

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY, JUNE 11, 2018 AT 8:30 AM
SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA

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

Staff Recognition: Susie Arredondo – Master's Degree, Environmental Management,
Duke University
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR MAY 14, 2018 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. * SAN ELIJO JOINT POWERS AUTHORITY AND ENCINA WASTEWATER AUTHORITY JOINT SUPPLIES AND SERVICES CONTRACTING
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. ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2018-19 BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF TREASURER

1. Adopt Resolution No. 2018-05, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2018-19;
2. Adopt Resolution No. 2018-06, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Paul F. Kinkel as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

14. PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST PROGRAM TO PRE-FUND PENSION OBLIGATIONS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATIONS

1. Authorize up to \$200,000 of FY 2017-18 budget operating expense savings to be applied to the CalPERS Unfunded Actuarial Liability or initial funding of an IRS Section 115 Trust;
2. Authorize the General Manager to prepare the required documents and resolutions for a Public Agency Post-Employment Benefits Trust; and
3. Discuss and take action as appropriate.

Staff Reference: Director of Finance and Administration

15. CAPITAL IMPROVEMENT PROGRAM UPDATE

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

Staff Reference: General Manager

16. CONSTRUCTION CONTRACT CHANGE ORDER – SAN ELIJO LAND OUTFALL REPLACEMENT PROJECT

1. Authorize the General Manager to execute a construction contract change order with Filanc for a total cost of \$126,787; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

17. PROFESSIONAL SERVICE AGREEMENT FOR ENGINEERING AND ENVIRONMENTAL SERVICES FOR DEVELOPING BIKE/PEDESTRIAN PATH

1. Authorize the General Manager to execute an Engineering/Environmental Services Contribution Agreement with Caltrans for developing Bike/Pedestrian Path;
2. Authorize the General Manager to execute a professional service agreement with Kimley Horn and Associates for an amount not to exceed \$100,000; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

18. CONSIDERATION OF ALTERNATIVE DELIVERY FOR THE BUILDING AND SITE IMPROVEMENT PROGRAM

1. Authorize the General Manager to proceed with developing the Building and Site Improvement Project under the Construction Manager at Risk (CMAR) delivery method;
2. Authorize the General Manager to engage Kennedy/Jenks Consultants as the Owner's Representative and to execute a professional service agreement for an amount not to exceed \$77,235; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

19. GENERAL MANAGER'S REPORT

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

20. GENERAL COUNSEL'S REPORT

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

21. 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.

22. CLOSED SESSION

The Board will adjourn to Closed Session to discuss item(s) identified below. Closed Session is not open to the public; however, an opportunity will be provided at this time if members of the public would like to comment on any item listed below. (Three minute limit.) A closed session may be held at any time during this meeting of the San Elijo Joint Powers Authority for the purposes of discussing potential or pending litigation or other appropriate matters pursuant to the "Ralph M. Brown Act".

A closed session will be held per Government Code Section 54957, Public Employee Performance Evaluation: General Manager.

23. CONSIDERATION OF GENERAL MANAGER PERFORMANCE BONUS (COMPENSATION) PER CURRENT EMPLOYMENT AGREEMENT

1. Discuss and take action as appropriate.

Staff Reference: General Manager

24. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, August 20, 2018 at 8:30 a.m.

NOTICE:

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

The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board is available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at www.sejpa.org. The SEJPA Board meetings are held at 8:30 a.m. on the second Monday of the month, except July (no scheduled meeting) and August (regular meeting date changed to 8:30 a.m. on August 20, 2018).

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: June 6, 2018



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

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
HELD ON MAY 14, 2018
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Tasha Boerner Horvath, Chair

David Zito, Vice Chair

A regular meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, May 14, 2018, at 8:30 a.m., at the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff by the Sea, California.

1. CALL TO ORDER

Chair Boerner Horvath called the meeting to order at 8:32 a.m.

2. ROLL CALL

Directors Present:

Tasha Boerner Horvath
David Zito
Joe Mosca

Directors Absent:

Peter Zahn

Others Present:

General Manager
Director of Operations
Director of Finance & Administration
Associate Engineer
Administrative Assistant/Board Clerk

Michael Thornton
Chris Trees
Paul Kinkel
Mike Konicke
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Traci Stender

City of Solana Beach:

City Manager
Director of Engineering/Public Works

Greg Wade
Mohammad "Mo" Sammak

City of Encinitas:

Public Works Management Analyst

Bill Wilson

Encinitas Ranch Community Association

Dick Stern

Olivenhain Municipal Water District:

Assistant General Manager

Joseph Randall

Santa Fe Irrigation District:

General Manager

Mike Bardin

3. PLEDGE OF ALLEGIANCE

Chair Boerner Horvath led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

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

Agenda Item No. 7	Approval of Minutes for the April 9, 2018 Meeting
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	San Elijo Joint Powers Authority Contract for Procurement of Ferric Chloride
Agenda Item No. 12	San Elijo Joint Powers Authority Fiscal Year 2018-19 Recommended Budget Update

Motion carried with the following vote of approval:

AYES:	Boerner Horvath, Zito, Mosca
NOES:	None
ABSENT:	Zahn
ABSTAIN:	None

Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
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Motion carried with the following vote of approval:

AYES:	Boerner Horvath, Zito (2 votes)
NOES:	None
ABSENT:	Zahn
ABSTAIN:	Mosca

13. ITEMS REMOVED FROM CONSENT CALENDAR

None

14. RECYCLED WATER COST OF SERVICE AND PROPOSED WHOLESALE RATES FOR 2018, 2019, AND 2020

The General Manager stated that at the April 2018 SEJPA Board meeting, staff presented the Recycled Water Rate Review and Update prepared by Raftelis Financial Consultants (RFC). The report recommends 3.8% annual price increases for the non-interruptible customers through FYE 2021. Staff provided the report to the water purveyors served by the recycled water utility. Mr. Thornton stated that the water purveyors' staff expressed appreciation for the inclusion in the process, and agreed with the 3.8% recommendation. The proposed recycled water rates will result in adequate revenues for the utility in FY 2018-19, FY 2019-20, and FY 2020-21.

Moved by Vice Chair Zito and seconded by Board Member Mosca to:

1. Accept and file the Rafetlis Financial Consultants Recycled Water Rate Review and Update; and
2. Approve 3.8% annual Recycled Water Rate increase to Santa Fe Irrigation District (SFID), San Dieguito Water District (SDWD), Olivenhain Municipal Water District (OMWD), and the City of Del Mar beginning July 1, 2018, July 1, 2019, and again beginning July 1, 2020.

Motion carried with the following vote of approval:

AYES: Boerner Horvath, Zito, Mosca
NOES: None
ABSENT: Zahn
ABSTAIN: None

15. AWARD CONSTRUCTION MANAGEMENT CONTRACT FOR ENCINITAS RANCH RECYCLED WATER EXPANSION PROJECT

General Manager Thornton stated that in 2015, the SEJPA submitted a grant application to the Proposition 84, Round 4, Integrated Regional Water Management program. The project, which included the cities of Encinitas and Solana Beach, San Elijo Lagoon Conservancy, and the Olivenhain Municipal Water District; was selected for a \$2.5 million grant to expand recycled water service, implement urban runoff pollution control, conduct water quality monitoring associated with the San Elijo Lagoon, and provide educational outreach activities. The project includes recycled water pipeline expansion in both the cities of Encinitas and Solana Beach to offset potable water. For the City of Encinitas, expansion of recycled water service is focused within the Encinitas Ranch area and potentially includes extending an existing recycled water pipeline along Requeza Street (Encinitas Ranch Recycled Water Expansion project). The Encinitas project includes approximately 7,000 linear feet of new pipeline and a small booster pump station. In April 2018, staff requested proposals and conducted interviews for construction management services for the Encinitas project. Mr. Thornton stated that

staff determined that Black & Veatch provided the best value. The SEJPA capital program has adequate funding for the recommended construction management services agreement with Black & Veatch.

Moved by Board Member Mosca and seconded by Vice Chair Zito to:

1. Authorize the General Manager to execute a professional services agreement with Black & Veatch for Construction Management Services not to exceed \$166,770.

Motion carried with the following vote of approval:

AYES:	Boerner Horvath, Zito, Mosca
NOES	None
ABSENT:	Zahn
ABSTAIN:	None

16. AGREEMENT AMENDMENT FOR CONSTRUCTION MANAGEMENT & INSPECTION SERVICES FOR LAND OUTFALL REPLACEMENT

General Manager Thornton briefed the Board of Directors on the Land Outfall Replacement Project. Since the completion of the directional drilling and installation of the new Land Outfall pipeline, the contractor encountered further construction challenges at the beach site where the new pipeline connects to the existing ocean outfall pipeline. The General Manager noted that these delays created cost change orders, which will be presented at a future meeting, as well as placed the project at-risk of extending past regulatory permit construction work windows. The unforeseen delays also increased the potential to stall other local infrastructure projects. In consideration of the additional delays and constraints, the contractor was allowed to work overtime in order to expeditiously complete construction in environmentally sensitive areas and to minimize impacts to lagoon restoration and railroad double tracking projects. The SEJPA authorized Black & Veatch to provide inspection and construction management to monitor and inspect construction, and to ensure compliance with permits and design specifications. Funding for this proposed contract amendment is available in the SEJPA capital program.

Moved by Board Member Mosca and seconded by Vice Chair Zito to:

1. Authorize amendment of the professional services agreement with Black & Veatch for an additional amount not to exceed \$174,815.

Motion carried with the following vote of approval:

AYES:	Boerner Horvath, Zito, Mosca
NOES	None
ABSENT:	Zahn
ABSTAIN:	None

17. GENERAL MANAGER'S REPORT

The General Manager briefly described alternative delivery methods for designing and building capital projects. He stated that staff is evaluating the benefits and limitations of using design/build or other alternative methods for delivering upcoming capital projects. More information on this topic will be provided to the Board Members at a future Board meeting. Next, Mr. Thornton updated the Board of Directors on the status of the bike path project with Caltrans. Currently, discussions are focused on project cost reductions and on developing the cost sharing agreement between the SEJPA and Caltrans.

18. GENERAL COUNSEL'S REPORT

Tracie Stender informed the Board of Directors that a closing brief regarding the agency's appeal of CalPERS' determination regarding reporting uniforms as special compensation will be filed this week. Updates will be presented to the Board of Directors as they occur.

19. BOARD MEMBER COMMENTS

Vice Chair Zito stated that City of Solana Beach Councilmember Peter Zahn was appointed to the SEJPA Board of Directors at the May 9, 2018 Solana Beach Council Meeting.

20. CLOSED SESSION

None

21. ADJOURNMENT

The meeting adjourned at 9:15 a.m. The next Board of Directors meeting will be held on June 11, 2018 at 8:30 a.m.

Respectfully submitted,

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

Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****18-06****For the Months of April and May 2018**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
35699	All American First Aid & Safety	Supplies - Safety	Nitrile gloves	514.51
35700	Void	Void	Void	Void
35701	Carollo Engineers	Services - Engineering	ARC Flash and Protection Coordination Study	16,261.80
35702	City National Bank	Interest Expense - AWT Note	Loan agreement	74,076.57
35703	Detection Instruments Corp.	Services - Testing	Calibration	117.15
35704	Dudek & Associates	Services - Professional	Encinitas Ranch Recycled Water Expansion project	76,705.32
35705	Duhig Stainless #2646	Repair Parts Expense	Angle bar	834.20
35706	Evantec Lab Supply	Supplies - Lab	Buffer, filters, digestion vials, tubes	618.38
35707	FRS Environmental	Services - Maintenance	Rental parts	226.55
35708	Hach Company	Supplies - Lab	Nitrate, ammonia, pipet, pump tubing	984.30
35709	McMaster-Carr Supply Co.	Repair Parts Expense	Lockout set, u-bolt, routing clamp, PVC pipe, hose	1,131.52
35710	Olivenhain Municipal Water District	Rent	Recycled water pipeline	9,972.00
35711	Olivenhain Municipal Water District	Services - Maintenance	Maintenance/repair	2,726.72
35712	Pacific Pipeline Supply	Repair Parts Expense	Brass clamp, ball, and gasket	386.88
35713	Palomar Backflow	Services - Maintenance	Replace backflow	600.00
35714	SCAP	Dues & Memberships	Annual membership dues	8,570.00
35715	Sigma-Aldrich	Supplies - Lab	Laboratory supplies	656.22
35716	Smart & Final	Supplies - Office	Kitchen supplies	211.63
35717	Terminix Processing Center	Services - Maintenance	Pest control	40.00
35718	Test America	Services - Laboratory	Chemicals	1,317.00
35719	Unifirst Corporation	Services - Uniforms	Uniforms	158.17
35720	Underground Service Alert/SC	Services - Alarm	Monthly database maintenance	150.25
35721	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA-457	7,105.11
35722	Vantagepoint Transfer Agents	ICMA Retirement	ICMA-401a	3,315.78
35723	VWR International, Inc.	Supplies - Lab	Laboratory supplies	1,427.02
35724	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	554.88
35725	Brenntag Pacific, Inc.	Supplies - Chemicals	Sodium hydroxide	727.80
35726	Chevron & Texaco Business Card	Fuel	April and May	364.92
35727	Coast Waste Management, Inc.	Services - Grit & Screenings	Service period - 04/01/18 - 04/30/18	1,318.32
35728	CS-Amsco	Services - Maintenance	Service a three-way plug valve	600.00
35729	Duperon Corporation	Equipment Rental/Lease	Washer compactor	4,310.00
35730	EDCO Waste & Recycling Service	Utilities - Trash	April	280.75
35731	Encina Wastewater Authority	Service - EWA Support	Resource sharing - HR and safety	2,310.37
35732	Encinitas Ford	Vehicle Maintenance	Vehicle maintenance	641.10
35733	Forte of San Diego	Supplies - Janitorial	Supplies	309.82
35734	Golden State Overnight	Postage/Shipping	Mailing lab samples	71.91
35735	GTT Communications	Utilities - Internet	T-1 service - June	299.39
35736	Jennifer Basco	Subsistence - Travel	Mileage - March and April	101.94
35737	The Lawton Group	Services - Intern program	Week worked - 04/17/18 - 04/22/18	651.20
35738	Midas Shop	Vehicle Maintenance	Alignment	455.85
35739	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium hypochlorite	2,819.21
35740	OneSource Distributors, Inc.	Licenses	Remote support	1,530.00
35741	P.E.R.S.	Medical Insurance - PERS	Health - May	22,638.60
35742	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 04/21/18 - 05/04/18	12,449.98
35743	Preferred Benefit Insurance	Dental/Vision	Vision - May	315.60
35744	ProBuild Company, LLC	Repair Parts Expense	Repair parts	32.03
35745	Roesling Nakamura Terada Architects	Services - Professional	Building design	14,813.00
35746	Santa Fe Irrigation District	Utilities - Water	Recycled water	328.29
35747	San Dieguito Water District	Utilities - Water	Recycled water	2,207.28
35748	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - April and May	3,295.96
35749	Water Environment Federation	Dues & Memberships	Membership	352.00
35750	Department of Consumer Affairs	Dues & Memberships	Membership	172.50
35751	Aflac	EE Deduction Benefits	Aflac - May	643.60
35752	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling - April	11,906.70
35753	Aquatic Bioassay	Services - Laboratory	Toxicity test	1,400.00
35754	AT&T	Utilities - Telephone	Phone service - 04/13/18 - 05/12/18	382.54
35755	AT&T	Utilities - Telephone	Alarm service - May	400.68
35756	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	277.44
35757	BankCard Center	Supplies - Office	Security, postage, membership, and parts	6,932.74
35758	Boot World, Inc.	Uniforms - Boots	Safety boots	370.00
35759	Brenntag Pacific, Inc	Supplies - Chemicals	Sodium hydroxide	691.10

