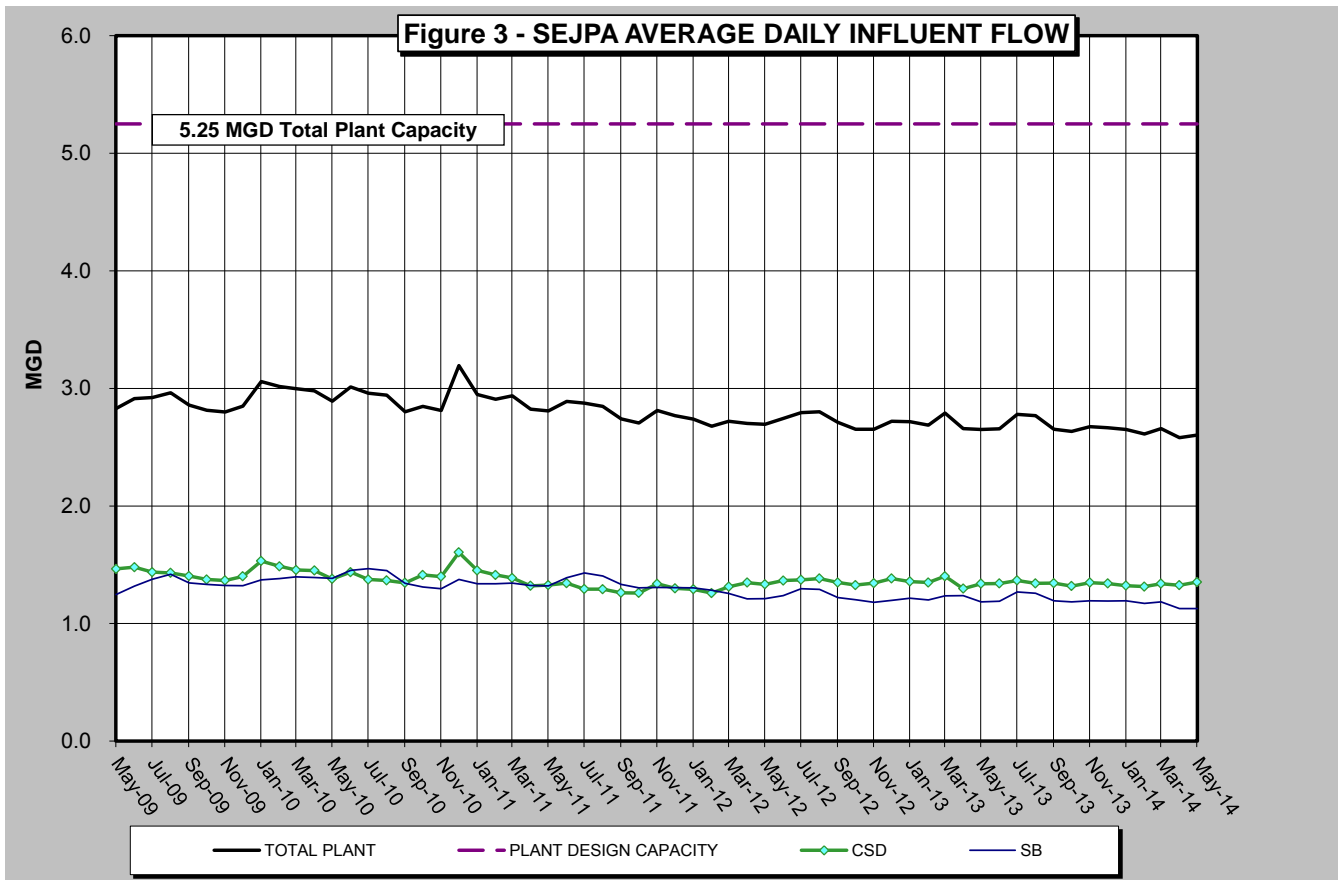
EDU: Equivalent Dwelling Unit

ASSUMPTIONS: SB average flow includes San Elijo Hills flow of 0.131 mgd

SB Connected EDUs includes 300 EDUs for the City of San Diego

EDU Numbers Revised by Dudek for March and April 2013

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. As shown in the figure, the average treated flow has been approximately 2.8 million gallons per day (mgd), down from 3.0 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 Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below. The following average flow rate and peak flow rate is reported by the City of Escondido for the month of May.

	<b>Flow (mgd)</b>
Escondido (Average flow rate)	9.95
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:

	<b>Connected (EDU)</b>
Cardiff Sanitary Division	8,333
Rancho Santa Fe SID	498
City of Solana Beach	7,428
San Diego (to Solana Beach)	300
<b>Total EDUs to System</b>	<b>16,559</b>

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 14, 2014

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 2014, recycled water demand was 211.71 acre-feet (AF), which was met using 208.89 AF of recycled water and 2.82 AF of supplementation with potable water. Recycled water production for May 2014 is noteworthy as this is the most recycled water produced during one month in the history of the program. The increase in demand is a result of the addition of new customers and exceptionally dry conditions.

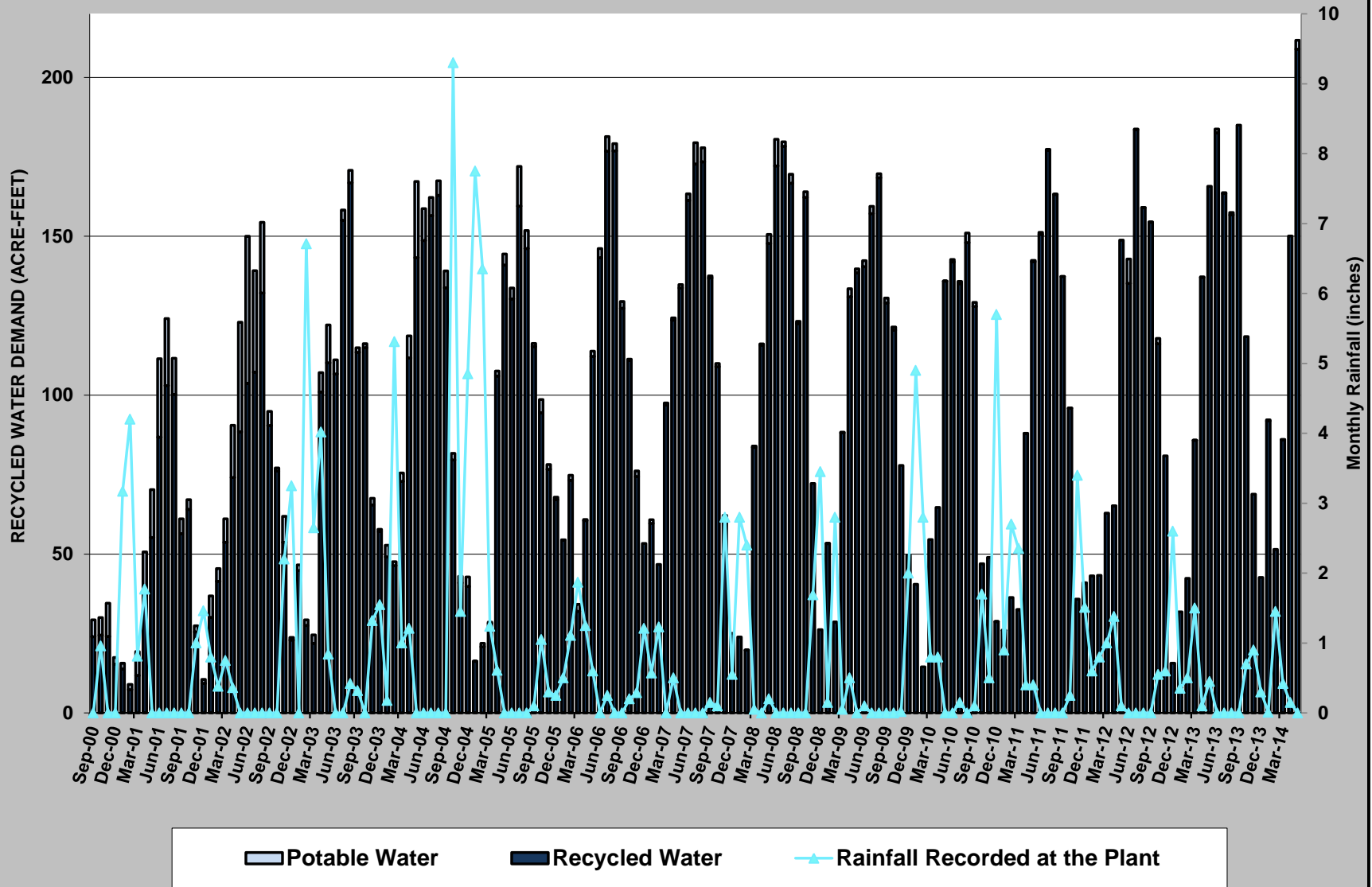
Figure 1 (attached) provides monthly supply demands for recycled water since September 2000. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning thirteen fiscal years. Figure 3 (attached) shows the monthly recycled water demand for each month since the program began.