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****18-06****For the Months of April and May 2018**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
35760	Carollo Engineers	Services - Engineering	ARC flash, SCADA upgrades, Oak Crest tank	16,935.20
35761	Chevron & Texaco Business Card	Fuel	May	519.88
35762	Classic Automation LLC	Repair Parts Expense	Allen Bradley ethernet processor	1,117.00
35763	Comoso	Supplies - Shop & Field	Chevron Rando HD 220	297.12
35764	Complete Office	Supplies - Office	Office supplies	86.44
35765	Corodata	Rent	Record storage - April	88.58
35766	DMV	Services - Other	Safety records - 04/01/18 - 04/30/18	2.00
35767	Dudek & Associates	Services - Professional	Preliminary treatment upgrade	2,380.43
35768	eMaint Enterprises, LLC	Licenses	Software annual fee	1,188.00
35769	Evantec Lab Supply	Supplies - Lab	Tubes, filters, buffer, and digestion vials	997.66
35770	J.R. Filanc Construction Co.	Services - Contractors	Land outfall replacement	170,667.50
35771	Forte of San Diego	Services - Janitorial	June service and supplies	1,145.72
35772	George T. Hall Co., Inc.	Repair Parts Expense	Low pressure switch	573.52
35773	Harbor Freight Tools	Supplies - Shop & Field	Tools and supplies	410.30
35774	Helix Environmental Planning	Services - Professional	As-needed environmental consulting	550.00
35775	Home Depot Credit Services	Supplies - Shop & Field	Supplies and parts	1,193.09
35776	The Lawton Group	Services - Intern program	Weeks worked - 04/23/18 - 05/06/18	2,246.64
35777	Marine Taxonomic Services, LTD	Services - Contractors	Offshore water sampling	434.00
35778	McMaster-Carr Supply Co.	Repair Parts Expense	Wire, hose, ballast, plumbing parts, PVC pipe	860.47
35779	MetLife - Group Benefits	Dental/Vision	Dental - June	1,816.05
35780	NeWest Construction	Services - Contractors	Headworks and grit project	362,439.25
35781	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium hypochlorite	2,910.00
35782	Pacific Green Landscape	Services - Landscape	May service; lateral line and sprinklers installation	3,296.26
35783	Pacific Pipeline Supply	Repair Parts Expense	Valve comb air, wire, and plumbing parts	927.36
35784	P.E.R.S.	Medical Insurance - PERS	Health - June	22,638.60
35785	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 05/05/18 - 05/18/18	12,392.15
35786	Procopio Cory Hargreaves	Services - Legal	General; Labor & employment - April	15,263.83
35787	Quality Lift Trucks	Capital Outlay	Forklift	20,681.30
35788	RSF Security Systems	Prepaid - Other	Security monitoring - 06/01/18 - 08/31/18	1,353.00
35789	Rusty Wallis, Inc.	Services - Maintenance	Water softener, carbon exchange tanks, salt bags	137.33
35790	Santa Fe Irrigation District	Utilities - Water	Seabright - 03/16/18 - 05/15/18	85.08
35791	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment - April	1,305.00
35792	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - June	1,709.73
35793	T.S. Industrial Supply	Shop Tools and Equip.	Trash pump	1,345.24
35794	Terminix Processing Center	Services - Maintenance	Pest control	177.00
35795	Technology Integration Group	Services - Maintenance	Copier	165.32
35796	Trussell Technologies, Inc.	Services - Engineering	Ammonia analyzer testing; RO membrane	1,251.00
35797	Unifirst Corporation	Services - Uniforms	Uniform service	420.55
35798	UPS	Postage/Shipping	Mailing parts	20.75
35799	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	7,080.94
35800	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,291.24
35801	Verizon Wireless	Utilities - Telephone	04/11/18 - 05/10/18	331.34
35802	Verizon Wireless	Utilities - Telephone	Cell phone service and equipment	1,101.76
35803	VWR International, Inc.	Supplies - Lab	Laboratory supplies	958.22
35804	WageWorks	Payroll Processing Fees	Admin and compliance fee	118.25
35805	Watson Bros. Inc.	Services - Maintenance	Laboratory digital scales	360.00
35806	WorkPartners Occupational	Services - Medical	New employee	95.00
35807	Michael Piper	Supplies - Office	Battery and screen protector	74.30
35808	Michael Thornton	Subsistence - Travel	CASA winter conference 2018	209.31
35809	Water Systems Consulting, Inc.	Services - Professional	Strategic communications	11,008.75
	San Elijo Payroll Account	Payroll	Payroll - 05/11/2018	65,783.02
	San Elijo Payroll Account	Payroll	Payroll - 05/25/2018	67,135.32
				\$1,114,640.38

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Months of April and May 2018
As of May 31, 2018**

PAYMENT OF WARRANTS	\$ 1,114,640.38
Reference Number	18-06

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.



Paul F. Kinkel
Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION
As of May 31, 2018

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND	
<i>(APRIL 2018 YIELD 1.661%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 9,306,136.89
CALIFORNIA BANK AND TRUST	
<i>(APRIL 2018 YIELD 0.01%)</i>	
REGULAR CHECKING	\$ 38,628.18
PAYROLL CHECKING	\$ 5,000.00
UNION BANK - TRUSTEE (BOND FUNDS)	
BLACKROCK	\$ 602,116.37
<i>(APRIL 2018 YIELD 1.55%)</i>	
LAIF	\$ 20,225,883.74
<i>(APRIL 2018 YIELD 1.661%)</i>	
TOTAL RESOURCES	\$ 30,807,765.18

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 11, 2018

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

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

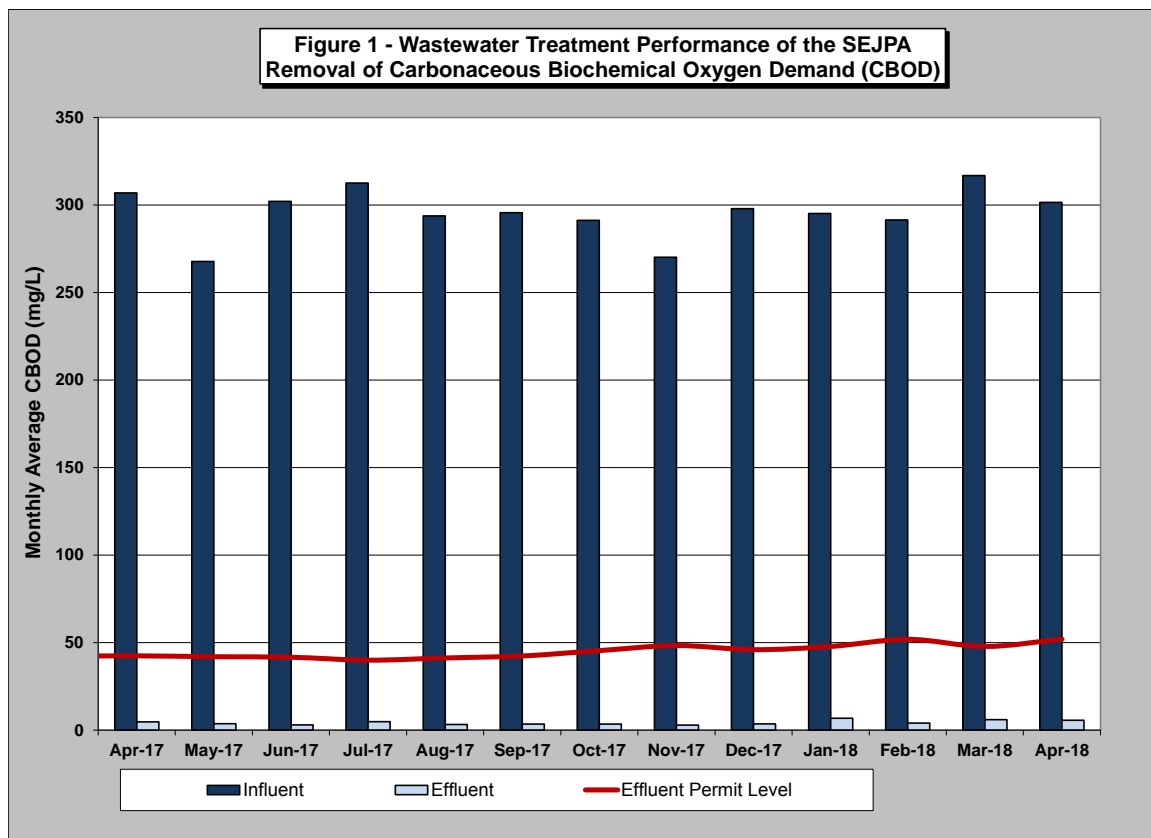
RECOMMENDATION

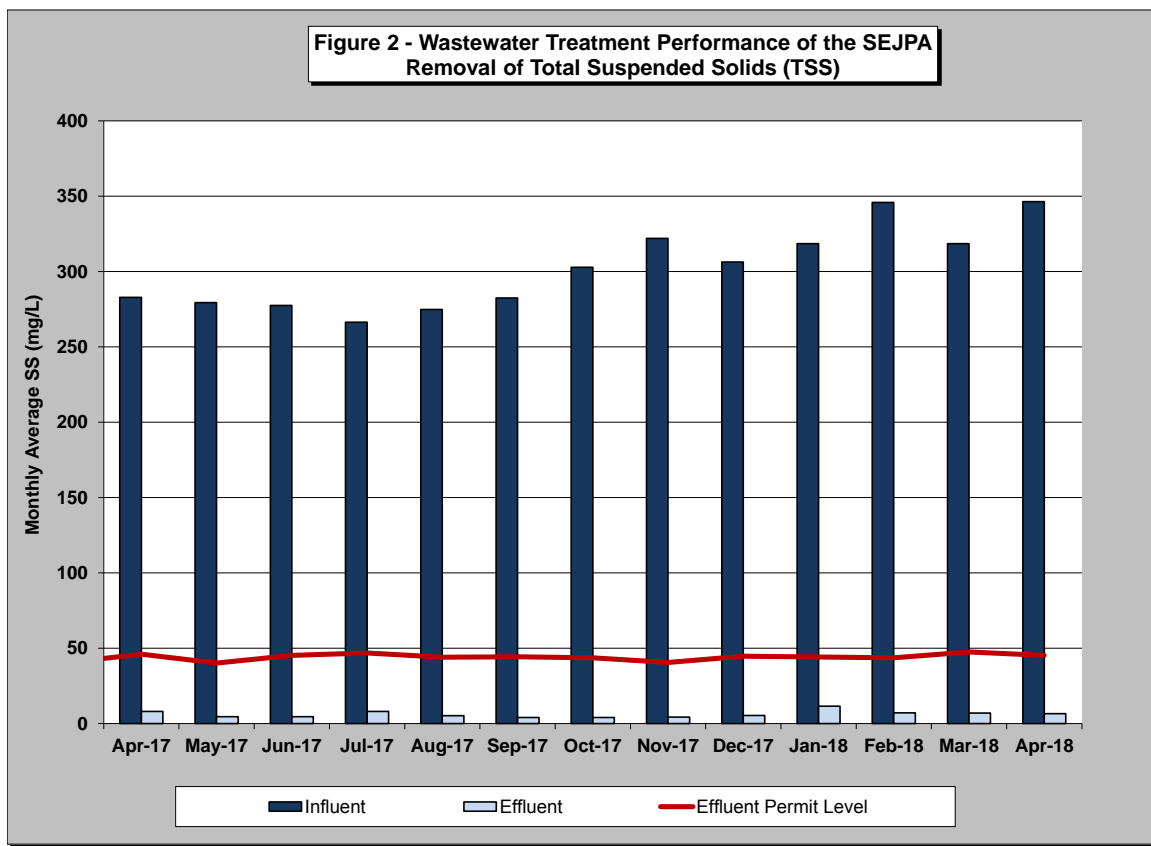
No action required. This memorandum is submitted for information only.

DISCUSSION

Monthly Treatment Plant Performance and Evaluation

Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of April 2018. 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 98.1 and 98.1 percent removal, respectively, (as shown in Figure 1 and Figure 2).





Member Agency Flows

Presented below are the influent and effluent flows for the month of April. Average daily influent flows were recorded for each Member Agency. Total effluent flow was calculated for the San Elijo Water Reclamation Facility. The SEJPA commenced wastewater treatment services for the City of Del Mar on March 29, 2018.

	April	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.184	0.627
City of Solana Beach	0.901	0.477
Rancho Santa Fe SID	0.115	0.061
City of Del Mar	0.337	0.179
Total San Elijo WRF Flow	2.537	1.344

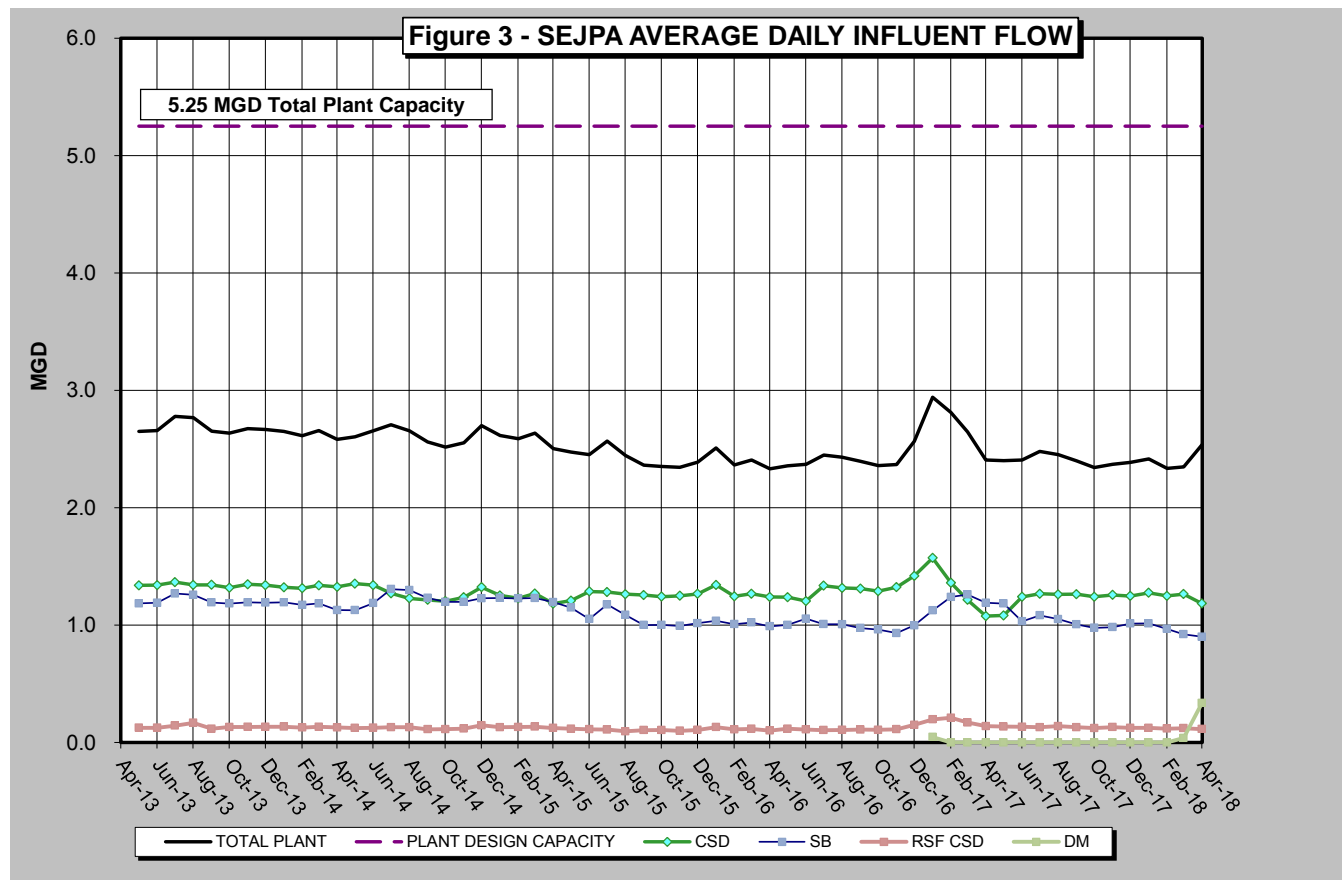
* Effluent is calculated by subtracting the recycled water production from the influent wastewater.

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

TABLE 1 - SAN 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	CSD	SB	DM	TOTAL PLANT	CSD	RSF	CSD	SB	DM	TOTAL PLANT	CSD EDUS	RSF EDUS	CSD EDUS	SB EDUS	DM EDUS	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
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
Jun-14	1.341	0.126	1.188			2.655	0.207	0.020	0.183			0.410	8,333	498	7,728			16,559	161	253	154		160
Jul-14	1.271	0.130	1.307			2.708	0.232	0.024	0.239			0.495	8,338	499	7,728			16,565	152	261	169		163
Aug-14	1.228	0.130	1.298			2.656	0.227	0.024	0.239			0.490	8,345	500	7,728			16,573	147	260	168		160
Sep-14	1.215	0.113	1.232			2.560	0.211	0.019	0.214			0.444	8,351	500	7,728			16,579	145	226	159		154
Oct-14	1.204	0.114	1.198			2.516	0.394	0.038	0.392			0.824	8,353	500	7,728			16,581	144	228	155		152
Nov-14	1.237	0.118	1.198			2.553	0.667	0.063	0.646			1.376	8,354	502	7,728			16,584	148	235	155		154
Dec-14	1.323	0.147	1.229			2.699	1.163	0.129	1.081			2.373	8,355	502	7,728			16,585	158	293	159		163
Jan-15	1.253	0.130	1.232			2.615	0.984	0.102	0.967			2.053	8,359	503	7,977			16,838	150	259	154		155
Feb-15	1.229	0.132	1.228			2.589	0.757	0.081	0.757			1.595	8,361	504	7,977			16,841	147	262	154		154
Mar-15	1.269	0.135	1.231			2.635	0.583	0.062	0.566			1.211	8,365	504	7,977			16,846	152	268	154		156
Apr-15	1.183	0.124	1.196			2.503	0.350	0.036	0.354			0.740	8,366	504	7,977			16,847	141	246	150		149
May-15	1.209	0.117	1.149			2.475	0.545	0.053	0.518			1.116	8,367	505	7,977			16,848	144	232	144		147
Jun-15	1.287	0.113	1.052			2.452	0.362	0.032	0.296			0.690	8,369	506	7,977			16,852	154	224	132		146
Jul-15	1.282	0.110	1.176			2.568	0.392	0.034	0.359			0.785	8,370	510	8,003			16,883	153	216	147		152
Aug-15	1.264	0.095	1.087			2.446	0.315	0.023	0.271			0.609	8,371	510	8,003			16,884	151	186	136		145
Sep-15	1.256	0.105	1.001			2.362	0.457	0.038	0.364			0.859	8,372	511	8,003			16,885	150	206	125		140
Oct-15	1.243	0.106	1.002			2.351	0.681	0.058	0.549			1.288	8,373	511	8,003			16,886	148	208	125		139
Nov-15	1.250	0.100	0.994			2.344	0.792	0.063	0.630			1.485	8,376	511	8,003			16,889	149	196	124		139
Dec-15	1.266	0.107	1.016			2.389	0.971	0.082	0.780			1.833	8,377	511	8,003			16,891	151	210	127		141
Jan-16	1.342	0.131	1.037			2.510	1.189	0.116	0.918			2.223	8,380	511	8,003			16,894	160	257	130		149
Feb-16	1.245	0.112	1.008			2.365	0.780	0.070	0.631			1.481	8,383	512	8,003			16,897	149	219	126		140
Mar-16	1.267	0.116	1.023			2.406	0.763	0.070	0.616			1.449	8,388	512	8,003			16,903	151	227	128		142
Apr-16	1.240	0.102	0.990			2.332	0.675	0.055	0.539			1.269	8,389	512	8,003			16,904	148	199	124		138
May-16	1.238	0.117	1.002			2.357	0.505	0.048	0.409			0.962	8,389	512	8,003			16,904	148	229	125		139
Jun-16	1.205	0.111	1.055			2.371	0.362	0.033	0.317			0.712	8,390	514	8,003			16,907	144	216	132		140
Jul-16	1.336	0.105	1.008			2.449	0.586	0.046	0.442			1.074	8,392	514	8,020			16,926	159	204	126		145
Aug-16	1.317	0.107	1.007			2.431	0.647	0.053	0.495			1.195	8,393	516	8,020			16,929	157	207	126		144
Sep-16	1.311	0.110	0.975			2.396	0.601	0.050	0.417			1.098	8,394	516	8,020			16,930	156	213	122		142
Oct-16	1.289	0.108	0.962			2.359	0.521	0.043	0.389			0.953	8,397	517	8,020			16,933	154	209	120		139
Nov-16	1.323	0.113	0.932			2.368	0.730	0.062	0.514			1.306	8,403	517	8,020			16,940	157	219	116		140
Dec-16	1.419	0.150	0.998			2.567	1.179	0.125	0.829			2.133	8,406	549	8,020			16,975	169	273	124		151
Jan-17	1.572	0.197	1.125	0.047		2.941	1.489	0.186	1.066	0.045		2.786	8,409	549	8,020	1,716		18,694	187	359	140	142	157
Feb-17	1.361	0.211	1.240	0.000		2.812	1.236	0.192	1.126	0.000		2.554	8,409	549	8,020	1,716		18,694	162	384	155	0	166
Mar-17	1.215	0.170	1.261	0.000		2.646	0.856	0.120	0.889	0.000		1.865	8,413	550	8,020	1,716		18,698	144	309	157	0	156
Apr-17	1.077	0.139	1.190	0.000		2.406	0.841	0.108	0.929	0.000		1.878	8,414	551	8,020	1,716		18,700	128	252	148	0	142
May-17	1.082	0.136	1.184	0.000		2.402	0.842	0.106	0.922	0.000		1.870	8,416	551	8,049	1,716		18,732	129	247	147	0	141
Jun-17	1.241	0.134	1.032	0.000		2.407	0.980	0.106	0.815	0.000		1.901	8,420	551	8,049	1,716		18,737	147	243	128	0	141
Jul-17	1.267	0.130	1.083	0.000		2.480	0.802	0.082	0.685	0.000		1.569	8,421	551	8,061	1,716		18,749	150	236	134	0	146
Aug-17	1.262	0.139	1.051	0.000		2.452	0.852	0.094	0.709	0.000		1.655	8,423	553	8,061	1,716		18,753	150	251	130	0	144
Sep-17	1.264	0.130	1.006	0.000		2.400	0.866	0.089	0.689	0.000		1.644	8,427	555	8,061	1,716		18,759	150	234	125	0	141
Oct-17	1.242	0.123	0.977	0.000		2.342	0.543	0.053	0.427	0.000		1.023	8,431	555	8,061	1,716		18,763	147	222	121	0	137
Nov-17	1.257	0.131	0.983	0.000		2.371	0.661	0.069	0.517	0.000		1.247	8,431	554	8,061	1,716		18,762	149	237	122	0	139
Dec-17	1.248	0.125	1.014	0.000		2.387	0.693	0.070	0.563	0.000		1.326	8,431	554	8,061	1,716		18,762	148	226	126	0	140
Jan-18	1.276	0.125	1.015	0.000		2.416	0.886	0.087	0.705	0.000		1.678	8,435	555	8,061	1,716		18,767	151	225	126	0	142
Feb-18	1.249	0.118	0.968	0.000		2.335	0.601	0.056	0.466	0.000		1.123	8,441	555	8,061	1,716		18,773	148	213	120	0	137
Mar-18	1.265	0.122	0.922	0.039		2.348	0.857	0.083	0.625	0.026		1.591	8,451	555	8,061	1,716		18,782	150	220	114	273	125
Apr-18	1.184	0.115	0.901	0.337		2.537	0.627	0.061	0.477	0.179		1.344	8,451	559	8,061	1,716		18					

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



City of Escondido Flows

The average and peak flow rate for the month of April 2018 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below.

	Flow (mgd)
Escondido (Average flow rate)	8.48
Escondido (Peak flow rate)	17.9

Connected Equivalent Dwelling Units

The City of Solana Beach updated the connected EDUs number that is reported to the SEJPA in July 2017. The City of Encinitas and Rancho Santa Fe CSD report their connected EDUs every month. The City of Del Mar reported their connected EDUs in March 2017. The number of EDUs connected for each of the Member Agencies is as follows:

	Connected (EDU)
Cardiff Sanitary Division	8,451
Rancho Santa Fe SID	559
City of Solana Beach	7,724
San Diego (to Solana Beach)	337
City of Del Mar	1,716
Total EDUs to System	18,786

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 11, 2018

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 April 2018, recycled water demand was 156.44 acre-feet (AF), which was met using 155.94AF of recycled water and 0.50 AF of supplementation with potable water.

Figure 1 (attached) provides monthly demands for recycled water since deliveries began in September 2000. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning the last 17 fiscal years. Figure 3 (attached) shows the monthly recycled water demand for each April since the program began. Figure 4 (attached) compares budget versus actual recycled water sales for FY 2017-18; currently sales are trending above budget.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Figure 1 - MONTHLY RECYCLED WATER DEMAND