Respectfully submitted,

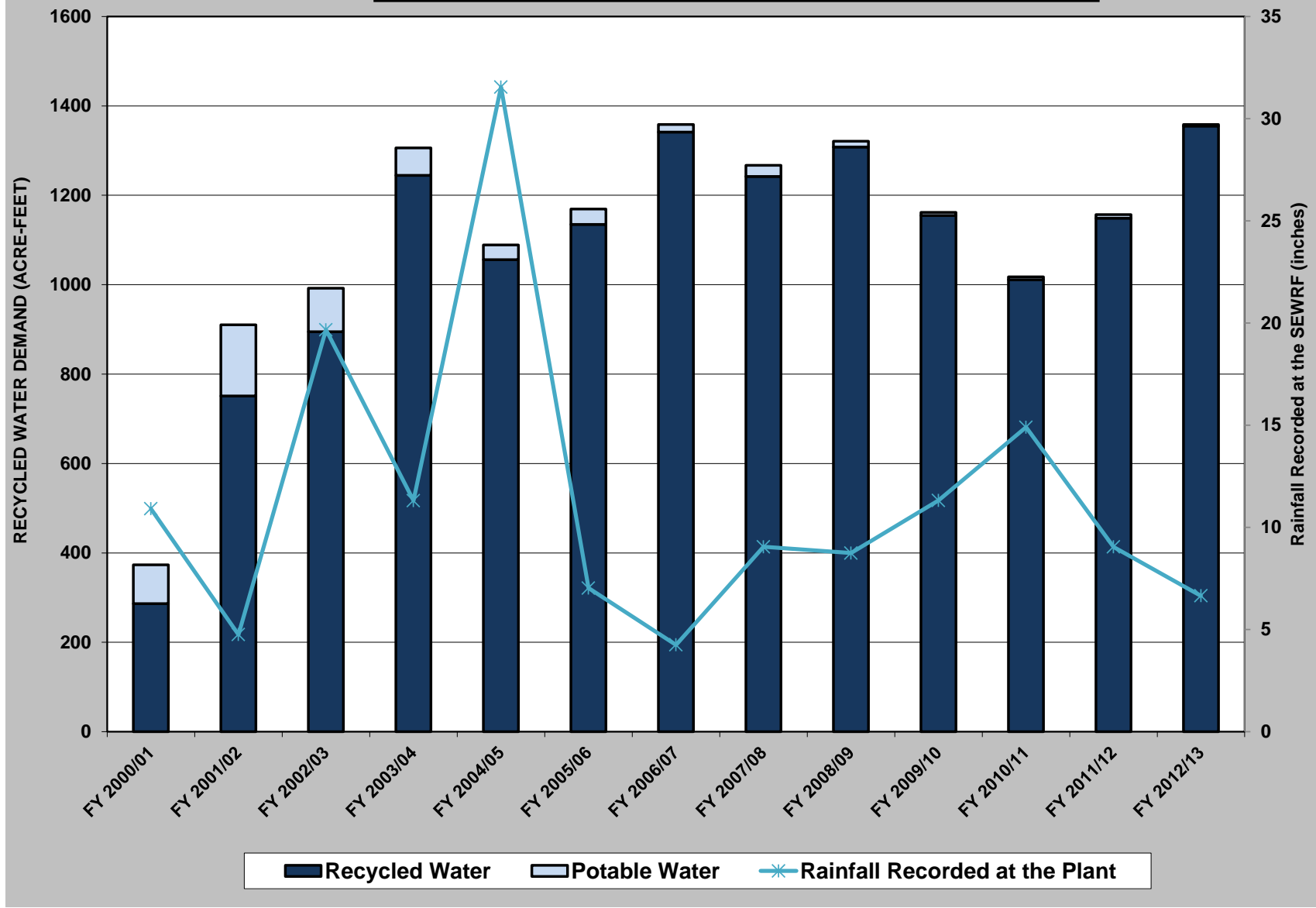


Michael T. Thornton, P.E.  
General Manager

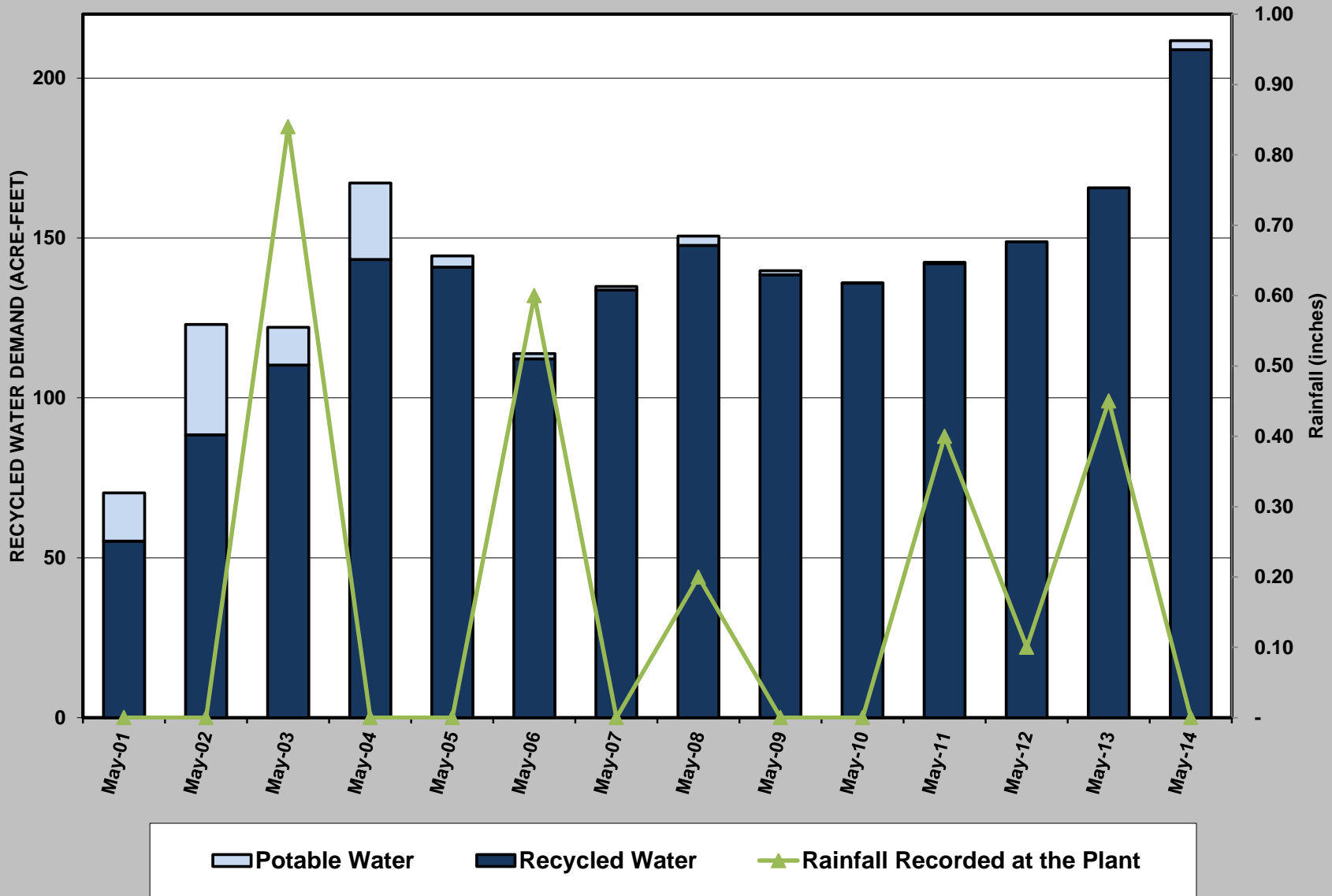
**Figure 1 - MONTHLY RECYCLED WATER DEMAND**



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



**Figure 3 - MAY RECYCLED WATER DEMAND**



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 14, 2014

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY – CULTURE SURVEY SAFETY, HEALTH, ENVIRONMENTAL, LIABILITY, AND LOSS

RECOMMENDATION

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

BACKGROUND

The California Sanitation Risk Management Authority (CSRMA) is an association of water/wastewater agencies joined together to provide broad insurance coverage and risk management to its members. CSRMA provides the San Elijo Joint Powers Authority (SEJPA) liability insurance coverage, workers compensation, and risk management assistance. As part of the risk management, CSRMA provides an opportunity for members of the CSRMA Pooled Liability Program and the CSRMA Workers' Compensation Program to be recognized and awarded for efforts at controlling losses. Because controlling losses results in lower costs, the SEJPA embraces the opportunity to be recognized for its efforts in developing a culture of safety. This recognition is the Safety, Health, Environmental, Liability, and Loss (SHELL) award.

The objective of the award is to encourage proactive risk control rather than reactive risk control. Studying accidents and near misses can provide valuable lessons learned; which, coupled with industry developed best management practices, has shown to be effective in reducing accidents and claims. Examples of best management practices are safety audits, training, observations, and surveys.

As part of the SHELL Award Program, the SEJPA conducted a safety culture survey. This memorandum is to share with the Board the results of the survey.

DISCUSSION

The Safety Culture Survey was given to all of the SEJPA employees. The questions provided feedback on work practice safety, areas of risk, and mitigation of risk. In addition, the survey allowed employees to give their opinions on safety culture and on management's attitude towards safety. All of the SEJPA employees participated in the survey, and the compiled data

provides a benchmark for the SEJPA's safety culture.

The results of the survey indicated that the SEJPA's employees believe that there is a culture of safety. The survey also showed that the SEJPA's employees believe that SEJPA's management is proactive about safety. Below are the summary results of the survey:

Based on 20 questions related to a positive health and safety attitude:

<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Not Answered</b>
59%	35%	3%	3%	1%

Based on 18 questions related to the safety culture:

<b>Pathological</b>	<b>Reactive</b>	<b>Calculative</b>	<b>Proactive</b>	<b>Generative</b>	<b>Not Ans</b>
1%	4%	9%	54%	30%	2%

Each question had definitions for the above; however, the primary definitions were:

Pathological - Productivity takes precedence over safety

Reactive - Punishment and image driven

Calculative - External causes, award driven and safety not always practiced

Proactive - Acting in advance of potential incident

Generative - Generating or producing a culture of safety

Finally, there were two questions related to knowing what to do and who to call in the event of an emergency, all employees answered, "Yes".

These statistics are supported by the SEJPA's safety record of over 5,000 days or about 800,000 hours without a missed day due to injury.

To continue and improve the culture of safety at the SEJPA, biennial surveys are planned to be implemented. These surveys give the organization opportunities to listen to our employees and continue to build on our success. A strong safety culture results in lower loss claims, lower premiums, improved employee attendances, and lower operating costs to the agency.

Respectfully submitted,



Paul F. Kinkel  
Director of Finance and Administration

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 14, 2014

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CONSIDER APPROVAL OF AN AGREEMENT WITH THE OLIVENHAIN  
MUNICIPAL WATER DISTRICT FOR THE SALE OF RECYCLED WATER FOR  
THE VILLAGE PARK PROJECT AND CAPITAL COST SHARING

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the 2014 OMWD Recycled Water Wholesale Agreement and Authorize the General Manager to sign on behalf of the Agency;
2. Approve the Agreement for the Construction of Improvements Related to the Village Park Recycled Water Project and Authorize the General Manager to sign on behalf of the Agency; and
3. Discuss and take action as appropriate.

BACKGROUND

Olivenhain Municipal Water District (OMWD) is proposing the expansion of recycled water service to the Village Park community of the City of Encinitas and seeks to partner with the San Elijo Joint Powers Authority on this project.

The planned project will include more than 7 miles of new recycled water pipelines, the conversion of an existing potable water reservoir to recycled water storage, and the construction of a new water pressure boosting station. The pipelines would be installed mainly within existing streets within the Village Park area in the City of Encinitas (Figure 1). It is proposed that the recycled water for this project will be produced at the San Elijo Water Reclamation Facility. It is anticipated that the project will ultimately use more than 200 acre feet per year of recycled water.

The majority of the infrastructure improvements will be owned and paid for by OMWD. OMWD and the SEJPA will jointly fund and own some common improvements. The SEJPA will fund and own the connecting pipeline to the project. It is estimated that the OMWD portion will cost approximately \$10.0 million and the SEJPA portion will cost approximately \$1.2 million.

Staff presented the project concept to the SEJPA Board of Directors in October 2013 and



again in April 2014. Working with OMWD, staff has developed the agreements necessary for executing the project and is now returning the agreements to the Board of Directors for approval consideration.



FIGURE 1

## DISCUSSION

The proposed Village Park Project benefits SEJPA, OMWD, and the region in general. The planned project will conserve potable water usage by moving existing landscape irrigation to recycled water. This helps the region meet current drought conservation requests and it also builds water supply diversification, which creates a more resilient water supply portfolio.

Locally, the project provides benefits to OMWD as it helps the district achieve its water conservation goals and increases its access to locally produced water. The SEJPA and its recycled water customers benefit as the project adds another water storage reservoir (Wiegand) to its system. Interconnecting the Wiegand and Oakcrest Reservoirs will nearly double the SEJPA's recycled water storage volume. This provides several benefits. First, the additional reservoir storage increases water delivery reliability and operational flexibility. Second, the additional storage volume allows more customers to be served. Lastly, the

additional storage may be adequate to meet “fire flow” requirements. This would allow the San Elijo Water Reclamation Facility (SEWRF) to use recycled water, instead of potable water, for its firefighting system. Symbolically, this has value, but more importantly, it allows SDWD to avoid planned capital improvements to the potable water system that supplies firefighting water to the SEWRF. The estimated cost of these avoided improvements is on the order of \$400,000.

The expanded storage from this project is expected to be online within 12 months, while the initial demand might be online within 18 months. Customers can be added over several years as the customer’s landscape irrigation systems are retrofitted from potable to recycled water.

The proposed recycled water wholesale agreement is for a term of 30 years, with options to extend. The recycled water agreement and pricing is similar to that offered by the SEJPA to the San Dieguito Water District (SDWD) and the Santa Fe Irrigation District (SFID).

### FINANCIAL IMPACT

The proposed agreements provide for the delivery of recycled water from the SEWRF to the Village Park Recycled Water Project. Funding for the capital components of the project will be from the Recycled Water Program Fund and grant funding. Recycled water sale revenues are projected to be adequate to cover the operating expenses of treatment and distribution, as well as to reimburse the Recycled Water Program Fund a minimum of \$45,000 per year until the full value of the capital investment has been captured, estimated at 20 years.

The pricing structure in the agreement is in line with existing SEJPA recycled water agreements and is congruent with recommendation and principles presented in the 2013 Recycled Water Cost of Service Study for the San Elijo Joint Powers Authority.

It is therefore recommended that the Board of Directors:

1. Approve the 2014 OMWD Recycled Water Wholesale Agreement and Authorize the General Manager to sign on behalf of the Agency;
2. Approve the Agreement for the Construction of Improvements Related to the Village Park Recycled Water Project and Authorize the General Manager to sign on behalf of the Agency; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

Attachment 1: 2014 OMWD Recycled Water Wholesale Agreement

Attachment 2: Agreement for the Construction of Improvements Related to the Village Park Recycled Water Project

## ATTACHMENT 1

### **AGREEMENT FOR THE SAN ELIJO JOINT POWERS AUTHORITY (SEJPA) TO DELIVER RECYCLED WATER TO THE OLIVENHAIN MUNICIPAL WATER DISTRICT (OMWD) FOR THE VILLAGE PARK RECYCLED WATER PROJECT SERVICE AREA**

This Agreement is entered into by and between Olivenhain Municipal Water District, a Municipal Water District organized and operating pursuant to Water Code Sections 71000 et seq. (hereinafter “OMWD”) and San Elijo Joint Powers Authority, a joint powers authority organized and operating pursuant to Government Code Sections 6500 et seq., (hereinafter “SEJPA”), (collectively “the Parties”).

#### **RECITALS**

1. SEJPA owns and operates the San Elijo Water Reclamation Facility (SEWRF), which has the capacity to produce approximately 3 million gallons per day (MGD) of tertiary treated recycled water from collected and treated wastewater. SEJPA is empowered to exercise powers common to county sanitation districts organized under Health & Safety Code section 4700, et. seq., which includes the power to “sell, or otherwise dispose of, any water, sewage effluent, fertilizer, or other by-product resulting from the operation of a sewerage system, sewage disposal plant, refuse disposal plant, or treatment plant, and construct, maintain, and operate such pipe lines and other works as may be necessary for that purpose.” (Health & Safety Code § 4744.)

2. OMWD owns and operates the Wiegand Water Tank Reservoir and continues to construct recycled water facilities capable of delivering recycled water to a variety of projects within its service area.

3. The State of California is currently experiencing a multi-year drought and the imperative to develop local reliable water supplies is urgent. The Governor has declared an emergency and has identified funding for projects, such as recycled water conversions, that will provide drought relief. The San Diego Region is currently at Drought Level 1, encouraging conservation measures across all water users.

4. OMWD and SEJPA have been partners for several years in the North San Diego Water Reuse Coalition, a partnership of eleven water, wastewater, and recycled water agencies

and cities that are focused on the cooperative advancement of water reuse in north San Diego County. The regionalism of the recycled water system is a focus of this coalition and has led to the integration of recycled water systems across North San Diego County, including a supply connection between the SEJPA and OMWD in 2013. The OMWD Northwest Quadrant is currently supplied with recycled water by both SEJPA and the Vallecitos Water District, representing the growing interconnectedness and regionalization of the recycled water system in north San Diego County.

5. Based on a Notice of Intent to serve OMWD recycled water from the SEJPA in October 2013, OMWD has commenced final design and environmental studies of recycled water improvements that would convert the OMWD Wiegand Tank to recycled water and construct facilities necessary to serve customers in the Village Park area of the City of Encinitas with recycled water as well as to provide a regional recycled water storage facility for SEJPA and OMWD.

6. The provision of recycled water in the Village Park area will convert common areas, greenbelts and HOA maintained landscape to fiscally and environmentally sustainable recycled water, as well as provide for the conversion of Flora Vista and Park Dale Lane Elementary schools. The Encinitas Union School District has issued bonds that are identified to be used for recycled water conversions at their school sites, including Flora Vista and Park Dale Lane.

7. OMWD and SEJPA desire to enter into an Agreement for SEJPA to provide recycled water to OMWD for its Northwest Quadrant Phase II expansion to Village Park and to provide for recycled water system storage for SEJPA in the OMWD Wiegand Tank, which is a one million gallon steel reservoir.

8. The Parties acknowledge that delivery of the recycled water volume outlined in this Agreement is contingent upon (a) the construction of a pipeline connecting the existing SEJPA delivery pipeline in Balour Avenue to the intersection of Via Cantabria and Zona Gale Road, for which SEJPA will bear 100% of the costs, (b) the construction of a pipeline in Zona Gale Road to the Wiegand Tank, for which SEJPA and OMWD will share the costs equally and (c) the construction of a Master Meter, the conversion of the Wiegand Tank for recycled water

use, and all facilities necessary to distribute water to the end users in Village Park, for which OMWD will bear 100% of the costs. The anticipated online date for these facilities is December 2015.

## COVENANTS

1. **Recycled Water Quality.** SEJPA shall treat the recycled water from the SEWRF in conformance with the water quality requirements provided by Title 22, Division 4, of the California Code of Regulations ("CCR"), section 60305, "Use of Recycled Water for Impoundments," intended as a source of supply for non-restricted recreational impoundments suitable for body contact in compliance with the criteria specified in CCR section 60301.230(b) for "Disinfected Tertiary Recycled Water" (Title 22) or as specified by the requirements of Order No. 2000-10, Master Recycled Water Permit for the Production and Purveyance of Recycled Water for San Elijo Joint Powers Authority, San Dieguito Water District, Santa Fe Irrigation District, and City of Del Mar, San Elijo Water Reclamation Facility, San Diego County as adopted by the California Regional Water Quality Board, San Diego Region, which incorporates California's Title 22 Regulations, and Addendum No. 1 to Order No. 2000-10, adopted on March 13, 2013, which also incorporates California's Title 22 Regulations. SEJPA shall use its best good faith efforts to ensure that said recycled water meets the forgoing CCR Title 22 standards; however, SEJPA does not guarantee or warrant the quality of the recycled water provided OMWD or subsequent users. Both Parties understand that the presence of dissolved minerals in the recycled water is measured as total dissolved solids ("TDS") and other substances in higher concentrations can be deleterious to the plants irrigated with such water. Both Parties agree that SEJPA's failure to supply recycled water in accordance with Title 22 or with TDS concentration of less than 1000 milligrams per liter (mg/l), as determined in conformance with the methodology specified in the SEWRF Waste Discharge Permit, will be grounds for OMWD to

suspend its obligation to accept and pay for recycled water from SEJPA until quality is restored to less than 1000 mg/L TDS.