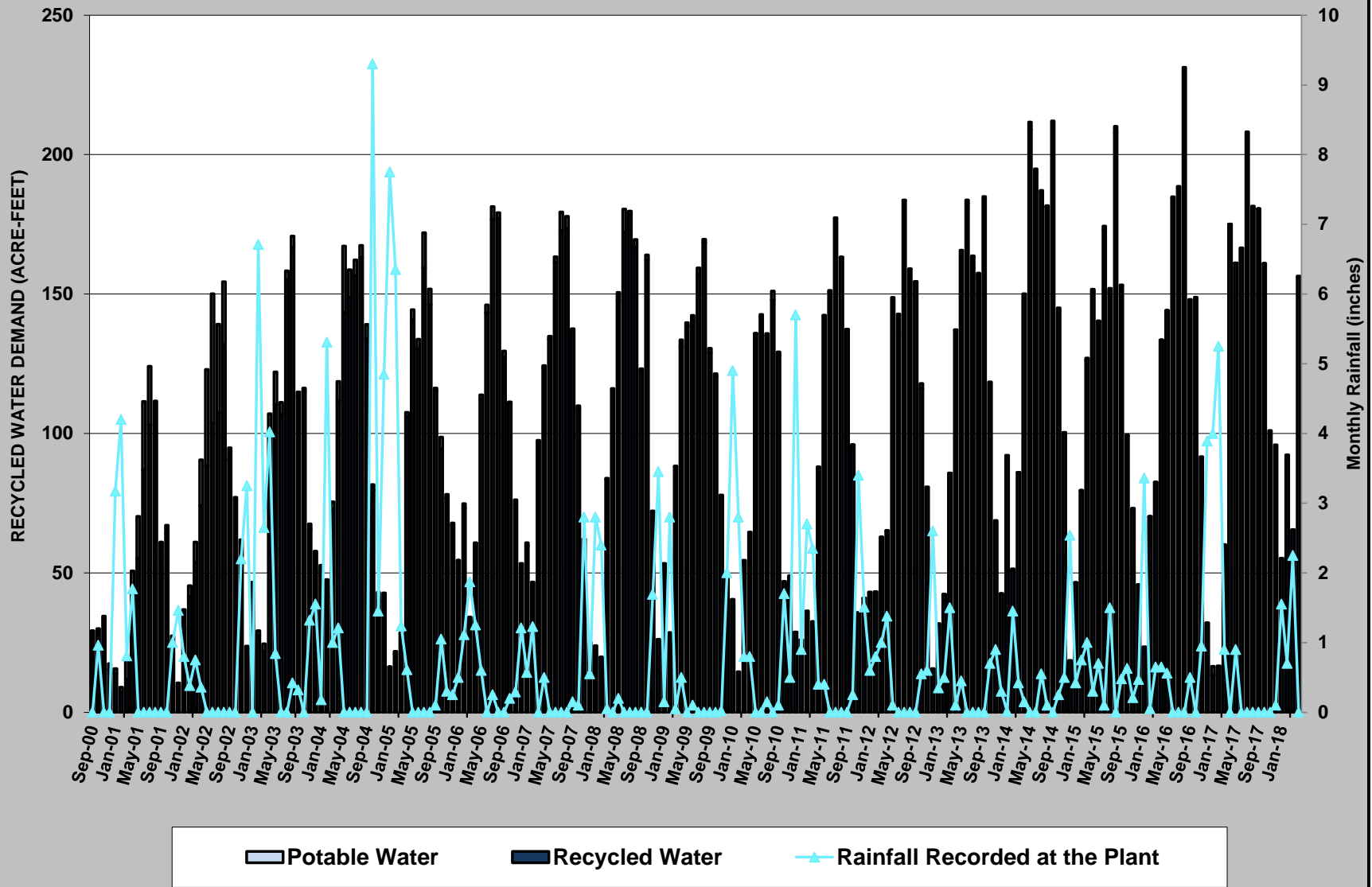


Figure 2 - RECYCLED WATER DEMAND by FISCAL YEAR

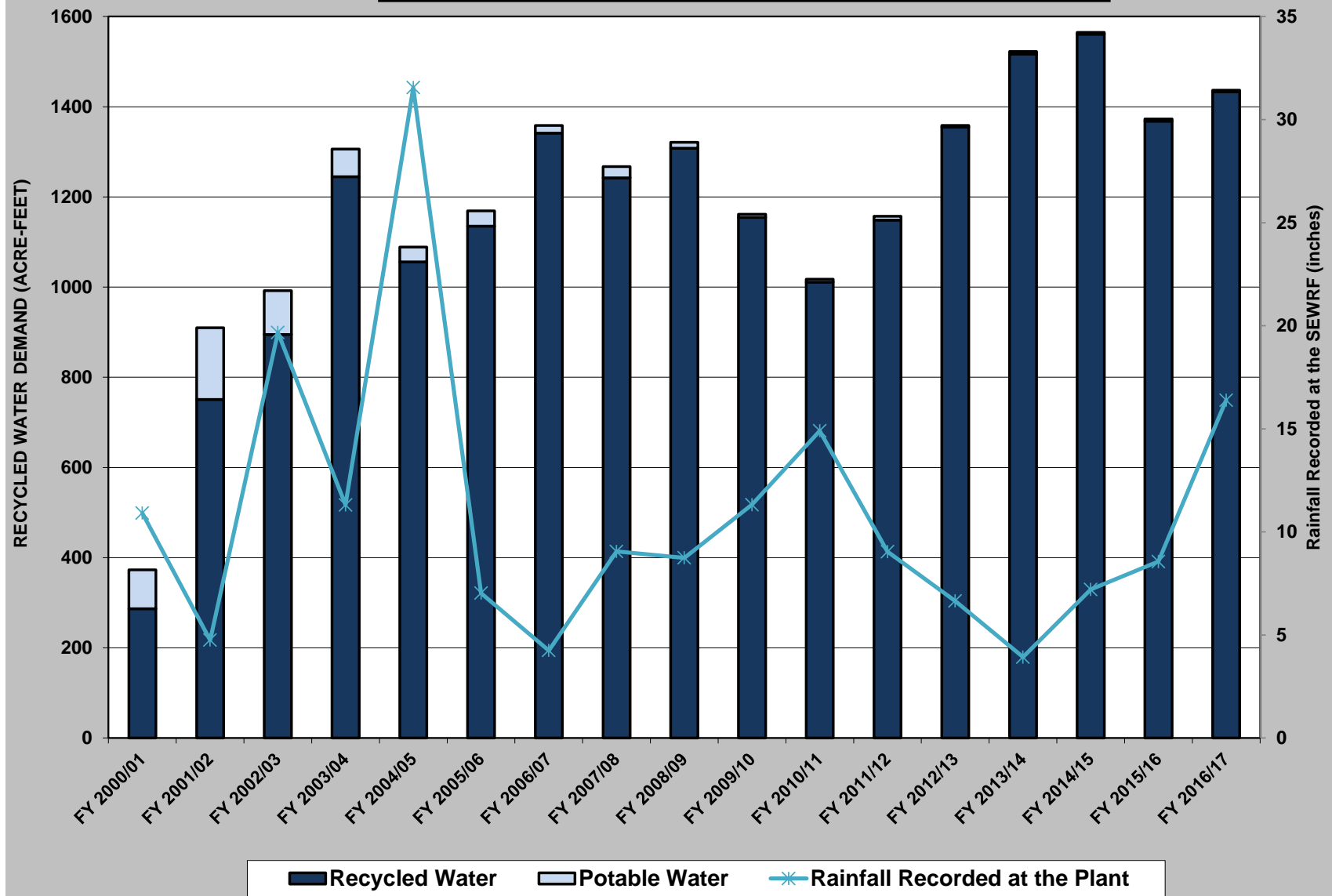


Figure 3 - APRIL RECYCLED WATER DEMAND

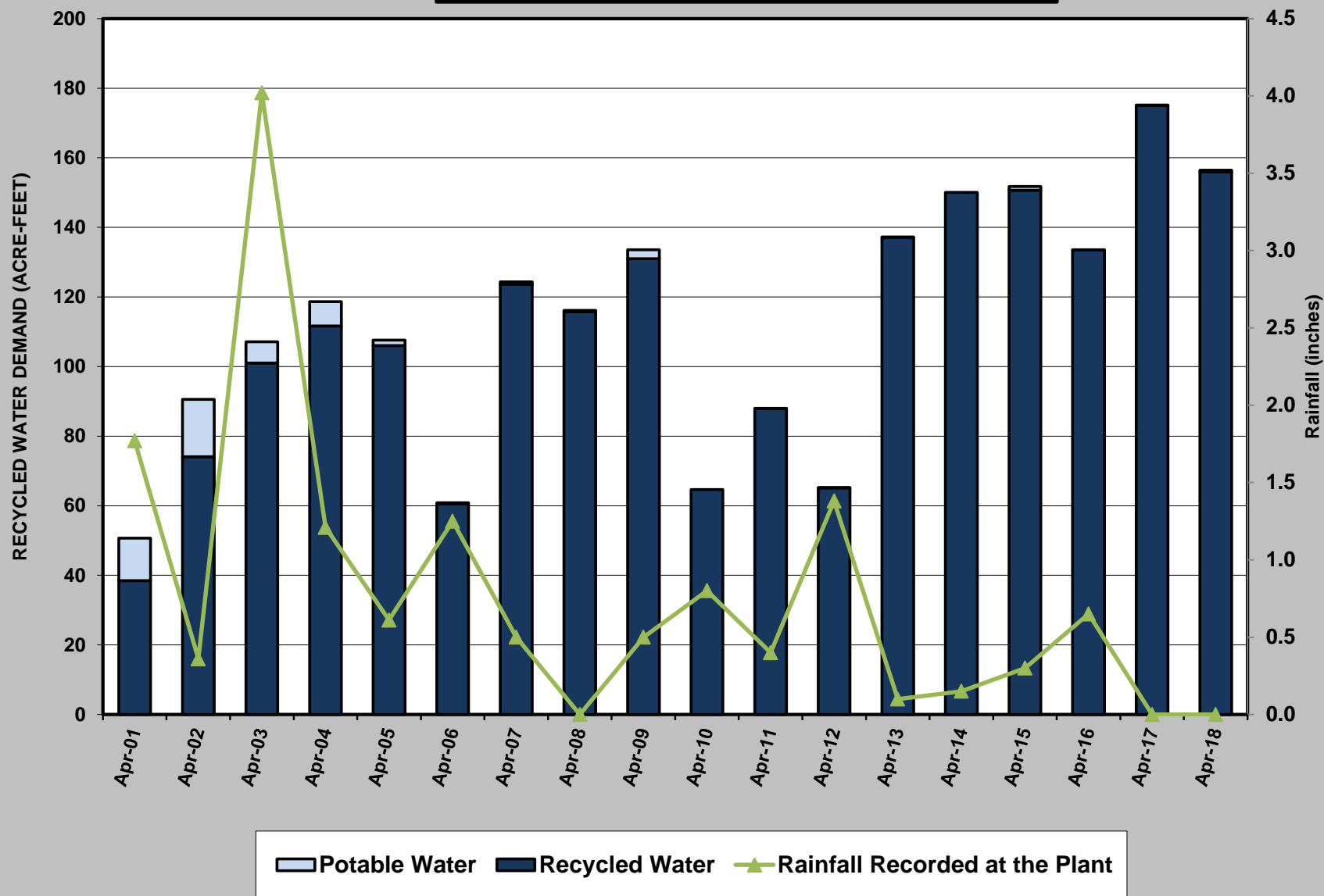
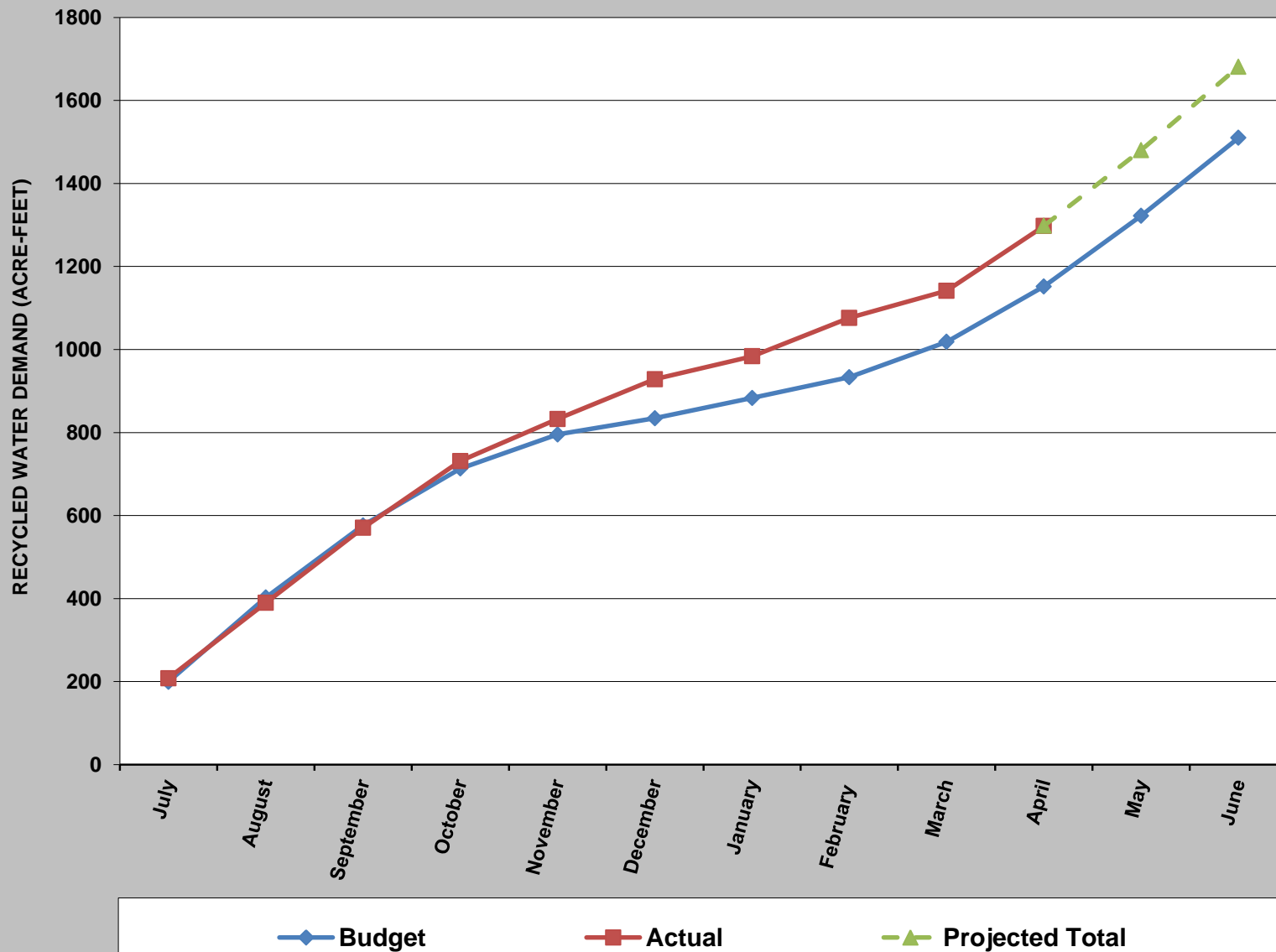


Figure 4 - RECYCLED WATER DEMAND BUDGET vs ACTUAL



SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 11, 2018

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY AND ENCINA WASTEWATER
AUTHORITY JOINT SUPPLIES AND SERVICES CONTRACTING

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with Olin Corporation for the procurement of Sodium Hypochlorite for an amount not to exceed \$62,000; and
2. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) and Encina Wastewater Authority (EWA) operate water pollution control facilities and water reclamation facilities in north coastal San Diego County. Over the last several years, the agencies have partnered to identify opportunities to share resources, collaborate on mutual aid, and create efficiencies to reduce costs and improve service.

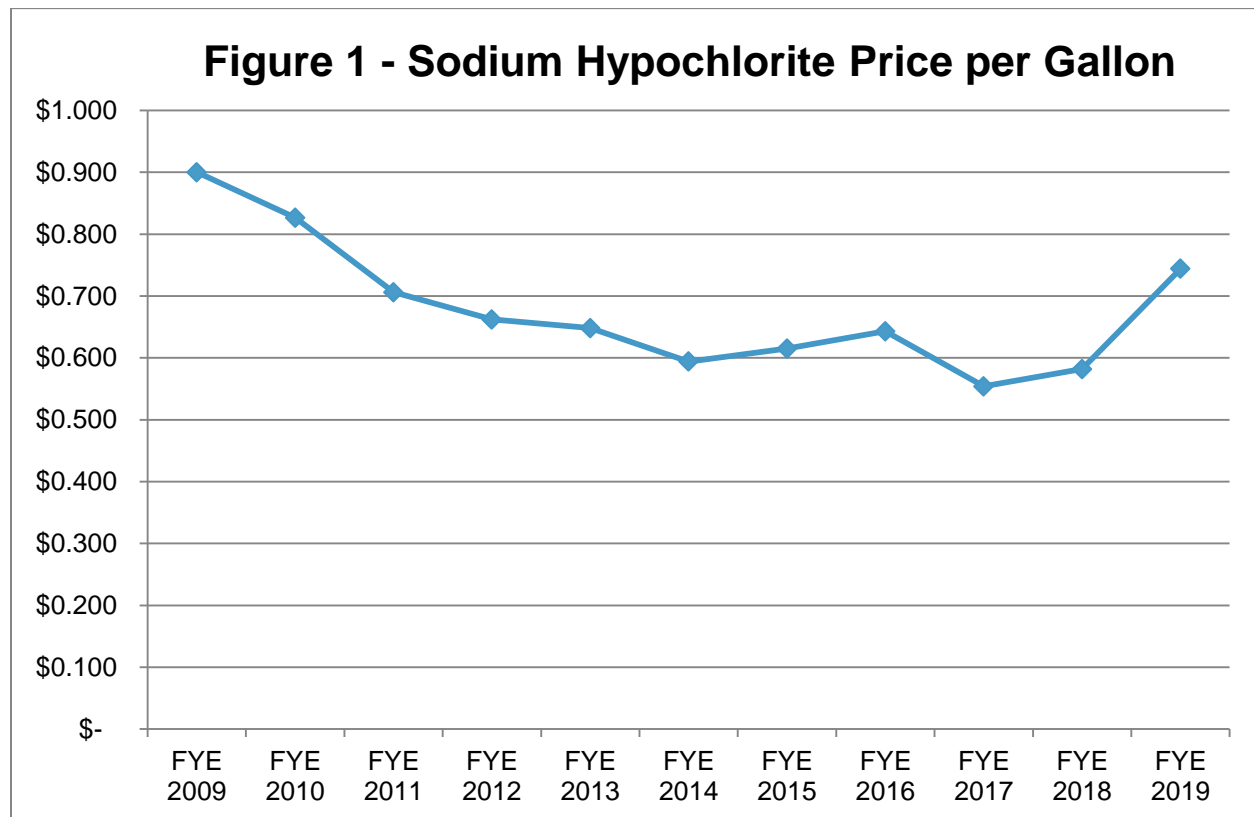
In 2016, EWA and SEJPA examined opportunities to reduce cost through bulk purchasing of supplies and services. Staff identified two chemicals (Sodium Hypochlorite and Ferric Chloride) that are common to the operation of both agencies and that are purchased in large quantities, usually through multi-year contracts.

DISCUSSION

SEJPA and EWA staff prepared a bid solicitation for Sodium Hypochlorite, which was advertised on May 4 and bids were received on May 30, 2018. The bids received were as follows:

- | | |
|--------------------------------|--------------------|
| 1) Jones Chemical Incorporated | \$0.88 per gallon |
| 2) Olin Corporation | \$0.744 per gallon |
| 3) UNIVAR | No Bid |

Olin Corporation submitted the low bid proposal with a unit cost of \$0.744 per gallon, which is 28% higher than the current contract price that is set to expire June 30, 2018. Based on SEJPA review of the bids and discussions with industry representatives, raw materials and manufacturing costs for sodium hypochlorite have increased significantly since 2016, when the SEJPA/EWA last bid sodium hypochlorite. Historically, the unit price of \$0.744 is within the range that the SEJPA has received over the last ten years. The last SEJPA contract was at the low end of the range (as shown is Figure 1 – Sodium Hypochlorite Price per Gallon).



FISCAL IMPACT

The FY 2018-19 Recommended Budget includes \$48,000 for sodium hypochlorite. Based on typical usage, estimated actual cost for FY 2018-19 is forecast between \$46,000 and \$62,000. Therefore, additional funding may be required as a result of the increase in the price of sodium hypochlorite. The additional funding is available in the Recycled Water Fund.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with Olin Corporation for the procurement of Sodium Hypochlorite for an amount not to exceed \$62,000; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Agreement between San Elijo Joint Powers Authority and Olin Corporation for Purchase and Delivery of Sodium Hypochlorite

AGREEMENT

THIS AGREEMENT is made and entered into on this 1st day of July, 2018, by and between the San Elijo Joint Powers Authority, a municipal corporation, hereinafter referred to as AUTHORITY, and Olin Corporation, dba Olin Chlor Alkali Products and Vinyls, hereinafter referred to as SUPPLIER.

WITNESSETH:

WHEREAS, Encina Wastewater Authority (EWA) and San Elijo Joint Powers Authority (SEJPA) jointly invited bids for the provision of Sodium Hypochlorite.

WHEREAS, pursuant to said invitation, SUPPLIER submitted a bid which was accepted by EWA and SEJPA for said services.

WHEREAS, AUTHORITY desires and SUPPLIER is willing to provide said services to AUTHORITY on the same pricing terms as EWA.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. TERM. The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until June 30, 2019.
2. INCORPORATION BY REFERENCE. The Notice Inviting Bids, the General Bid Terms and Conditions, the Special Bid Terms and Conditions, Bid Submission Form(s), and the Bid Specifications (collectively, the "Contract Documents"), are hereby incorporated in and made a part of this Agreement. In the event of any inconsistencies or conflicts in the Contract Documents, the order of precedence from highest to lowest shall be: Any amendments to this Agreement, this Agreement, the Bid Specifications, the Special Bid Terms and Conditions, the General Bid Terms and Conditions, the Notice Inviting Bids and the Bid Submission Form(s).
3. AUTHORITY'S OBLIGATIONS. For furnishing services or supplies as specified in the Agreement, AUTHORITY will pay and SUPPLIER shall receive compensation for Sodium Hypochlorite at the unit price of \$0.744 per gallon. The total amount of Sodium Hypochlorite to be purchased under this Agreement has been estimated to be 80,000 gallons per year, but actual usage may be considerably less. In no case will total compensation exceed \$62,000. The unit cost and total cost shall include all delivery, tax and shipping charges.

Payments to the SUPPLIER shall be made within forty-five (45) days after receipt of an original invoice from the SUPPLIER and provision of said services to AUTHORITY. SUPPLIER shall invoice no more frequently than monthly for services or supplies provided. Neither AUTHORITY'S acceptance of, nor payment for any of the services, shall be construed to operate as a waiver of any rights under this Agreement or any cause of action arising out of the performance of this Agreement.

4. SUPPLIER'S OBLIGATIONS. For and in consideration of the payments and agreements hereinbefore mentioned to be made and performed by AUTHORITY, SUPPLIER agrees with AUTHORITY to furnish the said services and to do everything required by this

Agreement and the said specifications. Without limiting the generality of the foregoing, SUPPLIER warrants on behalf of itself and all sub-SUPPLIERS engaged for the performance of this Agreement that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder. In performing services under this Agreement, SUPPLIER agrees to comply with all laws, rules and regulations and ordinances, whether federal, state or local, and any and all AUTHORITY policies, procedures, departmental rules or other directives applicable to the services to be performed by provided by AUTHORITY'S General Manager or his designee, to SUPPLIER. Any changes to AUTHORITY'S policies and procedures that relate to SUPPLIER will be provided to SUPPLIER in writing. SUPPLIER agrees to review such policies, procedures, rules and directives and the contents of which SUPPLIER will be deemed to have knowledge. SUPPLIER shall ensure that any report generated under this Agreement complies with California Government Code section 7550.