The Parties further recognize that during periods of drought or other water supply shortage, SEJPA may experience lower flow as a result of water use efficiency efforts. However, the amounts of salts received would not decrease and can cause the TDS levels to rise. During such drought or other water supply shortage periods designated by the Metropolitan Water District of Southern California ("MWD") and/or the San Diego County Water Authority ("SDCWA"), as "Drought Level 2", the Parties agree that recycled water with TDS concentrations of no more than 1200 mg/l will be an acceptable quality to OMWD under the terms of this Agreement. In no case shall OMWD be required at any time to accept recycled water with TDS concentrations in excess of 1200 mg/L.

2. **Quantity of Recycled Water.** During the term of this agreement, OMWD agrees to purchase and SEJPA agrees to deliver recycled water according to the following phase in schedule:

Fiscal Year (FY)	Anticipated Deliveries (AF)	Minimum Purchase Volume (AF)
2016-2017	80	60
2017-2018	100	75
2018-2019	150	100
2019-2020	175	130
2020-2021	210	160

From fiscal year 2020-2021 to the end of the agreement term, the minimum purchase volume shall be 160 AF per year. Fiscal year is defined as beginning July 1 and ending June 30.

Both parties hereto understand and accept the fact, with no liability to either party, that there may be unanticipated interruptions in recycled water service due to emergencies, water quality issues, regulatory requirements or other unplanned events. During such interruptions, the SEJPA and OMWD shall take reasonable measures to provide supplemental potable water to the recycled water customers until sufficient recycled water is available. Supplemental potable water is further detailed in Section 11 of this agreement. In the event that recycled

water is not available in the quantity set forth above, OMWD shall not be obligated to pay for that portion of water in the affected contract year.

3. **Price of Recycled Water.** Purchase prices and terms shall be as follows:

a) Commencing July 1, 2015, the reclaimed water rate shall be \$1,356 per acre-foot.

b) From July 1, 2016 through June 30, 2021, the rate charged by SEJPA to OMWD for recycled water shall escalate at a rate no less than 2% annually and no greater than 5% annually as prescribed through a cost-of-service methodology approved by the SEJPA Board of Directors at a public meeting.

c) For the period beginning July 1, 2021 through the remaining term of the agreement, a mutually agreeable pricing structure for recycled water shall be determined by the Parties. The pricing structure shall be based on cost-of-service principles similar to those for establishing potable water rates and consistent in price with other SEJPA recycled water wholesale agreements that provide the same level of service. In the event that a mutually agreeable pricing structure cannot be reached within 90 days before July 1, 2021, a rate increase of three and one-half percent (3.5%) shall go into effect July 1, 2021 and on July 1 each year thereafter until a mutually agreeable price is reached or the disagreement is resolved through dispute resolution in accordance with Paragraph 23 of this Agreement. SEJPA agrees to continue delivering recycled water to OMWD, and OMWD agrees to continue paying for recycled water, in accordance with the terms of this agreement until such time as an agreeable pricing structure has been reached or the Parties agree to terminate the Agreement.

4. **Payment.** SEJPA shall invoice OMWD monthly for all recycled water delivered through the Master Meter as described in Paragraph 8 of this agreement, payment of which is due thirty (30) days after receipt.

5. **Infrastructure Rent.** In recognition of OMWD's infrastructure investments constructed in accordance with Paragraph 14 below, the SEJPA shall provide an infrastructure rent of \$450 per acre-foot of recycled water sold to OMWD during the term of this agreement.

The infrastructure rent shall be continued with any term extension in accordance with Paragraph 20 of this Agreement for a total period of 65 years or until rent paid is equal to the full value of the constructed OMWD infrastructure outlined in Paragraph 14 minus any grant funding received to offset or reimburse OMWD for said infrastructure cost, or until the agreement is terminated, whichever comes first.

6. **Non-Interruptible Delivery.** The delivery of recycled water from SEJPA to OMWD shall be considered a non-interruptible supply, whereas the SEJPA will not voluntarily or intentionally interrupt delivery unless in emergency or where there is insufficient influent, treatment capacity, or conveyance capacity. OMWD shall receive recycled water delivery at the same priority as all other SEJPA “non-interruptible” wholesale customers. OMWD may utilize, in its sole discretion, recycled water from Vallecitos Water District, as necessary during periods of low supply or high demand, to augment SEJPA system supplies. The use of the Vallecitos water is not an obligation on OMWD under this agreement, but rather a commitment to partnership efforts in order to assist system operations when possible and feasible.

7. **Wiegand Tank Ownership.** OMWD shall continue to own the Wiegand Tank. As a term of this agreement, OMWD agrees to provide SEJPA with a long term lease for tank storage, usage, and operation. The term of the lease is equivalent to the length of this agreement and terminates with the termination of this agreement. The term may be extended as provided in Paragraph 20. SEJPA shall not assign its lease for the operation of the Wiegand Tank.

8. **Wiegand Tank Operation and Maintenance.** SEJPA shall operate the Wiegand Tank to provide recycled water supply to OMWD to meet the demands described in Paragraph 2 of this Agreement. This agreement authorizes the SEJPA to utilize excess storage capacity in the Wiegand Tank to serve other customers and provide system storage, provided this can be done with no loss of supply to OMWD. Annual operations and maintenance costs of the Wiegand Tank shall be shared equally between the parties. OMWD utilizes a tank maintenance contractor under a long term contract to schedule and perform routine maintenance on the Wiegand Tank. OMWD shall continue to maintain the tank under its current contract with its



tank maintenance contractor and shall invoice SEJPA annually for 50% of the Wiegand Tank maintenance cost, excluding OWMD staff time. SEJPA agrees to pay for 50% of the Wiegand Tank maintenance costs within 30 days of the date of the invoice to SEJPA by OMWD. In the event OMWD determines, in its sole discretion, to cease utilization of a tank maintenance contractor, OMWD and SEJPA agree to renegotiate the terms of this paragraph. SEJPA understands and agrees that all operations costs of the Wiegand Tank, including the costs of any potable water supplies added into the system are the sole responsibility of SEJPA, with the exception of tank service maintenance as described in this Paragraph.

9. **Wiegand Tank Improvements**. OMWD and SEJPA shall construct improvements to the Wiegand Tank to facilitate the delivery of recycled water to OMWD and SEJPA. As part of these planned improvements, a supplemental potable water connection shall be constructed and the cost of these improvements shall be the responsibility of the SEJPA. As the sole owner of the Wiegand Tank, OMWD shall be responsible for all construction costs required for the conversion of the tank to recycled water use and all facilities necessary to distribute water to the end users in Village Park. Both agencies shall install and maintain their own monitoring equipment at the tank at their own costs and shall be responsible for the operation and maintenance of their own equipment.

10. **Master Meter**. A master recycled water flow meter (Master Meter) shall be purchased and installed by OMWD in a location mutually agreeable to the Parties to measure the quantity of recycled water supplied to OMWD by SEJPA and shall be used for billing purposes. OMWD shall read the Master Meter on the first day of each month and report the meter reading and recycled water use to SEJPA by the 10th day of each month. Operation, maintenance, and calibration of the Master Meter shall be the responsibility of OMWD and conducted on a mutually agreeable schedule; however, calibration of the Master Meter shall be performed at a minimum of at least every five (5) years from the date of operation. All costs associated with the Master Meter shall be the responsibility of OMWD.

11. **Supplemental Potable Water**. OMWD agrees to provide potable water, if available, to supplement the recycled water supply during times of emergency and peak usage that result in a low water level in the tank, which can have detrimental effects to the

distribution system. OMWD agrees that the price of supplemental potable water charged to SEJPA shall be equal to recycled water wholesale price charged by the SEJPA to OMWD through this agreement. OMWD shall invoice SEJPA monthly for supplemental water purchases.

12. **Compliance With Regulatory Requirements.** OMWD and SEJPA agree to comply with all applicable recycled water distribution regulations issued and/or mandated by the State of California Department of Public Health (CDPH), the County of San Diego Department of Environmental Health (DEH), and the California Regional Water Quality Control Board, San Diego Region (RWQCB). OMWD shall be responsible for ensuring that all users of recycled water within OMWD's jurisdiction shall be in compliance with OMWD's discharge order issued by the RWQCB, and that all users shall be made to comply with OMWD's most recent recycled water rules and regulations.

13. **SEJPA Recycled Water System Improvements.** SEJPA will be responsible for the design, construction, operation, maintenance, and cost of all improvements needed for its system to be able to provide the supply to the Wiegand Tank. A pipeline between the SEJPA Oak Crest Tank and the Wiegand Tank shall be designed and constructed to connect the SEJPA system to the Wiegand Tank. OMWD is undertaking design work for this Oak Crest to Wiegand Tank Pipeline under contract on behalf of SEJPA and will include the construction of this segment of pipeline as a separately identified bid item in its construction bid documents on behalf of SEJPA. SEJPA agrees that the review and approval of this segment of pipeline is the sole responsibility of SEJPA and no others. A separate reimbursement agreement between SEJPA and OMWD for the work that OMWD is undertaking on behalf of SEJPA is being executed simultaneous to this agreement. SEJPA intends on utilizing its share of the Proposition 84 grant funding from the North San Diego Water Reuse Coalition for the Oak Crest to Wiegand Tank Pipeline.

14. **OMWD Recycled Water Improvements.** OMWD will be responsible for the design, construction, operation, maintenance, and cost of all improvements, including pipelines, pump stations, meters and other facilities necessary for the distribution of recycled water from the Master Meter described in Paragraph 8 of this Agreement to its customers.

15. **Coordination of Design, Environmental, Outreach and Construction.** OMWD and SEJPA will share design documents and coordinate the design, environmental, public outreach and construction of facilities. A separate reimbursement agreement will be executed between the parties to reflect the cost sharing and reimbursement of any work done by OMWD on behalf of SEJPA.

16. **Notices.** All letters, statements, or notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served, transmitted by facsimile machine, or sent certified mail, return receipt requested, to the following addresses or facsimile numbers:

To: "SEJPA"  
San Elijo Joint Powers Authority  
Attention: Michael Thornton, General Manager  
2695 Manchester Avenue  
PO Box 1077  
Cardiff by the Sea, CA 92007  
Facsimile No. (760) 753-5935

To: "OMWD"  
Olivenhain Municipal Water District  
Attention: Kimberly A. Thorner, General Manager  
1966 Olivenhain Road  
Encinitas, California 92024  
Facsimile No. (760) 753-5640

17. **Assignment.** This Agreement or any interest therein or any monies due or that are to become due thereunder shall not be assigned, hypothecated, or otherwise disposed of without the prior written consent of both Parties to this Agreement, which consent shall not be unreasonably withheld.

18. **Access to Records.** The Parties shall each keep proper books and records in which complete and correct entries shall be made of all recycled water delivered to OMWD throughout the duration of this Agreement. All such records and books, except those exempt from disclosure by law, shall, upon written request, be made available and subject to inspection

by any duly authorized representative of each party and of the RWQCB, within ten (10) days after receipt of such notification.

19. **No Third Party Beneficiaries**. Nothing in this Agreement, express or implied, is intended to or shall confer upon any other agency or person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement

20. **Term of Agreement**. The term of this Agreement shall be thirty (30) years from the date of the first recycled water delivery from SEJPA to OMWD. The agreement may be extended in 10 year increments beyond the initial 30 years upon mutual written agreement of both parties. If the Agreement is not renewed, the lease for Operation of the Wiegand Tank shall also be terminated and SEJPA's use of all facilities, including the Wiegand Tank, jointly or singly owned by OMWD will terminate and revert to OMWD for ownership, operation, and maintenance.

21. **Termination**. If at any time during the term of this Agreement, recycled water in compliance with the standards referenced herein cannot lawfully be used by OMWD for the purposes intended by this Agreement, because of government regulations now in effect or hereinafter imposed, or, if OMWD should for any reason breach its obligations under this Agreement in any material respect, including, but not limited to, failure to pay for recycled water as required, failure to accept recycled water as required, failure to maintain facilities, or other substantial failure, SEJPA may terminate this Agreement with no further obligation by giving one hundred and eighty (180) days' written notice thereof to OMWD. During said one hundred eighty (180) day period, OMWD shall have the opportunity to cure the breach in the Agreement before termination occurs. In the event SEJPA refuses to deliver recycled water to OMWD in conformance with this Agreement for any reason, or if SEJPA fails to deliver recycled water that complies with all applicable federal, state and local standards required for OMWD's intended use of the recycled water, OMWD may terminate this Agreement with no further obligation upon sixty (60) days' written notice thereof to SEJPA.

22. **Entire Agreement.** This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof superseding all negotiations, prior discussions, agreements, and understandings, written or oral. This Agreement shall not be amended, except by written consent of the Parties, and no waiver of any rights under this Agreement shall be binding unless it is in writing signed by the party waiving such rights. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the other provisions of this Agreement shall be held to be valid and binding on the Parties.

23. **Binding Effect.** This Agreement shall be binding upon the Parties and their respective successors in interest, permitted assigns, executors, administrators, and personal representatives.

24. **Indemnification.** SEJPA agrees, to the fullest extent permitted by law, to indemnify and hold OMWD, its directors, officers, employees, or authorized volunteers harmless from any damage, liability, or cost (including attorney's fees and costs of defense) arising from, related to or in any way connected with this Agreement to the extent caused by SEJPA's willful misconduct or negligent acts, errors, or omissions, including such willful misconduct or negligent acts, errors, or omissions by subcontractors or others for whom SEJPA is legally liable. OMWD agrees, to the fullest extent permitted by law, to indemnify and hold SEJPA, its directors, officers, employees, or authorized volunteers harmless from any damage, liability, or cost (including attorney's fees and costs of defense) arising from, related to, or in any way connected with this Agreement to the extent caused by OMWD's willful misconduct or negligent acts, errors, or omissions, including such willful misconduct or negligent acts, errors, or omissions by subcontractors or others for whom OMWD is legally liable.

25. **Jurisdiction, Forum, and Venue.** In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the Parties agree that proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning or arising out of this Agreement shall be in the state and federal courts located in the State of California, County of San Diego, in or nearest to the North County Superior Court. In the event of a dispute under this Agreement, no party shall be deemed to be the party who

caused the uncertainty to exist and the prescriptions of Civil Code Section 1654 shall not be applicable to such dispute under this Agreement.

26. **Dispute Resolution**. In the event of a dispute relating to this Agreement, both Parties agree to use their best efforts to informally resolve the dispute without filing litigation. Accordingly, the Parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement or the relationship created by this Agreement to non-binding mediation before bringing a claim, controversy or dispute in a court or before any other tribunal. The mediation is to be conducted by either an individual mediator or a mediator appointed by mediation services mutually agreeable to the Parties. The mediation shall take place at a time and location which is also mutually agreeable; provided; however, in no event shall the mediation occur later than ninety (90) days after either Party notifies the other of its desire to have a dispute placed before a mediator, unless the time period is extended by a written agreement of the Parties. The costs and expenses of mediation, including compensation and expenses of the mediator (excluding the attorney's fees incurred by either party), are to be shared by the Parties equally. If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after the date either Party provides the other notice of mediation, then either Party may bring and initiate a legal proceeding to resolve the claim, controversy or dispute unless the time period is extended by a written agreement of the Parties.

27. **Effective Date**. The effective date of this Agreement executed in counterparts in Encinitas, California, within the North County Judicial District, County of San Diego, State of California, is \_\_\_\_\_. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

Dated: \_\_\_\_\_

Olivenhain Municipal Water District,  
a public agency

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

Kimberly A. Thorner  
General Manager

Dated: \_\_\_\_\_

San Elijo Joint Powers Authority,  
a public agency

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

Michael T. Thornton  
General Manager

## ATTACHMENT 2

### **AGREEMENT BETWEEN THE SAN ELIJO JOINT POWERS AUTHORITY AND THE OLIVENHAIN MUNICIPAL WATER DISTRICT FOR THE CONSTRUCTION OF IMPROVEMENTS RELATED TO THE VILLAGE PARK RECYCLED WATER PROJECT**

THIS AGREEMENT, is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between SAN ELIJO JOINT POWERS AUTHORITY, a joint powers authority (hereinafter referred to as "SEJPA"), and OLIVENHAIN MUNICIPAL WATER DISTRICT, a municipal water district, (hereinafter referred to as "OMWD "), (collectively the "Parties").

#### **RECITALS**

WHEREAS, OMWD is constructing the Village Park Recycled Water Project which includes approximately 33,000 feet of 12 inch, 8 inch, and 6 inch pipe to deliver recycled water to customers generally located in the Village Park portion of OMWD. Recycled water for the project will be provided by SEJPA from a connection to their existing recycled water system at a point located on Balour Drive in the City of Encinitas; and,

WHEREAS, in order to deliver recycled water to OMWD at the Weigand Reservoir, SEJPA needs to construct approximately 3,100 lineal feet of 12 inch recycled water pipeline in Balour Drive, Encinitas Boulevard, Via Cantebria, and Zona Gale Road ("SEJPA Facilities"), and,

WHEREAS, OMWD has already engaged a consultant to design the pipelines which will distribute recycled water to customers within Village Park; and,

WHEREAS, for efficiency, SEJPA desires to have the same consultant design the SEJPA Facilities; and,

WHEREAS, SEJPA and OMWD desire to establish mutually agreed upon responsibilities for the funding, design, and construction of the SEJPA Facilities.

NOW THEREFORE, in consideration of the above recitals, SEJPA and OMWD do hereby mutually agree as follows:

#### **COVENANTS**

1. **Purpose of Agreement.** The parties desire to mutually design and construct facilities required to deliver recycled water to OMWD. The Parties acknowledge that the facilities include (a) construction of a 12 inch pipeline connecting the existing SEJPA pipeline in Balour Avenue to the intersection of Via Cantebria and Zona Gale Road, for which SEJPA will bear



100% of the costs, (b) the construction of a pipeline and flow control vault in Zona Gale Road to the Wiegand Reservoir, for which SEJPA and OMWD will equally cost share (c) the conversion of the Wiegand Tank from potable to Recycled Water use, for which OMWD will bear 100% of the cost, (d) the construction of a potable water connection and air gap into the Wiegand Tank, for which SEJPA will bear 100% of the cost, and (e) the construction of a Master Meter and all facilities necessary to distribute water to end users within the OMWD service area (Village Park), for which OMWD will bear 100% of the costs. These project facilities are more specifically described in Paragraph 2 of these Covenants (hereinafter the "Project"). OMWD has agreed to act as the lead agency for design and environmental review of the Project, in awarding the contract for the Project and in handling all contract administration as provided in this Agreement. The parties have agreed to share the costs of environmental compliance, design, construction, and construction management in accordance with the terms of this Agreement.

2. **The Project.** The Project components shall consist of the following elements:

2.1	Approximately 3,100 lineal feet of a twelve inch (12") pipeline in Balour Drive, Encinitas Avenue, and Via Cantebria to the intersection of Via Cantebria and Zona Gale Road (hereinafter the "Via Cantebria Pipeline") (SEJPA to bear 100% of costs)
2.2	Approximately 330 lineal feet of twelve inch (12") pipeline in Zona Gale Road to the Wiegand Reservoir including a flow meter vault (hereinafter the "Zona Gale Pipeline") (SEJPA and OMWD to bear cost equally)
2.3	Conversion of the Wiegand Tank from Potable Water use to Recycled Water use (hereinafter the "Wiegand Tank Conversion") (OMWD to bear 100% of cost)
2.4	Construction of a potable water connection and air gap into the Wiegand Tank (hereinafter the "Potable Water Connection") (SEJPA to bear 100% of cost)
2.5	Construction of a Master Meter and all facilities necessary to distribute water to end users within the OMWD service area (hereinafter the "Village Park Facilities")(OMWD to bear 100% of cost)

3. **Approval of Design Plans.** SEJPA and OMWD will review and approve the design plans and the plans and specifications for the Project. All construction work shall be done in strict accordance with the requirements contained in the approved design plans and the plans and specifications for the Project. A copy of the approved design plans and the plans and specifications for the Project are incorporated herein as if set forth in full. No construction of the facilities set forth in Paragraph 2 shall be commenced until the plans and specifications have been approved by the respective agency which is to bear costs for that element (in the case of

element 2.2, the plans and specifications must be approved by both agencies prior to construction).