5. HOLD HARMLESS AND INDEMNIFICATION. SUPPLIER agrees to defend, indemnify, and hold harmless AUTHORITY, its member agencies (to include the City of Encinitas and the City of Solana Beach), and each of their respective directors, officials, officers, employees, representatives, and agents (collectively, "Indemnified Parties"), from and against all claims, lawsuits, liabilities or damages, including attorney's fees and costs, of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of SUPPLIER, its agents, employees, and sub-SUPPLIERS of any tier and employees thereof in connection with the performance or non-performance of this Agreement. The SUPPLIER shall thoroughly investigate any and all claims and indemnify the Indemnified Parties and do whatever is necessary to protect the Indemnified Parties as to any such claims lawsuits, liabilities, expenses, or damages.
6. INSURANCE. During the course of the Agreement, SUPPLIER shall pay for and maintain, in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of SUPPLIER in connection with or related to the work covered hereby. SUPPLIER SHALL FURTHER TAKE OUT AND SHALL FURNISH SATISFACTORY PROOF BY CERTIFICATE OR OTHERWISE AS MAY BE REQUIRED, THAT HE HAS TAKEN OUT COMPREHENSIVE GENERAL LIABILITY INSURANCE AND AUTO LIABILITY WITH AUTHORITY, ITS MEMBER AGENCIES (TO INCLUDE THE CITY OF ENCINITAS AND THE CITY OF SOLANA BEACH), AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICIALS, OFFICERS, EMPLOYEES, REPRESENTATIVES AND AGENTS ("INSURED PARTIES") NAMED HEREIN AS ADDITIONAL INSUREDS, AS WELL AS ALL OTHER COVERAGE REQUIRED BY THIS AGREEMENT. Insurance carrier shall be satisfactory to AUTHORITY, and insurance shall be purchased from insurance companies with a current A.M. Best rating of no less than A:VII, unless otherwise agreed in writing by AUTHORITY. Insurance shall be in such form approved by AUTHORITY so as to protect all Insured Parties against loss from liability assumed by contract or imposed by law from damages on account of bodily injury, including death resulting therefrom, suffered or alleged to have been suffered by any person or persons, other than employees, resulting directly or indirectly from the negligent performance or execution of this Agreement by SUPPLIER or any subcontract with SUPPLIER thereunder, and also to protect all Insured Parties against loss from liability imposed by law for damage to any property, caused directly or indirectly by the negligent performance or execution or the Agreement by SUPPLIER; which insurance shall also cover accidents arising out of the use and operation of owned, non-owned and hired automobiles, trucks, and/or other mobile

equipment. Automobile liability shall be at least as broad as form number CA 0001, covering code 1 (any auto), covering bodily injury and property damage, with a combined single limit of no less than \$1,000,000 per claim for bodily injury and property damage. General liability shall be at least as broad as occurrence form CG 0001, covering bodily injury, personal injury and property damage. The amounts of coverage of said insurance shall not be less than the following:

Public Liability	\$1,000,000 single limit/\$3,000,000 aggregate
Property Damage	\$1,000,000 single limit/\$3,000,000 aggregate

SUPPLIER shall further maintain adequate Worker's Compensation Insurance, including occupational disease provisions, under the laws of the State of California and employer's general liability insurance for the benefit of its employees with a combined single limit of no less than \$1,000,000 per claim for bodily injury or disease, and shall require similar insurance to be provided by its sub-SUPPLIERS. A certificate shall be furnished to AUTHORITY showing compliance with above.

Said policies shall have a non-cancellation clause providing that thirty (30) days written notice shall be given to AUTHORITY prior to any material modification or cancellation, and a certificate of such insurance shall be furnished to AUTHORITY by direct mail from SUPPLIER'S insurance carrier and shall specifically cover any contractual liability incurred hereunder.

All insurance policies shall be on an occurrence basis and cover the period of performance under this Agreement.

The coverage shall contain no special limitations on the scope of protection afforded to the Insured Parties.

SUPPLIER'S Insurance shall be primary insurance as respects the Insured Parties, and each of them. Any insurance, self-insurance or other coverage maintained by Insured Parties shall be excess of the SUPPLIER'S insurance and not contribute to it.

SUPPLIER hereby agrees to waive rights of subrogation which any insurer of SUPPLIER may acquire from SUPPLIER by virtue of the payment of any loss. SUPPLIER agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The workers' compensation policy shall be endorsed with a waiver of subrogation in favor of the Insured Parties for all work performed by the SUPPLIER, its employees, agents and sub-SUPPLIERS.

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Insured Parties.

SUPPLIER'S insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of insurer's liability.

All insurance policies shall specifically cover any contractual liability incurred pursuant to this Agreement.

Any deductibles or self-insured retention limits must be disclosed to and approved by AUTHORITY prior to execution of this Agreement. At the option of AUTHORITY, either:

the insurer shall reduce or eliminate such deductibles as respects the Insured Parties; or SUPPLIER shall provide a financial guarantee satisfactory to AUTHORITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

SUPPLIER shall furnish to AUTHORITY certificates of insurance prior to the commencement of work under this Agreement, and as may be periodically requested by AUTHORITY. SUPPLIER shall include all endorsements necessary to comply with this Agreement, including additional insured endorsements, signed by the insurer's representative. Such evidence shall include confirmation that coverage includes or has been modified to include all provisions required by this Agreement. SUPPLIER shall, upon request of AUTHORITY at any time, deliver to AUTHORITY complete, certified copies of the policies of insurance, including endorsements, and receipts for payment or premiums thereon, required by this Agreement. Failure to obtain the required documents prior to the work beginning shall not waive SUPPLIER'S obligation to provide them.

If any of the required coverages expire during the term of this Agreement, SUPPLIER shall deliver the renewal certificate(s) including the general liability and auto liability additional insured endorsements to AUTHORITY at least ten (10) days prior to the expiration date.

In the event that SUPPLIER employs sub-SUPPLIERS to perform any portion of the services to be performed pursuant to this Agreement, it shall be SUPPLIER'S responsibility to require and confirm that each sub-SUPPLIER meets the minimum insurance requirements specified in this Agreement.

7. AMENDMENTS. Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon written approval by the Manager of the AUTHORITY.
8. TERMINATION. If, during the term of this contract, AUTHORITY determines that SUPPLIER is not faithfully abiding by any term or condition contained herein, AUTHORITY may notify SUPPLIER in writing of such defect or failure to perform; which notice must give SUPPLIER five (5) working days thereafter in which to perform said work or cure the deficiency. If SUPPLIER has not performed the work or cured the deficiency within five (5) days specified in the notice, such shall constitute a breach of this contract and AUTHORITY may terminate this contract immediately by written notice to SUPPLIER to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under this Agreement, except, however, any and all indemnification, hold harmless and defense obligations of SUPPLIER shall remain in full force and effect, and shall not be extinguished, reduced, or in any manner waived by the termination hereof. In said event, SUPPLIER shall be entitled to the reasonable value of its services performed from the beginning of the period in which the breach occurs up to the day it received AUTHORITY's Notice of Termination, minus any offset from such payment representing AUTHORITY's damages from such breach. AUTHORITY reserves the right to delay any such payment, to allow for a full and complete accounting of costs. In no event, however, shall SUPPLIER be entitled to receive in excess of the compensation quoted in its bid.
9. STATUS OF SUPPLIER. SUPPLIER and its employee(s) are engaged in an independent contractor relationship with AUTHORITY in performing all work, duties and

obligations hereunder. AUTHORITY shall not exercise any control or direction over the methods by which SUPPLIER shall perform its work and functions. AUTHORITY'S sole interest and responsibility is to ensure that the services covered by this Agreement are performed and rendered in a competent, satisfactory and legal manner. SUPPLIER represents that its employee(s) have the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of AUTHORITY. SUPPLIER will supply all tools, materials and equipment required to perform the services under this Agreement. The parties agree that no work, act, commission or omission of SUPPLIER or its employee(s) pursuant to this Agreement shall be construed to make SUPPLIER and its employee(s) the agent, employee or servant of AUTHORITY. SUPPLIER and its employee(s) are not entitled to receive from AUTHORITY vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind. SUPPLIER shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment law requirements with respect to SUPPLIER or its employee(s). To the maximum extent allowable by law, SUPPLIER agrees to indemnify, defend and hold AUTHORITY harmless from any and all liability, damages or losses (including attorney's fees, costs, penalties and fines) AUTHORITY suffers as a result of (a) SUPPLIER'S failure to meet its employer obligations, or (b) a third party's designation of SUPPLIER or its employee as an employee of AUTHORITY, regardless of any actual or alleged negligence by AUTHORITY.

10. ASSIGNMENT. Neither this Agreement nor any duties or obligations under this Agreement may be assigned or subcontracted by SUPPLIER without the prior written consent of AUTHORITY. AUTHORITY has entered into this Agreement in order to receive the professional services of SUPPLIER. The provisions of this Agreement shall apply to any sub-SUPPLIER of SUPPLIER. AUTHORITY shall have the right to approve any sub-SUPPLIER agreements, in addition to the written consent required by this section.
11. PROPRIETARY RIGHTS. Any written, printed, graphic, or electronically or magnetically recorded information furnished by AUTHORITY for SUPPLIER'S use are the sole property of AUTHORITY. SUPPLIER and its employee(s) will keep any information identified by AUTHORITY as confidential in the strictest confidence, and will not disclose it by any means to any person except with AUTHORITY approval, and only the extent necessary to perform the services under this Agreement. This prohibition also applies to SUPPLIER'S employees, agents, and sub-SUPPLIERS. On termination of this Agreement, SUPPLIER will promptly return any confidential information in its possession to AUTHORITY.
12. PARTIAL INVALIDITY. If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.
13. COUNTERPARTS. 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.

14. PROVISIONS REQUIRED BY LAW. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the request of either party, the Agreement shall forthwith be physically amended to make such insertion.
15. GOVERNING LAW. This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.
16. JURISDICTION, FORUM AND VENUE. The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California, County of San Diego. AUTHORITY and SUPPLIER agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. AUTHORITY and SUPPLIER hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement, whether on grounds of inconvenient forum or otherwise.
17. COMPLETE AGREEMENT. This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding, or representation be binding upon the parties hereto.
18. AUDIT. AUTHORITY shall have the option of inspecting and/or auditing all records and other written materials used by SUPPLIER in preparing its statements to AUTHORITY as a condition precedent to any payment to SUPPLIER. This Agreement is subject to examination and audit of the State Auditor, at the request of AUTHORITY or as part of any audit of AUTHORITY, for a period of three (3) years after final payment under the Agreement. SUPPLIER shall cooperate with AUTHORITY, including any authorized representatives of AUTHORITY, regarding any such audit at no charge to AUTHORITY.
19. NOTICE. All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered, certified, or first class mail addressed as follows:

AUTHORITY

General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff, CA 92007

SUPPLIER

Olin Corporation
26700 South Banta Road
Tracy, CA 95304

Notices shall be deemed communicated as of the day of receipt or the fifth day after mailing, whichever occurs first.

20. PROTECTION OF EXISTING FACILITIES AND NON-INTERFERENCE WITH PLANT OPERATIONS. SUPPLIER shall perform his duties in such a way that there will be no damage done to existing facilities and all facilities shall be left in the condition they were in prior to the beginning of the contract. SUPPLIER will also perform all work in such a way that there is no interference with plant operations.
21. AUTHORITY TO EXECUTE AGREEMENT. AUTHORITY and SUPPLIER do covenant that the individual executing this agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

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

SAN ELIJO JOINT POWERS AUTHORITY

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

OLIN CORPORATION, DBA OLIN CHLOR ALKALI PRODUCTS AND VINYL

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

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 11, 2018

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR
2018-19 BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF
TREASURER

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2018-05, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2018-19;
2. Adopt Resolution No. 2018-06, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Paul F. Kinkel as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

DISCUSSION

The Fiscal Year (FY) 2018-19 Recommended Budget ("Budget") was presented publicly to the Board of Directors at the April and May 2018 Board meetings for discussion, comments, and direction. San Elijo Joint Powers Authority ("SEJPA") staff has reached out to both Member Agencies and the other participating government agencies served by the SEJPA to receive comments. In addition, the Budget was posted on the SEJPA website for public access. The SEJPA has received no comments or requested changes. Therefore, the Budget is being presented to the Board of Directors for adoption under Resolution No. 2018-05.

The Budget is anticipated to be adequate to fulfill the mission of the SEJPA and is consistent with the sewer rate structures of the Member Agencies. The recommended FY 2018-19 Operating expense budget is presented in Table 1:

Table 1. Operating Expense

Service	Recommended FY 2018-19 Budget
Wastewater and Laboratory	\$ 3,378,966
Ocean Outfall	694,998
Pump Stations	795,106
Storm Water and Urban Runoff	48,553
Other	16,763
Total Operating Expense before Recycled Water	\$ 4,934,386
Recycled Water	1,502,260
Total Operating Expense	\$ 6,436,646

The recommended FY 2018-19 Capital revenue request is \$120,000 for Wastewater Treatment, \$300,000 for Ocean Outfall and \$1,875,000 for Recycled Water for a total of \$2,295,000.

The recommended FY 2018-19 Debt Service consists of \$2,434,231 for Wastewater which includes the San Diego Gas & Electric On-Bill Financing, and \$997,828 for Recycled Water for a combined total of \$3,432,059.

SEJPA management has carefully reviewed the proposed budget including debt financing to control costs without impacting the agency's ability to perform its vital functions. The proposed budget for all program operating costs will increase by approximately \$294,567. Wastewater Treatment is planned to increase \$102,584 or 3.7%, and the Ocean Outfall Program Expenses are planned to increase by \$132,877 or 23.6%. The Ocean Outfall Program increase is directly related to additional ocean outfall monitoring requirements. All other programs are budgeted to increase \$59,106, or 2.1 percent.

The recommended FY 2018-19 Budget is now ready for consideration for adoption as presented in the attached Resolution No. 2018-05.

INVESTMENT POLICY

State law requires that the Investment Policy be reviewed and adopted annually. The SEJPA has evaluated alternative investment options including the California Asset Management Program ("CAMP"), however no changes are recommended to the SEJPA investment policy at this time. The SEJPA investment policy allows for investment in the State Local Agency Investment Fund (LAIF) and in the San Diego County Investment Pool. These two tools have been the basis of all investment activity since the SEJPA became independent from the County of San Diego.

In addition, State law requires that a SEJPA Treasurer be appointed annually. The current SEJPA Treasurer is Paul F. Kinkel, Director of Finance/Administration. The General Manager recommends reappointing Mr. Kinkel as the SEJPA Treasurer.

It is therefore recommended that the Board of Directors:

1. Adopt Resolution No. 2018-05, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2018-19;
2. Adopt Resolution No. 2018-06, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Paul F. Kinkel as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Thornton', with a horizontal line drawn underneath it.

Michael T. Thornton, P.E.
General Manager

Attachment 1: Resolution No. 2018-05, "Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2018-19"

Attachment 2: Resolution No. 2018-06, "Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of SEJPA Treasurer"

ATTACHMENT 1

RESOLUTION NO. 2018-05

**RESOLUTION APPROVING THE SAN ELIJO JOINT POWERS AUTHORITY
OPERATING AND CAPITAL IMPROVEMENT BUDGETS
FOR FISCAL YEAR 2018-19**

WHEREAS, the San Elijo Joint Powers Authority (SEJPA) General Manager has submitted for the consideration of the SEJPA Board of Directors proposed SEJPA Operating and Capital Projects Budgets for Fiscal Year 2018-19;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT POWERS AUTHORITY HEREBY RESOLVES AS FOLLOWS:

1. The Board of Directors has reviewed the proposed Operating Budgets and Capital Projects Budget, and the funds included herein for the period of July 1, 2018 through June 30, 2019 and hereby finds that such budgets, as reviewed, are sound plans for the financing of required SEJPA operations and capital improvements during Fiscal Year 2018-19. Such budgets are hereby adopted.

San Elijo JPA Operations and Maintenance Fund	\$ 7,315,229
San Elijo JPA Water Reclamation Operating Fund	2,500,088
San Elijo JPA Capital Projects Fund	2,295,000
Total	<u>\$ 12,110,317</u>

2. The Board of Directors authorizes carrying forward unexpended capital project appropriations and encumbered operating funds for the Fiscal Year 2018-19.