4. **Environmental Review.** OMWD shall be the Lead Agency for complying with the California Environmental Quality Act and completing all environmental review required for the Project prior to commencement of construction. The SEJPA shall reimburse OMWD for all fees, costs, or expenses associated with environmental reviews related to facilities and infrastructure that are the responsibility of the SEJPA, in an amount proportional to SEJPA's responsibility for costs for each element, as set forth in Covenants 1 and 2 above.

5. **Contract Documents for Competitive Bidding of Project.** OMWD shall prepare all contract documents for competitive bidding of the Project and shall provide all contract documents to SEJPA for review and approval prior to commencement of any competitive bidding for the Project. The contract documents shall designate SEJPA as an intended second party beneficiary of the contract entitled to enforce all of the contract terms in its own name. SEJPA shall be named as additional named insured on all insurance policies provided as part of the contract. Each of the facilities described in Paragraph 2 of this agreement shall be separately bid as part of the contract. OMWD shall review all bids received for the entire project and provide SEJPA with a recommendation for award of the contract. SEJPA shall have the option to allow OMWD to award the project or construct their facilities separately.

6. **Sharing of Design Fees and Costs.** OMWD has provided SEJPA with an estimate for the Project environment compliance fees, design fees and costs of approximately Ninety Five Thousand and Five Hundred Dollars (\$95,500) for the portion of work being paid for by SEJPA. This cost estimate is included in Appendix A. SEJPA has paid OMWD \$95,500 as its share of the estimated design and environmental fees and costs for the Project. If additional fees are necessary due to proposed changes in the scope of the design project, OMWD agrees to negotiate the changed conditions with SEJPA and SEJPA agrees to pay for its share of the negotiated fees. Once a proposed payment amount is negotiated and agreed upon by the parties, OMWD will invoice SEJPA for the additional fees and SEJPA agrees to pay within thirty (30) days from receipt of the invoice.

7. **Advertising for Project Bids.** OMWD shall advertise for construction bids on the Project in accordance with all requirements of California law.

8. **Bids and Award of Contract.** OMWD shall competitively bid the Project and shall require all bidders to separately bid each of the project facilities listed in Paragraph 2. OMWD shall evaluate all bidders to ensure they are responsible and responsive to the bid. Following receipt of the bids and prior to any award, OMWD shall provide a copy of all bids to SEJPA. SEJPA shall have the sole right to direct OMWD to award or delete project elements for which SEJPA is paying 100% of the costs. With respect to any portion of the Project for which OMWD is paying 100% of the costs, OMWD shall have the sole right to determine if the lowest bid is acceptable and retains the sole right to delete project elements if OMWD determines that the bid price is unacceptable. In the event that either SEJPA or OMWD determine that the lowest bid on any of the portions for which both OMWD and SEJPA are paying is too high, representatives appointed by SEJPA and OMWD to administer the contract for each party shall meet and confer in an effort to resolve any differences between them on the reasonableness of the low bid for those portions of the Project.

9. **Payment by SEJPA for its Share of Estimated Construction Costs.** Within ninety (90) days after OMWD notifies SEJPA it has awarded the construction contract notice to proceed for the Project, SEJPA agrees to pay OMWD a sum equal to one hundred percent (100%) of the awarded bid for the Via Cantabria Pipeline and Potable Water Connection (Elements 2.1 and 2.4 above) and fifty percent (50%) of the awarded bid for the Zona Gale Pipeline (Element 2.2 above), plus an additional fifteen percent (15%) of the bid for these two items representing a ten percent (10%) contingency and five percent (5%) for construction management. OMWD shall credit SEJPA's payment against SEJPA's share of the construction costs as provided in Paragraph 10 of this Agreement.

10. **Sharing of Construction Costs and Final Payment.** The parties hereby agree that SEJPA shall pay all construction costs including all approved change orders and increases in the contract price for the Via Cantabria Pipeline and Potable Water Connection. OMWD shall pay all construction costs including all approved change orders and increases in the contract price for the Wiegand Tank Conversion and Village Park Facilities. SEJPA and OMWD shall each pay 50% of all construction costs including all approved change orders and increases in the contract price for the Zona Gale Pipeline. All change orders and price increases shall be clearly designated to show which Project component the change order(s) pertain to. OMWD shall maintain separate accounts for each of the Project elements (not including staff time or Construction Management) and shall reflect all costs and all payments made for each of the

Project element's components. On a monthly basis following commencement of construction, OMWD shall provide SEJPA's designated representative with a copy of each of the accounts reflecting all charges and all payments previously made to each of the accounts. Such accounting shall continue until such time as the project is complete or all facilities for which SEJPA is paying have been completed.

Upon completion of construction of the Project and approval of all work by both SEJPA and OMWD, OMWD shall provide SEJPA with a detailed statement of the total actual costs of construction for portions of the project funded in any proportion by SEJPA and all amounts paid for construction management of the Project as a whole and with the total actual costs of construction for each of the elements of the Project, including the costs of any changes orders or contract claims which have been allowed to the construction contractor. The construction costs shall include time spent by employees of OMWD actively performing inspection or construction management on the Project. OMWD agrees to provide SEJPA with any documents or backup support for costs or payments as requested by SEJPA. The accounting provided by OMWD to SEJPA shall reflect any amount due by SEJPA to OMWD or any refund payable by OMWD to SEJPA based upon the sharing of construction costs as provided in this paragraph. Any refund payable by OMWD to SEJPA shall be paid to SEJPA within thirty (30) consecutive days after the detailed statement of the total actual Project costs is provided by OMWD to SEJPA. Any amount SEJPA owes OMWD shall be paid by SEJPA to OMWD within thirty (30) consecutive days after the final accounting is provided to SEJPA.

In the event either of the parties disputes any amount shown on the final accounting, the parties shall promptly meet and confer in an effort to resolve the dispute. In the event the parties are unable to resolve the dispute informally, the dispute shall be submitted to an independent accounting firm jointly selected by both parties who shall resolve the dispute. The accountant or accounting firm selected shall not have previously worked in any capacity for either agency. The decision of the appointed accountant or accounting firm shall be final and binding on the parties and not subject to challenge in any forum or proceeding.

11. **Appointment of Representatives.** SEJPA and OMWD shall each designate in writing, a single Project representative authorized to act on behalf of its respective agency in resolving any contract disputes, and in handling contract change orders and overall Project coordination for design, environmental compliance, and construction. These appointed representatives shall have the express authority to act on behalf of their respective agency in

resolving all design, environmental, and construction disputes, in making decisions on contract change orders, and in handling overall Project coordination. All decisions that pertain to the Via Cantabria Pipeline or Potable Water Connection or any SEJPA facilities shall be made solely by the appointed representative for SEJPA. All decisions that pertain to the Wiegand Tank Conversion, Village Park Facilities, or any OMWD facilities or easements shall be made solely by the appointed representative for OMWD. Where a decision affects OMWD facilities or any Project component and is necessary for the safety of motorists and/or pedestrians or to protect property, OMWD shall make the final decision. All decisions on the Zona Gale Pipeline shall be made jointly by the representatives for SEJPA and OMWD.

12. **Change Orders.** All decisions on any change orders or increases in the bid price for the Via Cantabria Pipeline or Potable Water Connection shall be made solely by the SEJPA representative. All decisions on any change orders or increases in the bid price for the Wiegand Tank Conversion or Village Park Facilities shall be made solely by the OMWD representative. All decisions on change orders or increases in the bid price for the Zona Gale Pipeline shall be made jointly by the representatives for SEJPA and OMWD.

13. **Changes in Design Plans or Plans & Specifications.** All changes to the approved design plans and the plans and specifications for the Via Cantabria Pipeline or Potable Water Connection shall be made solely by the SEJPA representative. All decisions on changes in the approved design plans or the plans and specifications for the Wiegand Tank Conversion or Village Park Facilities shall be made solely by the representative for OMWD. All decisions on changes to the design plans or the plans and specifications for the Zona Gale Pipeline shall be made jointly by the representatives for OMWD and SEJPA. Both parties agree to provide comments and to make decisions on all design changes or changes to the plans and specifications for the Project within five (5) working days from the date a design change or change in the plan and specifications becomes necessary.

14. **Construction Management and Materials and Specialty Testing.** OMWD shall be the Lead Agency for the proper management and control of all construction required for the Project including all traffic control and traffic safety. OMWD shall also be the Lead Agency for all material source inspections, all independent assurance and specialty testing and all construction engineering that may be required for the Project.

15. **Inspection of Construction Work.** SEJPA shall designate an inspector to inspect all construction work performed on the Via Cantabria Pipeline and Potable Water Connection. OMWD shall designate an inspector to inspect all construction work performed on the Wiegand Tank Conversion, Zona Gale Pipeline, and Village Park Facilities.

16. **Review and Approval of Work upon Completion of Construction.** Within fourteen (14) working days of completion of the Project and notification from OMWD that all construction work is complete, SEJPA shall inspect all work performed on the SEJPA Project elements and determine whether the work has been completed in accordance with all approved plans and specifications. OMWD shall not file a Notice of Completion until SEJPA has notified OMWD that all work on the SEJPA Project elements has been completed in accordance with the approved plans and specifications. If SEJPA has not notified OMWD in writing through the SEJPA representative that the work performed on the Project varies from the approved plans and specifications or is inadequate within fourteen (14) working days after OMWD notifies SEJPA that all construction work is completed, SEJPA shall be deemed to have accepted the construction work as consistent with the approved plans and specifications and acceptable to SEJPA.

17. **Punch List of Remaining Work Items.** Prior to the filing of a Notice of Completion, OMWD shall prepare a punch list of all work on the Project that is not completed in accordance with the approved plans and specifications, to correct defective work, or that requires repairs or completion and shall provide a copy of this punch list to SEJPA. SEJPA shall have ten (10) working days from receipt of this punch list to add any items to it determined necessary by SEJPA to comply with the approved plans and specifications, to correct defective work, or to complete the construction work. OMWD agrees to include all items specified by SEJPA in this punch list which will then be provided to the construction contractor. OMWD shall ensure that all work identified on the punch list is completed by the construction contractor.

18. **Warranty Work.** Prior to expiration of the warranty period provided in the construction contract, OMWD shall coordinate a joint inspection with SEJPA of the Project to identify all defective work and all items that need to be corrected prior to expiration of the warranty period. OMWD agrees that all work items identified by SEJPA as defective or requiring repairs or corrections shall be included in the list of warranty repairs to be completed by the construction contractor. OMWD shall ensure that all items included on the warranty list are completed by the construction contractor.

19. **SEJPA Named as an Additional Insured on Contract Insurance Policies.** All insurance policies and all endorsements included as part of the construction contract for the Project shall name SEJPA as an additional named insured on all insurance policies provided as part of the construction contract. OMWD shall provide SEJPA with copies of all insurance certificates and endorsements for the Project designating SEJPA as an additional named insured.

20. **Permits and Approvals.** OMWD shall secure all permits and approvals required to construct and operate the Project prior to commencement of any construction work. Upon request, SEJPA agrees to assist OMWD in obtaining any required permits or approvals within the boundaries of OMWD with the express understanding that it is the sole responsibility of OMWD to obtain all permits and approvals required to construct and operate the Project.

21. **Construction of Project.** OMWD shall construct the Project by contract in accordance with all plans and specifications and all design drawings approved by both SEJPA and OMWD. These plans are referred to as the PLANS FOR CONSTRUCTION OF VILLAGE PARK RECYCLED WATER PROJECT which have been prepared for OMWD by Infrastructure Engineering Corporation.

22. **Authorization to Act as SEJPA Agent During Construction.** SEJPA hereby relinquishes to OMWD all rights it has in the maintenance and operation of the construction zone within the boundaries of SEJPA for the duration of construction of the Project and authorizes OMWD to act as SEJPA's authorized agent to direct the construction contractor on traffic control, signal timing, and other measures deemed necessary for construction or administration of the Project. OMWD agrees to handle all traffic and traffic control for the Project in a manner consistent with all federal, state, and local traffic and traffic control requirements and in a manner that provides for the safe flow of traffic during construction activities and that avoids injuries or accidents, and accepts responsibility for the execution of these duties.

23. **Responsibility for Other Public Facilities During Construction.** OMWD shall be solely responsible for the operation and maintenance of all other water facilities and improvements owned or operated by OMWD during construction of the Project. SEJPA shall be

solely responsible for the operation and maintenance of all other water facilities and improvements owned or operated by SEJPA during construction of the Project.

24. **Construction of Project in Public Rights-of-Way.** The parties agree that all components of the Project will be constructed in public rights-of-way and that no easements held by either party are necessary to construct the Project with the exception of portions of the Village Park Facilities for which OMWD shall be solely responsible.

25. **Ownership and Maintenance of Project Components.** Upon completion of the construction work, ownership and title to all materials, equipment, and appurtenances related to the Via Cantabria Pipeline shall be owned, operated, and maintained solely by SEJPA. Upon completion of the construction work, OMWD shall solely own, operate, and maintain the Village Park Facilities. Upon completion of the construction work, the Zona Gale Pipeline shall be owned and maintained 50% by SEJPA and 50% by OMWD. Upon completion of the construction work, the Wiegand Tank and the Potable Water Pipeline shall be owned by OMWD; however, costs to maintain these Project elements will be shared equally by SEJPA and OMWD. OMWD shall be the lead agency with respect to the maintenance and repair of the Zona Gale Pipeline, Wiegand Tank and Potable Water Pipeline and shall coordinate necessary maintenance and repairs of the facilities with SEJPA. OMWD will invoice SEJPA for 50% of the maintenance/repair costs upon completion of the repair or maintenance. Each party shall maintain and repair any Project components owned or operated by them so that all Project components operate properly and remain operational at all times.

26. **Liability and Indemnification.** Pursuant to Government Code Section 895.4, SEJPA and OMWD agree that each will jointly assume all liability and responsibility for any and all claims, actions, causes of action, injuries or damages of whatever kind and description, including, but not limited to, the injury or death of any person or damage to any real or personal property caused by, or claimed to be caused by, the actions, omissions, negligence, or intentional misconduct of its directors, officers, agents, contractors, consultants, or employees related in any way to this Agreement or the performance of any of their obligations under this Agreement and will not seek contribution from the other party for such claims, causes of action, actions, damages, injuries, death, or damage to any real or personal property. Each party hereby agrees to defend, indemnify, and hold harmless the other party from and against any and all liability, claims, causes of action, inaction, actions, losses, costs, fees, expenses, or damages, of whatever type or nature, including all costs of defense and attorneys' fees, caused,



or claim to be caused, in whole or in part, by the actions, inaction, omissions, negligence, or intentional misconduct of the party or its directors, officers, agents, contractors, or employees. This liability and indemnity provision is intended to supersede and replace the joint and several liability provided by Government Code Section 895.2 and the right of contribution contained in Government Code Section 895.6.

In the event that any liability, claim, cause of action, action or damages are caused in whole or in part, or are claimed to be caused in whole or part, by the actions, inaction, omissions, negligence, or intentional misconduct of both parties or their directors, officers, agents, contractors, consultants, or employees, this defense, indemnity, and hold harmless provision shall not apply and each party shall pay their share of any settlement or judgment based upon the degree of fault of each of the parties or their respective directors, officers, agents, contractors, consultants, or employees.

These defense, hold harmless and indemnity provisions are not limited in any way by the extent of any policy of insurance currently in force and held by either party. All construction for any element of the Project within the construction zone of the Project and within the jurisdictional boundaries of SEJPA and/or OMWD shall include indemnity and insurance provisions, whereby the contractor agrees to defend, indemnify and hold harmless both SEJPA and OMWD to the full extent provided by law, and adds both agencies as additional named insureds on all insurance policies included as part of the construction contract.

27. **Remedies for Breach of Agreement.** In the event either party breaches any term or provision of this Agreement, the other party shall have the right to pursue any and all remedies provided by California law including an action for specific performance, damages, and/or for a temporary restraining order, preliminary injunction, and/or permanent injunction. Nothing stated in this Agreement shall be construed as limiting the remedies of either party for any breach of this Agreement in any way.

28. **Notifications.** Unless otherwise specifically provided for in this Agreement, all notices, demands, or other communications given hereunder shall be in writing and will be deemed to have been duly delivered upon personal delivery, by facsimile or e-mail transmissions to the facsimile numbers or e-mail addresses provided below or on the second

business day after mailing by United States mail, return receipt requested, postage prepared and addressed as follows:

If to OLIVENHAIN:                    Kimberly A. Thorner, Esq.  
    General Manager  
    Olivenhain Municipal Water District  
    1966 Olivenhain Road  
    Encinitas, CA 92024  
    Facsimile No: (760) 753-5640

If to SEJPA:                             Michael T. Thornton, PE  
    General Manager  
    San Elijo Joint Powers Authority  
    2695 Manchester Avenue  
    P.O. Box 1077  
    Cardiff by the Sea, CA 92007  
    Facsimile No: (760) 753-5935

29.     **Modifications.** This Agreement may not be modified, amended, or otherwise changed except by an amendment in writing, executed by all parties to this Agreement. No oral modifications of this Agreement shall be effective for any purpose.

30.     **Counterparts and Facsimile or Electronic Signatures.** This agreement may be executed by SEJPA and OMWD in separate counterparts, each of which when so executed and delivered shall be treated as an original. All such counterparts shall be treated as part of this Agreement. This Agreement may be signed by facsimile or electronic signatures which shall be treated as original signatures for all purposes.

31.     **Choice of Law.** This agreement shall be governed by and construed in accordance with the laws of the State of California. Jurisdiction and venue shall be proper only in the San Diego Superior Court, North County Branch. The parties mutually declare that this Agreement has been executed and requires performance in Encinitas, California within the North County Judicial District, County of San Diego.

32. **Severability.** If one or more clauses, sentences, paragraphs, provisions or terms of this Agreement shall be held to be unlawful, invalid, or unenforceable, it is hereby agreed by the SEJPA and OMWD that the remainder of this agreement shall not be affected thereby and shall be enforced in accordance with its terms. Invalid or illegal provisions shall be deleted to the minimum extent necessary to make this Agreement valid and enforceable.

33. **Headings.** The headings of articles and paragraphs of this agreement are for convenience only, and no presumption or implication of the intent of the parties as to the construction of this agreement shall be drawn therefrom.

34. **Complete and Integrated Agreement.** This Agreement contains all representations and the entire understanding between the parties with respect to this Agreement. Each party agrees that no attorney or representative of the other party has made any oral representations or oral agreements whatsoever not contained in this Agreement. Each party further warrants and represents that it has not relied upon any oral statements or promises made by any attorney, representative or agent of either party in executing this Agreement. The parties mutually declare that this Agreement constitutes a final, complete and integrated agreement between them. No claims of oral promises or oral agreements not contained in this written Agreement shall be valid for any purpose.

35. **Attorneys' Fees and Costs.** In the event any action or proceeding is commenced to interpret, enforce, or invalidate any of the terms or provisions of this Agreement, the prevailing party shall recover all attorneys' fees, all expert fees and costs, and all court costs in addition to any other relief granted by law.