PASSED AND ADOPTED this 11th day of June, 2018, by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

ABSTAIN: Boardmembers:

Tasha Boerner Horvath, Chairperson
SEJPA Board of Directors

ATTEST:

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

ATTACHMENT 2

RESOLUTION NO. 2018-06

**RESOLUTION APPROVING THE SAN ELIJO JOINT POWERS AUTHORITY
INVESTMENT POLICY AND GUIDELINES AND
APPOINTMENT OF SEJPA TREASURER**

WHEREAS, the San Elijo Joint Powers Authority (SEJPA) General Manager has submitted for the consideration of the SEJPA Board of Directors, the proposed SEJPA Investment Policy and Guidelines;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT POWERS AUTHORITY HEREBY RESOLVES AS FOLLOWS:

1. The SEJPA Treasurer has prepared an Investment Policy and Guidelines, attached hereto as Exhibit A, and incorporated herein by reference as if set forth in full. In order to comply with prudent financial management practices, these guidelines are reviewed and approved on an annual basis in conjunction with the annual budget adoption.
2. The policy is intended to provide guidelines for the prudent investment of the SEJPA's temporary idle cash and outline the policies for maximizing the efficiency of the SEJPA's cash management system.
3. The investment goal is to enhance the economic condition of the SEJPA while insuring the safety of funds invested.
4. The assignment of Paul F. Kinkel as SEJPA Treasurer for the 2018-19 fiscal year.
5. The Board of Directors of the San Elijo Joint Powers Authority does hereby approve the Investment Policy and Guidelines attached hereto as Exhibit A.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the San Elijo Joint Powers Authority, California, held on this 11th day of June, 2018 by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

ABSTAIN: Boardmembers:

Tasha Boerner Horvath, Chairperson
SEJPA Board of Directors

ATTEST:

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

**EXHIBIT A
TO
RESOLUTION NO. 2018-06**

**SAN ELIJO JOINT POWERS AUTHORITY
INVESTMENT POLICY AND GUIDELINES AND
APPOINTMENT OF SEJPA TREASURER**

1. PURPOSE

This Statement is intended to provide guidelines for the prudent investment of the San Elijo Joint Powers Authority's (SEJPA) temporary idle cash, and outline the policies for maximizing the efficiency of the SEJPA's cash management system. The investment goal is to enhance the economic condition of the SEJPA while insuring the safety of funds invested.

2. OBJECTIVE

The SEJPA's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the SEJPA to invest funds to the fullest extent possible. The SEJPA attempts to obtain the highest yield on its investments consistent with the criteria established for safety and liquidity.

3. POLICY

The SEJPA Treasurer is responsible for investing the surplus funds in the SEJPA Treasury in accordance with the California Government Code, Sections 53600 et seq. and 53635 et seq. The SEJPA makes investments in accordance with California Government Code 53600.3, which states "all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The three principal factors of safety, liquidity and yield are to be taken into consideration when making investment decisions.

- A) Safety. Safety and the minimizing of risk associated with investing refer to attempts to reduce the potential for loss of principal, interest or a combination of the two. The SEJPA invests only in those instruments that are considered very safe.
- B) Liquidity. Liquidity refers to the ability to convert an investment to cash promptly with a minimum risk of losing some portion of principal or interest. A portion of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet disbursement requirements.

- C) Yield. Yield is the average annual return on an investment based on the interest rate, price, and length of time to maturity. The SEJPA attempts to obtain the highest yield possible, provided that the basic criteria of safety and liquidity have been met.

4. INVESTMENT INSTRUMENTS

The SEJPA may invest in the following instruments under the guidelines as provided herein:

- A) Local Agency Investment Fund (LAIF). Investment of funds in the California LAIF which allows the State Treasurer to invest through the Pooled Money Investment Account. Maximum investment is subject to state regulation.
- B) County of San Diego County Treasury. Investment of funds in the Treasury of the County of San Diego that allows the County Treasurer to invest through the Pooled Money Investment Account.

5. SAFEKEEPING

All investments of the SEJPA shall have the San Elijo Joint Powers Authority as registered owner or shall be kept in the custody of the SEJPA or by a qualified safekeeping institution.

6. INVESTMENT REPORTS

- A) The SEJPA Treasurer shall submit a monthly investment report to the SEJPA General Manager and SEJPA Board of Directors containing the following information:
- Financial institution
 - Type of investment
 - Amount of deposit
 - Rate of interest
- B) The SEJPA Treasurer shall annually render a Statement of Investment Policy to the SEJPA Board of Directors.

7. INVESTMENT OF BOND FUNDS

In accordance with Government Code Section 53601, moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds . . . may be invested in accordance with the statutory provisions governing the issuance of those bonds, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance as identified in an "Indenture of Trust".

* * * End of Policy * * *

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 11, 2018

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST PROGRAM TO
PRE-FUND PENSION OBLIGATIONS AND OTHER POST-EMPLOYMENT
BENEFITS (OPEB) OBLIGATIONS

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize up to \$200,000 of FY 2017-18 budget operating expense savings to be applied to the CalPERS Unfunded Actuarial Liability or initial funding of an IRS Section 115 Trust;
2. Authorize the General Manager to prepare the required documents and resolutions for a Public Agency Post-Employment Benefits Trust; and
3. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) provides compensation packages that include the California Public Employees Retirement System (CalPERS) pensions and retiree healthcare benefits or Other Post-Employment Benefits (OPEB). Currently there are three pension tiers: 1) 2.5% @ 55, 2) 2.0% at 60, and 3) 2.0 @ 62. The first tier plan was closed in June 2012, and only the second and third tier plans are available in accordance with the implementation of the California Public Pension Reform Act of 2013 (PEPRA) in January 2013. Additionally, SEJPA provides a limited retiree health benefit contribution for those employees with at least 5-years of service. The benefit per retired employee is \$1,596 for calendar year 2018. Currently, there are only five retired employees who have elected this benefit which totals \$7,980. This obligation is paid in full each year.

The Board requested that staff provide information on an IRS Section 115 (Trust). The Trust is an irrevocable trust that is dedicated to either pension expense or OPEB expense. Staff is presenting information to the Board and requesting authorization to prepare the required documents for a Trust.

DISCUSSION

As a small agency with less than 100 participating employees, the SEJPA pension participates in the CalPERS shared risk pool, which pools investments with other small California public employers to reduce individual risk and volatility. With the implementation of PEPRA in January 2013, a number of pension benefit changes went into effect in addition to new Government Accounting Standards Board (GASB) requirements on how pension liabilities are disclosed in financial reporting.

The changes due to PEPRA and GASB provide CalPERS shared risk pool employers with their portion of their CalPERS' Unfunded Actuarial Liability (UAL) which was not previously available. This allows employers to pay down their UAL faster by contributing more than the required minimum.

Starting in FY 2014-15, SEJPA began making supplemental UAL payments. These additional funds were applied to the UAL as shown in Table 2 below:

Table 2. Additional Contributions to the UAL

Fiscal Year	Amount
2014-15	\$ 125,000
2015-16	135,000
2016-17	140,000
Total to Date	\$ 400,000

As an option to making additional contributions directly to CalPERS, SEJPA can utilize an IRS Section 115 Public Agency Post-Employment Benefits Trust ("Trust"). The Trust is an irrevocable locally controlled trust to fund retirement obligations. The Trust provides investment flexibility (conservative to aggressive), control over the contribution rate from the Trust to UAL, and easier access to investment performance.

Implementation of a Trust would require governance and administration as outlined below:

Responsible Party	Responsibility
Board	Overall governance of the Trust funds and administrative policies
General Manager and staff	Overall responsibility, develop and manage procedures in accordance with Board policies
Plan Administrator	Plan documents, consulting, reporting and plan accounting records
Trustee	Custodian to hold and disburse the investments in a safe manner
Investment Advisor	Investment recommendations based on Board policies

Staff has reached out to two plan administrators, Public Agency Retirement Services (“PARS”) and PFM Asset Management (“PFM”) for Trust information. Below are estimates of minimum investment and fees:

	PARS	PFM
Minimum Investment	No Minimum	\$ 1,000,000
Minimum Estimated Fee	0.6%	\$ 20,000

PARS has implemented or in process of implementing trusts for the Cities of Solana Beach, Escondido, Temecula, and special districts, Fallbrook Public Utilities District, Orange County Water District and Goleta West Sanitary District. Overall, PARS has about 341 trust clients with 36 in the San Diego area. Staff recommends engaging PARS should the Board authorize the General Manager to prepare the required documents and resolutions for a Public Agency Post-Employment Benefits Trust. These documents would be provided to the Board at the August 2018 meeting for approval.

FINANCIAL IMPACT

Funding an irrevocable trust would provide restricted funds that may be used at the Board’s discretion to smooth the pension expense that can fluctuate due to changes in investment market conditions and CalPERS policies, in addition to making additional contributions to reduce the UAL. The Trust may be set up to pre-fund the OPEB liability in the future. The Trust’s investments would be invested in a Board investment policy rather than CalPERS investment policy.

Authorizing the General Manager to apply up to \$200,000 of budget operating expense savings to CalPERS would reduce the UAL. Funding an IRS Section 115 Trust would create an irrevocable trust that could be used at any time to reduce the UAL.

It is recommended that the Board of Directors:

1. Authorize up to \$200,000 of FY 2017-18 budget operating expense savings to be applied to the CalPERS Unfunded Actuarial Liability or initial funding of an IRS Section 115 Trust;
2. Authorize the General Manager to prepare the required documents and resolutions for a Public Agency Post-Employment Benefits Trust; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Paul Kinkel
Director of Finance and Administration

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 11, 2018

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CAPITAL IMPROVEMENT PROGRAM UPDATE

RECOMMENDATION

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

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) has a responsibility to maintain permit compliance with regulatory agencies and legal agreements with customers to provide wastewater and recycled water services. Proactive asset management and capital improvement planning are key components in keeping these commitments.

In 2014, SEJPA retained the services of Carollo Engineers to conduct an evaluation of the wastewater and recycled water capital assets owned by the SEJPA at the San Elijo Water Reclamation Facility.

The results of the evaluation and Carollo's recommendations were documented in the 2015 Facility Plan. Recommended projects were prioritized using a "triple-bottom line" approach to evaluate and weight each project against the others using three main factors:

- Financial (30%): Implement cost effective projects and solutions. Maximize economic benefits for customers through cost-effective operations.
- Environmental (35%): Meet or exceed permit requirements and minimize reportable violations. Improve habitat and minimize impacts to the environment.
- Social (35%): Maintain a high standard of work safety and maximize community benefits through improved aesthetics and recreational uses.

The recommendations from the 2015 Facility Plan created the foundation for the SEJPA Capital Improvement Program, which includes regulatory compliance analysis, risk assessment for system failure, project prioritization, and budgetary cost estimates.

In 2017, the SEJPA successfully secured \$23.9 million in a bond offering to fund the completion of the majority of recommended capital projects. Staff bundled the projects into four phases in

order to prioritize capital spending, streamline project delivery, minimize community impacts, and reduce cost through economies of scale.

DISCUSSION

Phase I of the SEJPA Capital Improvement Program is currently in construction and includes the Land Outfall Replacement, Preliminary Treatment Upgrades, and Odor Control Improvements.

- The Land Outfall Replacement project will replace the existing 30-inch diameter asbestos-concrete land outfall pipeline that was installed in 1965. The new pipeline will have an installation length of approximately 2,600 linear feet, will be made of high density polyethylene (HDPE), and will be installed at a greater depth than the original pipeline to minimize conflicts with other buried utilities and future construction projects.
- The Preliminary Treatment and Odor Control projects have been combined into one construction contract. This project will replace or improve existing treatment equipment and tanks associated with the initial treatment process (referred to as Preliminary Treatment) at the San Elijo Water Reclamation Facility. In addition, improvements will be made to the odor control system that services this area of the facility.

Phase II is currently in the design and permitting stage, and consists primarily of a bundle of projects referred to as the Building and Site Improvements Program, which includes the following:

- New buildings
- Road and parking improvements
- Fire system modernization
- Solar power generation
- Storm water conveyance, attenuation, and treatment improvements
- New perimeter security fencing
- Potential regional bike/pedestrian path and traffic control improvements on Manchester Avenue in cooperation with Caltrans and the City of Encinitas

Caltrans has indicated that due to budget constraints, the proposed roundabout on Manchester Avenue will be eliminated and the bike path width reduced. Impacts associated with these proposed changes are being incorporated in the revised design. SEJPA and Caltrans developed a draft contribution agreement (CA) which has received legal review. The CA for engineering and environmental services is now in final review. Delays on Caltrans' work elements have impinged the overall Building and Site Improvement project schedule, and staff is evaluating options for schedule recovery.

Phase II also includes Integrated Regional Water Management (IRWM) recycled water pipelines, electrical upgrades to power distribution system MS-2, and hardware and software improvements to the Supervisory Control and Data Acquisition (SCADA) system.

The IRWM recycled water pipelines are in final design, and the project will be ready for public bidding in fall 2018, with a likely construction duration of 10 to 12 months.

The electrical and SCADA upgrades are entering the design phase, and detailed construction schedules have not yet been developed. In order to maximize potential project synergies and minimize costs, staff is considering consolidation of the electrical and SCADA projects into the Building and Site Improvements Program.

Phase III, the Solids Treatment Project, is in the pre-design phase. A Project Definition Report (PDR) is currently in development to provide an evaluation of the design alternatives and a preferred build scenario for final design. Design is expected to be complete by the fourth quarter of 2019, with bidding and construction beginning first quarter of 2020.

Phase IV consists of Resource Recovery and Reuse projects including water storage, process optimization, and energy efficiency projects. This phase is currently in early stages of research and development.

FINANCIAL IMPACT

There is no overall financial impact associated with this staff report. For June 2018, the Phase I project budget was updated from \$14.2M to \$14.3M to reflect additional costs for the Land Outfall Replacement project due to unforeseen conditions as documented in a separate staff report.

Budget and funding adjustments will be made as required as these capital projects are developed, awarded, and constructed. Revenue from the sale of the 2017 Clean Water Bonds and grant funding, combined with current and future cash contributions for capital projects, is the financial basis for the SEJPA Capital Improvement Program.

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

Respectfully submitted,

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

Michael T. Thornton, P.E.
General Manager

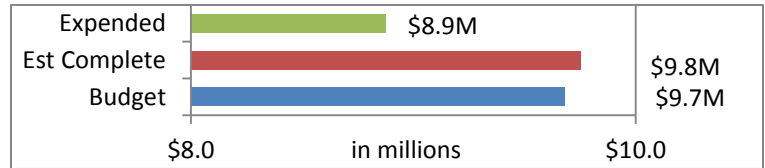
Attachments: Capital Project Status Reports



Land Outfall Replacement Project



Capital Program: Phase I
Project Status: Construction
Notice to Proceed: May 2017
Est. Completion Date: June 2018



Timeline

Construction Start
 May 2017

Original End Date
 March 2018

Est. Completion
 June 2018



	<i>Orig. Budget</i>	<i>Est. to Complete</i>	<i>Estimate</i>	<i>Expended</i>	<i>Remaining</i>	<i>% Complete</i>
Construction	\$ 8,553,000	\$ 208,014	\$ 8,761,014	\$ 8,144,514	\$ 616,500	93%
CM/Engr/Env	698,175	294,531	992,706	731,356	261,350	74%
Contingency	428,000	-428,000	-0-	-0-	-0-	
Total:	\$ 9,679,175	\$ 74,545	\$ 9,753,720	\$ 8,875,870	\$ 877,850	91%

Project Description

The work includes installation of (approximate lengths) 2,600 feet of 30-inch diameter HDPE pipe via horizontal directional drilling (HDD), 400 feet of 30-inch pipe via open trench construction, 300 feet of dual 10-inch force mains via open trench construction, and 110 feet of 60-inch steel casing under Coast Highway. The HDD began at Cardiff State Beach, continued beneath Coast Highway (through the steel casing), the San Elijo Lagoon, NCTD railroad, the Nature Center, and Manchester Avenue before daylighting at the San Elijo Water Reclamation Facility (SEWRF). Tie-ins to the new pipeline were made at the beach and at the SEWRF. Project work sites will be restored after all work is complete.

Work Completed: March 2017 – May 2018

Ongoing environmental surveys and coordination with the City, County, and Lagoon Restoration and NCC projects. Met with City of Escondido to coordinate shutdown/tie-in work. Continued open trench construction across Manchester Avenue for pipeline installations. Completed installation of shoring system at the beach outfall connection point. Ongoing dewatering operations to maintain working conditions in 30-foot deep beach excavation. Installed bypass system at the beach worksite to divert existing outfall flows and connect new HDPE pipeline to existing ocean outfall system. Concrete encased multiple connection points for improved reliability. Installed corrosion protection components to extend expected service life. Performed critical overnight shutdown of Escondido flows to tie-in SEJPA to new outfall. Excavated and installed Escondido outfall piping and connected to the new outfall system. Abandoned and slurry-filled existing land outfall. Began final restoration of beach and roadways.

Planned Work: June 2018

Restore roadways and project work sites. Complete abandonment of old outfall. Install cathodic protection.

Priorities or Issues to be Resolved

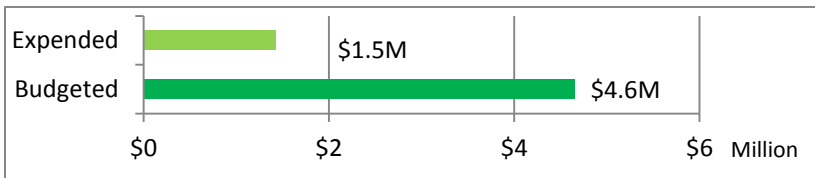
Negotiate final Change Orders.