IN WITNESS WHEREOF, this Agreement is executed by SEJPA pursuant to action taken by its Board of Directors and by OMWD pursuant to action taken by its Board of Directors. The parties mutually declare that this Agreement has been executed and requires performance in Encinitas, California within the North County Judicial District, County of San Diego.

OLIVENHAIN MUNICIPAL  
WATER DISTRICT,  
a public agency

SAN ELIJO JOINT POWERS  
AUTHORITY,  
a public agency

\_\_\_\_\_  
Kimberly A. Thorner, Esq.  
General Manager

\_\_\_\_\_  
Michael T. Thornton, PE  
General Manager

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

July 14, 2014

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CONSIDERATION OF CONSTRUCTION CONTRACT – SOLANA BEACH  
STORM WATER DIVERSION STRUCTURE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to Award Construction Contract to C.E. Wilson Corporation for an Amount not to Exceed \$131,527; and
2. Discuss and take action as appropriate.

BACKGROUND

In an effort to maximize the regional value of the advanced water treatment project, the SEJPA partnered with the Olivenhain Municipal Water District (OMWD) and the San Elijo Lagoon Conservancy to create the North San Diego County Cooperative Demineralization Project in 2010.

The project goals are to (1) create sustainable and diverse local water supplies, (2) provide salinity and nutrient management to the North County coastal region, (3) address existing high Total Dissolved Solids (TDS) issues in recycled water, (4) divert urban runoff and first flush storm water from the San Elijo Lagoon, a Federal 303(d)-listed water body, (5) divert urban runoff and first flush storm water at the Solana Beach Seascape storm drain, which has a chronic history exceeding California Ocean Plan receiving water bacteriological standards to protect body contact recreational uses (REC-1), and (6) reduce wastewater discharge to the Pacific Ocean. The North San Diego County Cooperative Demineralization Project is accomplishing these goals through the following four elements:

1. Construction of an advanced recycled water treatment facility at the San Elijo Water Reclamation Facility (completed);
2. Construction of two storm water diversion structures to redirect flows to the SEWRF (in progress);
3. Monitoring of the water quantity and quality at the San Elijo Lagoon (in progress); and
4. Preparation of a feasibility study for an OMWD brackish groundwater desalination facility in north San Diego County (completed).

In 2010, SEJPA submitted the North San Diego County Cooperative Demineralization Project for grant consideration through the San Diego Integrated Regional Water Management (IRWM) program for Proposition 84 funding. Through a competitive rating process, the project was ranked the highest in the region and was allocated approximately \$1.05 million in IRWM, Prop. 84, Round 1 funding.

For this project, the SEJPA is responsible for completing two elements; the Advanced Recycled Water Treatment (AWT) Facility and the two storm water diversion structures. The AWT Facility has been constructed and is operational. The SEJPA is now planning the construction of the storm water diversion structures, one of which will be located in the City of Encinitas and the other in Solana Beach. The Encinitas Storm Water Diversion Structure is on site at the SEJPA facility and diverts low flow from the regional drainage channel on the west edge of the property into the San Elijo Water Reclamation Facility for treatment. The majority of the civil work for this diversion structure was completed with the AWT project and the remaining electrical and mechanical components are currently being completed by SEJPA staff. The Solana Beach Storm Water Diversion Structure is located at Seascape Sur on South Sierra Avenue in Solana Beach where there is a documented history of coliform bacteria in the storm drain system. The design of this diverter structure was completed and the construction was publicly advertised on May 19, 2014. Four bids were received by the 10:00 am deadline on June 17, 2014.

This staff report provides the construction bid results and recommendation for construction contract award.

## DISCUSSION

The budget for the construction phase of the Solana Beach Storm Water Diverter Project is \$140,000. The result of the construction bid is as follows:

<u>CONTRACTOR</u>	<u>BID AMOUNT</u>
<b>C.E. Wilson Corporation</b>	<b>\$131,527*</b>
Downstream Services, Inc.	\$138,199
Transtar Pipeline, Inc.	\$156,025
Charles King Company, Inc.	\$198,525
<i>*Denotes Apparent Low Bidder</i>	

Hoch Consulting, the engineer of record for this project, conducted a review of the C.E. Wilson bid proposal and relevant experience (see Attachment 1). The bid proposal appears complete and meets the bid proposal specifications, and C.E. Wilson has satisfactory experience in similar-type work. It is therefore recommended to award the contract for construction of the Seascape Sur Low Flow Diversion Structure Project to C.E. Wilson Corporation. This award is contingent upon verification that the Apparent Low Bidder meets bid requirements, including bonding and insurance, as required. Should any condition not be met, the General Manager will confer with SEJPA legal counsel to determine responsiveness to the bid and will provide further information at the next SEJPA Board meeting.

FINANCIAL IMPACT

The proposed construction bid of \$131,527 by C.E. Wilson Corporation is within the budget allowance for the project. The overall budget for both storm water diversion structures is \$232,000 (see Table 1, below). The inclusion of \$131,527 will bring the construction commitment of the SEJPA to \$173,450, which is within budget expectations. Furthermore, the overall estimated cost to complete the entire project is \$209,120, which is approximately 90% of the project budget.

**TABLE 1 - STORM WATER DIVERSION PROJECT**

<b>Project Item</b>	<b>Estimated Actual</b>	<b>Budget</b>
Design/Permitting/Legal	\$21,870	\$22,000
Construction	173,450	180,000
Construction Management	13,800	12,000
Contingency	0	18,000
<b>Total</b>	<b>\$209,120</b>	<b>\$232,000</b>

It is recommended that the Board of Directors:

1. Authorize the General Manager to Award Construction Contract to C.E. Wilson for an Amount not to Exceed \$131,527; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

Attachment 1: Hoch Consulting Bid Analysis for Low Flow Diversion Structure Project



Hoch Consulting  
3255 Moccasin Avenue  
San Diego, CA 92117  
(tel.) 858-431-9767  
adam@hochconsultingsd.com

June 25, 2014

Mr. Christopher Trees, P.E.  
Director of Operations  
San Elijo Joint Powers Authority  
2695 Manchester Avenue  
Cardiff by the Sea, CA 92007

**Subject: Seascap Sur Low Flow Diversion Structure Project – Bid Evaluation**

Dear Mr. Trees:

This letter summarized Hoch Consulting’s evaluation of bids for the Seascap Sur Low Flow Diversion Structure Project.

**BACKGROUND**

The San Elijo Joint Powers Authorities (SEJPA) Seascap Sur Low Flow Diversion Structure Project, Project No. SE2014-LFDS, will construct a new low-flow diversion structure at the Seascap Sur Ocean Outfall located on South Sierra Avenue in Solana Beach. The project was publicly advertised on May 19, 2014. A mandatory pre-bid meeting was held on June 2, 2014. Bids were received on June 17, 2014. Four bids were received by the 10:00 am deadline and subsequently opened publicly in the SEJPA board room. The bid documents define the project award to the lowest responsive bidder, as determined by the bid schedule.

**QUANTITATIVE BID COMPARISON**

Four bids were received for the subject project, and the results are summarized in the Table 1.

<i><b>RANK</b></i>	<i><b>COMPANY NAME</b></i>	<i><b>BASE BID</b></i>
1	Downstream Services, Inc.	\$ 138,199.00
2	Transtar Pipeline, Inc.	\$ 156,025.00
3	Charles King Company, Inc.	\$ 198,525.00
4	C.E. Wilson Corporation	\$ 131,527.00

**Table 1**

The apparent low bidder was C.E. Wilson Corporation with a bid of \$131,527.00, which included an optional bid item of \$60/sf for removal and replacement of existing concrete sidewalk.





## QUALITATIVE REVIEW OF APPARENT LOW BIDDER

As C.E. Wilson Corporation is the apparent low bidder, Hoch Consulting reviewed their bid proposal to determine responsiveness with the bidding requirements. Hoch Consulting noted the following observations.

- C.E. Wilson Corporation holds a valid A – General Engineering Contractor, B – Building Contractor, C8 – Concrete, C-12 earthwork and Paving, and C21 Building Moving, Demolition licenses, satisfying requirements of Section 00100 – Notice Inviting Bids.
- C.E. Wilson Corporation indicated two subcontractors: MS Cochran Electrical and Ciro's Landscaping, Inc. who hold appropriate licenses for their portions of work.
- C.E. Wilson Corporation indicated the specified pump (BJM SV-250) as the pump to be supplied as part of the project.
- C.E. Wilson Corporation is located in the City of Spring Valley and listed two local projects as relevant experience. Hoch Consulting spoke with Glen Borraro with San Diego State University (SDSU) who managed C.E. Wilson Corporation for the listed projects, who identified that C.E. Wilson was a more than competent contractor who are the “go-to” contractor for emergency projects for SDSU. Glen identified that C.E. Wilson corporation had experience in several pipeline projects for the university and did not have any reservations recommending C.E. Wilson for this project.
- C.E. Wilson Corporation attended the mandatory pre-bid meeting.
- C.E. Wilson Corporation acknowledged receipt of Addendum No. 1.
- C.E. Wilson Corporation submitted the required 10% bid bond, and notarized acknowledgements, declarations, and certifications. SEJPA's Legal Counsel should verify all forms are properly executed prior to award.

## RECOMMENDATION TO AWARD

Hoch Consulting prepared the bid tabulation identified above and reviewed the bid proposal by the apparent low bidder, C.E. Wilson Corporation, as described above. Hoch Consulting did not identify any material bid irregularities. C.E. Wilson Corporation is a reputable, properly licensed contractor with experience relevant to the subject project.

Hoch Consulting concludes that the apparent low bid from C.E. Wilson Corporation is responsible and a fair bid at a reasonable price. Hoch Consulting recommends that SEJPA award the contract for the project to C.E. Wilson Corporation for one-hundred thirty-one thousand five-hundred twenty-seven dollars (\$131,527.00).

Sincerely,

Adam Hoch, P.E.  
Principal, Hoch Consulting