Preliminary Treatment & Odor Control Upgrades



Capital Program: Phase I
Project Status: Construction
Notice to Proceed: June 2017
Est. Completion Date: October 2018



Timeline

Construction Start
June 2017

Est. Completion
Oct 2018



Budget	Budgeted	Expended	Remaining	% Expended
Construction:	\$ 3,905,723	\$1,082,022	\$ 2,823,701	28%
CM/Engineering Services:	582,137	353,399	228,738	61%
Contingency:	159,327	0	159,327	0%
Total:	\$ 4,647,187	\$ 1,435,421	\$ 3,211,766	31%

Project Description

The project consists of the construction of new concrete treatment structures, installation of new screening and dewatering equipment, rehabilitation of existing concrete channels and structures, and replacement of aging chemical storage tanks. The work also includes the replacement of aging mechanical, electrical, and other components associated with treatment odor control systems necessary to capture and remove odors and corrosive gases.

Work Completed: March 2018 - May 2018

Completed subgrade excavation and replacement. Waterproofed, formed, reinforced, poured, and stripped headworks slab on grade. Completed the majority of miscellaneous site concrete sidewalks and curbs. Started installing lights in the grit building. Installed odor scrubber recirculation pumps. Installed underground conduit for the control panels, grit building, and the headworks equipment. Received project materials including forcemain valves, electrical panels, lights, chemical feed pump assemblies, slide gates, stop logs, aluminum cover embeds, and small diameter ductile iron pipe.

Planned Work: June 2018

Form and pour the remaining headworks concrete. Start mechanical work in the chemical storage area. Complete underground conduit runs. Finalize the bypass pumping plan.

Priorities or Issues to be Resolved

Work closely with contractor to ensure critical path equipment fabrication and delivery remains on schedule.



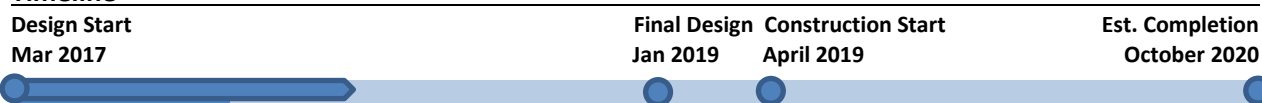
Building and Site Improvements



Capital Program: Phase II
Project Status: Design/Permitting
Design Start: March 2017
Est. Design Completion: September 2018
Est. Construction Completion: May 2020



Timeline



Budget	Budgeted	Expended	Remaining	% Expended
Building Program:	\$7,690,000	\$211,448	\$7,478,552	3%
Site Improvements:	3,050,000	21,000	3,029,000	1%
Solar (PPA):	200,000	0	200,000	0%
Total:	\$10,940,000	\$232,448	\$10,707,552	2%

Project Description

Work consists of replacing aging administration, operations, and maintenance buildings; enhancing safety, security and public interface, improving storm water capture and treatment, and modernization of fire fighting and suppression system. Solar power, energy efficiency, and other Climate Action Plan measures will be incorporated. Community benefits may include public parking, regional bicycle/pedestrian path, and traffic calming measures. Opportunities for interactive learning, community benefits, and education will be integrated into the site design.

Work Completed: March 2018 – May 2018

Ongoing design work in preparation for Coastal Development Permit resubmittal. Continued coordination with Caltrans on bike path/traffic improvements and cost sharing agreement. Roundabout removed from project and bike path width narrowed due to Caltrans budget constraints. Overall project progress slowed due to negotiations with Caltrans. Researching alternative construction delivery methods, including design-build, in order to accelerate schedule and control project costs.

Planned Work: June 2018

Finalize contribution agreement with Caltrans for bike/pedestrian path and traffic control improvements. Review hydrological study to determine potential value engineering opportunities for the regional bike path design. Update environmental documents. Pursue open space easement modifications. Continue mapping of existing utilities in the proposed construction area. Ongoing consideration of construction delivery methods.

Priorities or Issues to be Resolved

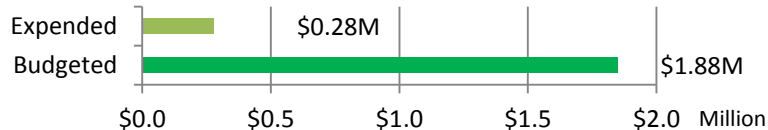
Finalize cost sharing agreements. Resolve open space easement conflicts at SEWRP.



IRWM Recycled Water Pipelines



Capital Program: Phase II
Project Status: Design/Permitting
Design Start: June 2016
Est. Design Completion: January 2018
Est. Construction Completion: May 2019



Timeline

Design/Permitting Start
June 2016

Final Design
March 2018

Construction Award
Sept 2018

Est. Completion
June 2019

Budget	Budgeted	Expended	Remaining	% Expended
Recycled Water Pipeline Project	2,125,000	\$280,140	1,844,860	13%
Contingency (20%):	425,000	0	425,000	0%
IRWM Grant funds:	(525,000)	0	(525,000)	--
Cost Share (Booster Pump Station):	(150,000)	0	(150,000)	--
PROJECT TOTAL:	\$1,875,000	\$280,140	\$1,594,860	15%

Project Description

The work consists of the design of a booster pump station and recycled water pipeline extension. The 1.5 mile small diameter (4-inch to 6-inch) pipeline will serve the community of Encinitas Ranch, two agricultural users, and the City of Encinitas trail system. The project is a key component of the SEJPA's \$2.5M Integrated Regional Water Management (IRWM) grant. The project is anticipated to offset 45 acre-feet per year of potable water use for landscape irrigation or approximately 50% of the total IRWM project potable water offset.

Work Completed: March 2018 – May 2018

Finalized environmental documents and completed public noticing requirements and for Coastal Development permit. Ongoing coordination with Encinitas Ranch Golf Authority including final revisions to Booster Pump Station architectural design. Ongoing negotiation of easement documents with project stakeholders, including ERGA, San Dieguito Water District, and Foxpoint Farms.

Planned Work: June 2018

Finalize easement agreements for booster pump station and pipeline. Obtain permissions for construction laydown areas. Finalize bid documents in preparation for advertisement fall 2018.

Priorities or Issues to be Resolved

Obtain Coastal Development Permit from the City and all easements for booster pump station and pipeline alignment.

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 11, 2018

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CONSTRUCTION CONTRACT CHANGE ORDER - SAN ELIJO LAND
OUTFALL REPLACEMENT PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute a construction contract change order with Filanc for a total cost of \$126,787; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Land Outfall Replacement is a priority capital project for the SEJPA. The land outfall was constructed in 1965 and due to its age and the surrounding soil type, the pipeline is estimated to be at the end of its useful life. This 30-inch diameter pipeline conveys, on average, 10 million gallons per day of treated wastewater from the cities of Encinitas, Solana Beach, Del Mar, and Escondido for ocean disposal approximately 1.5 miles from shore.

In April 2017, the Board of Directors awarded the project construction contract to the lowest responsive and responsible bidder, J.R. Filanc Construction Company ("Filanc"), for an amount of \$8,553,000.

DISCUSSION

During the construction of the San Elijo Land Outfall Replacement project, the contractor encountered conditions that were different than depicted in the construction documents as well as performed additional work at the direction of the SEJPA. The new work that constitutes the construction change order is for (1) additional work associated with concrete encasing flexible couplings at the beach and treatment plant in order to strengthen major connection points, (2) purchasing and installing two 20-inch valves at the Escondido Regulator Vault to replace existing failed valves, (3) payment for premium time worked on weekends and beyond normal 8-hour work shifts, and (4) providing emergency welding to isolate a failed valve on the existing outfall to prevent spillage. Also, in coordination with the City of Encinitas Living Shoreline project, staff approved the relocation of a component of the new outfall that was found to be in

conflict with the planned pedestrian path on the west side of Coast Highway. The contractor expedited the procurement of the valves and additional materials and performed this work in good faith. Unfortunately, these additional challenges prevented the Contractor from meeting the permit deadline of May 25, 2018. In response, staff coordinated with Coastal Commission, the City of Encinitas, and State Parks to obtain permit extensions to June 21, 2018.

FINANCIAL IMPACT

If approved, the proposed construction contract change order, valued at \$126,787, will increase the net amount of approved construction contract change orders with Filanc to \$68,043. The change order being considered includes Project Change Orders No. 7 – 11 (see Table 1).

Table 1 – Change Orders for the Land Outfall Replacement Project

PROJECT CHANGE ORDERS	Cost
No. 1 – Value Engineering	-158,082
No. 2 – Flowmeter Sizing	904
No. 3 – HDD Launch Pad	74,000
No. 4 – Remove abandoned 10" sewer	6,251
No. 5 – Highway 101 Road Survey	4,412
No. 6 – Outfall ACP Collars	13,771
No.7 – Additional Overtime Work	26,065
No. 8 – Beach Air Relief Line	9,229
No. 9 – Concrete Encasement of Couplings	20,361
No. 10 – Addition of Two Gate Valves	68,427
No. 11 – Emergency Welding	2,705
TOTAL CHANGE ORDERS	68,043

Overall, the estimated cost to complete the Project is \$9.75 million, which is about 1% more than the original Project budget. Funding for the proposed construction change order is available in the Ocean Outfall Capital Program. No new funding will be requested.

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute a construction contract change order with Filanc for a total cost of \$126,787; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 11, 2018

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: PROFESSIONAL SERVICE AGREEMENT FOR ENGINEERING AND
ENVIRONMENTAL SERVICES FOR DEVELOPING BIKE/PEDESTRIAN PATH

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute an Engineering/Environmental Services Contribution Agreement with Caltrans for developing Bike/Pedestrian Path;
2. Authorize the General Manager to execute a professional service agreement with Kimley Horn and Associates for an amount not to exceed \$100,000; and
3. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) is working with Caltrans and the City of Encinitas to construct a bike and pedestrian path through SEJPA property. The proposed path is to be connected to other bike/pedestrian paths as part of regional transportation planning. The proposed bike/pedestrian path through SEJPA property is included in the published Caltrans Public Works Plan and has received positive support from California Coastal Commission staff. The conceptual design of the path has been completed and it has undergone initial permit review by the City of Encinitas. The proposed bike/pedestrian path also has completed California Environmental Quality Act (CEQA) documentation, however additional environmental clearance remains as part of the final design.

DISCUSSION

The SEJPA and Caltrans have worked collaboratively to develop a conceptual bike/pedestrian path through the SEJPA water campus property. SEJPA and Caltrans have agreed in principle to the project design and for the SEJPA to lead the design, environmental clearance, and construction, with Caltrans providing cost reimbursement.

Cost reimbursement is planned in two phases with the first being design and environmental clearance, and the second phase being construction. It is proposed that each phase (design/environmental and construction) will have its own Contribution Agreement (CA) between Caltrans and SEJPA. The draft Design/Environmental CA has received approval by both Caltrans and SEJPA legal, and the CA is now in final preparation.

SEJPA and Caltrans have agreed to the selection of the lead engineering services firm (Kimley Horn and Associates – KHA) and have also agreed on the scope of work and fee for preparing the engineering design and environmental permitting. The fee for this effort is to not exceed \$476,000 (Attachment 1), which includes contingency funds of \$38,000 for potential unanticipated circumstances that may be encountered during the design and environmental permitting phases of the project.

To allow the project progress to continue uninterrupted, staff seeks Board authorization for the General Manager to execute the Design/Environmental CA with Caltrans and to proceed with up to \$100,000 of expenditures with KHA. At a future SEJPA Board meeting, staff will present the full KHA engineering and environmental service agreement to the Board for approval consideration.

FINANCIAL IMPACT

The financial impact of this request is \$100,000, which adequate funding is available within the Building and Site Improvement capital program. Upon execution of the Engineering/Environmental CA, SEJPA will seek cost reimbursement from Caltrans. Receipt of reimbursement funds from Caltrans are expected to be within FY 2018-19.

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute an Engineering/Environmental Services Contribution Agreement with Caltrans for developing Bike/Pedestrian Path;
2. Authorize the General Manager to execute a professional service agreement with Kimley Horn and Associates for an amount not to exceed \$100,000; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Draft Engineering/Environmental Services Contribution Agreement

Attachment 2: Kimley Horn and Associates, Civil Engineering and Environmental Services
Scope of Work and Fee

DRAFT - COOPERATIVE AGREEMENT
Funds Contribution

This Agreement, effective on _____, is between the State of California, acting through its Department of Transportation, referred to as CALTRANS, and:

San Elijo Joint Powers Authority, a public corporation/entity, referred to hereinafter as SAN ELIJO JPA.

RECITALS

1. PARTIES are authorized to enter into a cooperative agreement for improvements to the State Highway System per the California Streets and Highways Code sections 114 and 130.

Agreement.pda.rec.040.oca.2014-04-01

2. The term AGREEMENT, as used herein, includes any attachments, exhibits, and amendments.
3. SAN ELIJO JPA intends to design a bicycle-pedestrian node and the North Coast Bike Trail from the southerly to the northerly limits to the of San Elijo JPA property and is referred to herein as PROJECT. PROJECT is located outside of the SHS (See Attachment A).
4. PROJECT is a one of the Community Enhancements in the City of Encinitas preliminarily identified in the CALTRANS Interstate 5 (I-5) North Coast Corridor (NCC) Final Environmental Impact Report/Environmental Impact Statement (EIR/EIS).
5. PROJECT is included in the NCC Public Works Plan/Transportation Resource Enhancement Program (I-5 NCC POW/TREP).
6. CALTRANS has an environmental and I-5 NCC PWP/TREP commitment to the California Coastal Commission to ensure that PROJECT is constructed by the year 2020 (See Attachment B).
7. The I-5 NCC EIR/EIS is listed and funding identified on Page 31, MPO PD: CAL 09 of the 2016 Regional Transportation Improvement Program. (See Attachment C).

8. CALTRANS will contribute to SAN ELIJO JPA the amount of \$#### from TBD funds required for design of PROJECT.
9. CALTRANS and SAN ELIJO JPA will enter into a separate construction agreement for PROJECT.
10. San Elijo JPA will enter into a separate agreement with the City of Encinitas for the maintenance of the PROJECT (See Attachment A).
11. PARTIES hereby set forth the terms, covenants, and conditions for CALTRANS' contribution toward PROJECT.

SCOPE

12. SAN ELIJO JPA is responsible for completing all environmental, permits, right of way and design, including specifications, for PROJECT.
13. CALTRANS will provide design oversight for PROJECT.
14. SEJPA will make all necessary arrangements with utility owners for the timely accommodation, protection, relocation, or removal of any existing utility facilities that conflict with construction of PROJECT.
15. CALTRANS will contribute the fix amount of \$#### for design of PROJECT from TBD funds.

INVOICE & PAYMENT

16. SAN ELIJO JPA will invoice CALTRANS for the amount of \$ ### after execution of this Agreement.
17. CALTRANS will pay SAN ELIJO JPA within 90 (ninety) calendar days of receipt of invoices.
18. PARTIES agree that the total amount of TBD funds paid out to SAN ELIJO JPA will not exceed \$####. If the fix amounts listed in the SCOPE are exceeded, the San Elijo JPA will provide documentation and PARTIES will amend this agreement. After execution of amendment the SAN ELIJO JPA will invoice CALTRANS for the specified amendment amount and CALTRANS will pay SAN ELIJO JPA within 90 (ninety) calendar days of receipt of invoice.

19. After PARTIES agree that all work for PROJECT is complete, SAN ELIJO JPA will submit a final accounting for all costs. Based on the final accounting, SAN ELIJO JPA will refund or invoice as necessary in order to satisfy the financial commitment of AGREEMENT.

GENERAL CONDITIONS

20. All obligations of CALTRANS under the terms of AGREEMENT are subject to the appropriation of resources by the Legislature, the State Budget Act authority, and the allocation of funds by the California Transportation Commission.
21. If SAN ELIJO JPA fails to complete the PROJECT by 2021 for any reason, SAN ELIJO JPA will refund the full amount of CALTRANS' contribution.
22. SAN ELIJO JPA will retain all PROJECT related records for four (4) years after the final voucher.

HM Definition.pda.ap.160.ee.[2014-04-01](#)

HM-1 is hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law, whether it is disturbed by the PROJECT or not.

HM-2 is hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law only if disturbed by the PROJECT.

The management activities related to HM-1 and HM-2, including and without limitation, any necessary manifest requirements and disposal facility designations are referred to herein as HM-1 MANAGEMENT and HM-2 MANAGEMENT respectively.

23. If HM-1 or HM-2 is found during construction, SAN ELIJO JPA will immediately notify CALTRANS.
24. CALTRANS, independent of PROJECT, is responsible for any HM-1 found within the existing State Highway System right-of-way. CALTRANS will undertake, or cause to be undertaken, HM-1 MANAGEMENT with minimum impact to PROJECT schedule.

CALTRANS, independent of PROJECT will pay, or cause to be paid, the cost of HM-1 MANAGEMENT related to HM-1 found within the existing State Highway System right-of-way.

If HM-1 is found within the PROJECT limits and outside the existing State Highway System right-of-way, responsibility for such HM-1 rests with the owner(s) of the parcel(s) on which the HM-1 is found. SAN ELIJO JPA, in concert with the local agency having land use jurisdiction, will ensure that HM-1 MANAGEMENT is undertaken with minimum impact to Project schedule.

The cost of HM-1 MANAGEMENT for HM-1 found within the PROJECT limits and outside the existing State Highway System right-of-way will be the responsibility of the owner(s) of the parcel(s) where the HM-1 is located.

25. SAN ELIJO JPA is responsible for HM-2 MANAGEMENT within the PROJECT limits.
26. HM-2 MANAGEMENT costs are PROJECT costs.
27. Neither SAN ELIJO JPA nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by CALTRANS, its contractors, sub-contractors, and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon CALTRANS under AGREEMENT. It is understood and agreed that CALTRANS, to the extent permitted by law, will defend, indemnify, and save harmless SAN ELIJO JPA and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by CALTRANS, its contractors, sub-contractors, and/or its agents under AGREEMENT.
28. Neither CALTRANS nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by SAN ELIJO JPA, its contractors, sub-contractors, and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon SAN ELIJO JPA under AGREEMENT. It is understood and agreed that SAN ELIJO JPA, to the extent permitted by law, will defend, indemnify, and save harmless CALTRANS and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by SAN ELIJO JPA, its contractors, sub-contractors, and/or its agents under AGREEMENT.

If the work performed on PROJECT is done under contract and falls within the Labor Code section 1720(a)(1) definition of "public works" in that it is construction, alteration, demolition, installation, or repair; or maintenance work under Labor Code section 1771 SAN ELIJO JPA must conform to the provisions of Labor Code sections 1720 through 1815, and all applicable provisions of California Code of Regulations found in Title 8, Chapter 8, Subchapter 3, Articles 1-7. SAN ELIJO JPA agrees to include prevailing wage requirements in its contracts for public work. Work performed by San Elijo JPA's own forces is exempt from the Labor Code's Prevailing Wage requirements.

SAN ELIJO JPA shall require its contractors to include prevailing wage requirements in all subcontracts funded by AGREEMENT when the work to be performed by the subcontractor is "public works" as defined in Labor Code Section 1720(a)(1) and Labor Code Section 1771. Subcontracts shall include all prevailing wage requirements set forth in SAN ELIJO JPA contracts.

29. AGREEMENT is intended to be PARTIES final expression and supersedes all prior oral understandings pertaining to PROJECT.
30. Unless otherwise documented in a maintenance agreement, SAN ELIJO JPA will maintain all PROJECT improvements.
31. AGREEMENT will terminate upon CALTRANS' acceptance of PROJECT. However, all indemnification and maintenance articles of AGREEMENT will remain in effect until terminated or modified in writing by mutual agreement.

DEFINITIONS

PARTY – Any individual signatory party to AGREEMENT.

PARTIES – The term that collectively references all of the signatory agencies to AGREEMENT.

CONTACT INFORMATION

The information provided below indicates the primary contact information for each PARTY to AGREEMENT. PARTIES will notify each other in writing of any personnel or location changes. Contact information changes do not require an amendment to AGREEMENT.

The primary Agreement contact person for CALTRANS is:

Arturo Jacobo, PE, Project Manager
4050 Taylor Street, MS-331
San Diego, CA 92110

Office Phone: (619) 688-6816
Email: Arturo.jacobo@dot.ca.gov

The primary Agreement contact person for SAN ELIJO JPA is:

Michael T. Thornton, PE, General Manager
2695 Manchester Avenue
Cardiff by the Sea, CA 92007

Office Phone: (760) 753-6203
Email: thornton@sejpa.org

SIGNATURES

PARTIES declare that:

1. Each PARTY is an authorized legal entity under California state law.
2. Each PARTY has the authority to enter into AGREEMENT.
3. The people signing AGREEMENT have the authority to do so on behalf of their public agencies.

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

CORY BINNS
Acting District 11 Director

VERIFICATION OF FUNDS AND
AUTHORITY:

CARMEL GOLEMBIEWSKI
District Budget Manager

GLENN B. MUELLER
Assistant Chief Counsel

**SAN ELIJO JOINT POWERS
AUTHORITY**

MICHAEL T. THORNTON
General Manager

ATTACHMENT 2



June 5, 2018

Mr. Mike Thornton
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff, California 92007

Mr. Arturo Jacobo
California Department of Transportation
District 11, I-5 North Coast Corridor
4050 Taylor Street, MS 331
San Diego CA 92110

Re: REVISED Proposal for Civil Engineering and Environmental Services – Manchester/SEJPA
Intersection and Multi-Use Path

Kimley-Horn and Associates, Inc. ("Kimley-Horn" or "Consultant") is pleased to submit this letter agreement (the "Agreement") to and San Elijo Joint Powers Authority ("SEJPA" or "Client") and Caltrans District 11 ("Caltrans") to provide civil engineering and environmental services for major drainage improvements, a lighted shared-use trail within the San Elijo Water Reclamation Facility ("SEWRF") property, and entrance improvements along the SEWRF frontage, including curb and gutter, sidewalk, street-level enhanced trail crossing, traffic calming measures, Class 2 bike lanes, and pedestrian-activated traffic control device.

Project Understanding

It is our understanding that SEJPA and Caltrans intend to enter into a contribution agreement for the preparation of construction documents for the improvements identified in detail below, including project permitting through various agencies. Under such an agreement, Kimley-Horn would contract directly with SEJPA and Caltrans would contribute funds under said agreement for the Consultant services specified herein.

The project includes: roadway and shared-use trail crossing improvements within Manchester Avenue along the frontage of the SEWRF located at 2965 Manchester Avenue in Cardiff, California and necessary transitions to existing roadway improvements east and west of SEWRF's frontage; reinforced concrete box and/or rectangular channel improvements to convey the 100-year return-frequency storm through the SEWRF property, including attenuation of peak flow volumes, if feasible; and, a lighted improved shared-use trail west and north of existing and future SEWRF operational areas, including grading, security fencing, drainage and storm water quality improvements, and connections/transitions to trail improvements at Manchester Avenue and to Class 1 bikeway improvements within Interstate-5 at the northeast corner of the SEWRF property.

The existing topographic survey and preliminary design files provided by the Client will be used as the basis for our design. It is anticipated that supplemental surveying data will be required and is included in Consultant's scope and fee.

Scope of Services

Kimley-Horn will provide the services specifically set forth below.

- Manchester Avenue Roadway design to include:
 - Stop-controlled driveways at the entrances to the SEWRF and San Elijo Lagoon Nature Center, including center turn lanes within Manchester Avenue
 - Grading/small retaining wall at the southeast corner of the SEWRF property
 - Pavement Design based on R-Value Testing
 - Class 2 bike lanes
 - Traffic calming measures
 - Enhanced ADA-compliant pedestrian crossings at the SEWRF driveway and across Manchester Avenue
 - Pedestrian-activated traffic control devices
 - Curb, gutter, sidewalk, and pedestrian trail improvements
 - ADA-compliant connection to trailhead and SEWRF public parking
 - Storm Water Quality Technical Report (One report proposed for entire project)
 - Storm water quality structural and best management practices (BMPs) and hydromodification measures, all in compliance with State and local National Pollutant Discharge Elimination System (NPDES) requirements, including temporary and permanent erosion and sedimentation control measures.
 - Construction Storm Water Pollution Prevention Plan (SWPPP) (One plan proposed for entire project, including channel and trail improvements)
 - Roadway signing and striping
 - Transition of new improvements to existing and proposed roadway improvements east and west of the SEWRF
- Storm Water Channel design to include:
 - Channel Hydraulic Analysis for the new and existing major drainage facilities within the SEWRF property for sizing of the storm water channel and determination of water surface elevations, including potential upstream detention of 5-year, 10-year, 25-year, 50-year, and 100-year return-frequency storm events. Existing hydrologic data prepared by Caltrans as part of the I-5/San Elijo project will be used for the hydraulic analysis.
 - Geotechnical analysis and recommendations to supplement existing data
 - Channel maintenance access
 - Site grading to support maintenance access and shared-use trail
- Shared-Use Trail design to include:
 - Grading and embankment slopes and berms to provide 8 to 10 foot-wide improved shared-use trail within 12 to 14-foot-wide graded width flat pad, plus flat maintenance access, as needed
 - Geotechnical analysis and recommendations
 - Security fencing
 - Trail lighting to provide average maintained illumination of 0.5 foot-candles (*required lighting level needs to be verified with City of Encinitas*).
 - Storm Water Quality Technical Report (One report proposed for entire project)
 - Storm water quality structural and non-structural best management practices (BMPs) and hydromodification measures, all in compliance with State and local National Pollutant Discharge Elimination System (NPDES) requirements, including temporary and permanent erosion and sedimentation control measures.
 - Surface drainage improvements, including graded earthen swale and localized storm water collection and conveyance

- Connections/transitions to trail improvements at Manchester Avenue and to Class 1 bikeway improvements within Interstate-5 at the northeast corner of the SEWRF property
- Landscape and irrigation plans
- Open space easement boundary revisions, including preparation of plats and legal descriptions and obtaining conservation easement amendment approval
- Preparation of trail and channel maintenance easements
- Preparation of up to two applications for state or local funding, such as Active Transportation and/or Recreational Trail Grants
- Technical Specifications
- Quantity calculations, Opinion of Probable Construction Cost (OPCC), and Bid Sheets
- Project Management and Coordination/Meetings
- California Environmental Quality Act (CEQA) Requirements
 - Biological Surveys/Technical Study
 - Cultural, Paleontological, Air/Green House Gases (GHG) Technical Studies
 - CEQA Addendum to existing Mitigated Negative Declaration (MND)
- Environmental Compliance and Agency Permitting
 - City of Encinitas – Plan Approvals, Construction Permit(s), and Coastal Development Permit
 - California Coastal Commission – Coastal Development Permit
 - U.S. Army Corps of Engineers – Clean Water Act (CWA) Section 404 Nationwide Permit
 - Regional Water Quality Control Board – CWA Section 401 Water Quality Certification
 - California Department of Fish & Wildlife – CA Section 1602 Streambed Alteration Agreement
- Traffic Control and Construction Phasing Plans
- Bid support, including preparation of responses to Requests for Information
- **EXCLUSIONS:**
 - Design Services during Construction
 - As-builts

Subconsultants

Kimley-Horn will utilize the following subconsultants for this project:

- Helix Environmental Planning – CEQA, Environmental Compliance and Permitting, and Conservation Easement Amendment
- Aguirre & Associates, Inc. – Supplemental Surveying
- Southern California Soil & Testing (SCS&T) – Supplemental Geotechnical Investigation

Task 1 - Project Coordination, Meetings, and Management

Kimley-Horn will perform project management and administration services consisting of preparation and administration of subconsultant contracts, invoicing (with associated back up), monitoring progress against budget and overall quality assurance (QA). Specific quality control (QC) efforts for each deliverable are included in the task covering that deliverable.

This task also consists of meetings and coordination with the Client and reviewing agencies. This task captures effort related to the preparation for, travel for, attendance of, and follow up required for those meetings, conference calls, and design coordination for the Project. Due to the unknown extent of effort for the meetings and Kimley-Horn's required presence at the meetings, the total number of meetings has been estimated based upon our experience on similar projects; more meetings than estimated would be considered additional work beyond the scope of services identified herein.

Kimley-Horn will attend the following meetings:

- A Kick-off meeting.
- Up to 16 total meetings with Client, City of Encinitas, California Coastal Commission and Resource Agencies.
- Pre-Construction Meeting

Task 1 - Deliverables:

- A summary of each meeting, including action items and responsible parties, in PDF format.

Task 2 - Review Existing Data and Information Provided by Client and Caltrans and Determine Additional Data Needed to Complete the Project Tasks**Task 2.1 Additional Surveying**

Kimley-Horn will determine additional surveying needed to complete the design tasks. Therefore, this fee proposal includes a \$25,000 allowance for additional surveying by Aguirre & Associates, Inc.

Task 2.2 Additional Geotechnical Investigation and Recommendations

Kimley-Horn anticipates that additional geotechnical investigation will be required on the northern portion of the property for the design of proposed cut and fill slopes for the shared-use trail, for the design of the proposed channel improvements, and for the determination of R-Values for the design of roadway and shared-use trail pavement structural sections. Therefore, this fee proposal includes a \$30,000 allowance for additional geotechnical investigation by Southern California Soil & Testing, Inc.

Task 2 - Deliverables:

- Updated base maps and topography if additional surveying is required.
- Report of geotechnical findings and recommendations, including design parameters and constraints.
- Hydrologic Study, if not previously prepared by Caltrans.

Task 3 – Prepare Civil Engineering and Electrical Plans, Reports, Studies, Specifications, and Estimates (PS&E)

Kimley-Horn will submit engineering plans and required reports, studies, and investigations at the 40%, 90%, and 100% (Final) completion levels and will submit technical specifications, opinion of probable construction cost (OPCC), and bid sheets at the 90% and 100% (Final) completion levels for submittal to SEJPA and permitting agencies, as appropriate.

Kimley-Horn will incorporate Client and agency comments into the 90% plans and reports, as appropriate, in response to comments made on the 40% submittal.

Kimley-Horn will incorporate Client and agency comments into the 100% (Final) plans and reports, as appropriate, in response to comments made on the 90% submittal.

Task 3 - Deliverables:

- First Submittal – 40% Plans; draft Water Quality Technical Report; draft Report of Geotechnical Findings and Recommendations (including design parameters and geologic constraints); draft Hydrologic Study (if not previously prepared by Caltrans); and, draft Hydraulic Analysis.
- Second Submittal – 90% Plans; revised Water Quality Technical Report; final Report of Geotechnical Findings and Recommendations; final Hydrologic Study (if required); final Hydraulic Analysis; draft Technical Specifications; draft OPCC; and, draft bid sheets.
- Final Submittal – 100% Plans, final Water Quality Technical Report; final Technical Specifications; final OPCC, and, final bid sheets.

Task 4 – Environmental Compliance and Permitting

Kimley-Horn and Helix Environmental Planning will perform additional studies and technical studies necessary to file and obtain approval of an addendum to SEJPA's existing Mitigated Negative Declaration.

Kimley-Horn and Helix Environmental Planning will obtain permits/entitlements and approvals from the City of Encinitas, Caltrans, California Coastal Commission, United States Army Corps of Engineers, Regional Water Quality Control Board, and California Department of Fish & Wildlife for proposed construction.

Kimley-Horn and Helix Environmental Planning will prepare plats and legal descriptions and will process a Conservation Easement Amendment as described hereinabove to adjust conservation easement boundaries.

Task 4 - Deliverables:

- California Environmental Quality Act (CEQA) – Biological Surveys and Technical Studies and CEQA Addendum to existing Mitigated Negative Declaration (MND).
- City of Encinitas – Plan Approvals, Construction Permit(s), Coastal Development Permit, and Conservation Easement Amendment
- California Coastal Commission – Coastal Development Permit and Conservation Easement Amendment
- U.S. Army Corps of Engineers – CWA Section 404 Nationwide Permit
- Regional Water Quality Control Board – CWA Section 401 Water Quality Certification
- California Department of Fish & Wildlife – CA Section 1602 Streambed Alteration Agreement
- Trail and Storm Channel Easements

Information Provided by Client

Kimley-Horn shall be entitled to rely on the completeness and accuracy of all information provided by the Client or the Client's consultants or representatives. The Client shall provide all information requested by Kimley-Horn during the project, including but not limited to the following:

- Existing AutoCAD files within the project area.
- Existing geotechnical data and reports for the SEWRF site and Manchester Avenue within the project area.
- Existing reports, studies, and documents performed on behalf of SEJPA or by Caltrans within the project area.

Schedule

We will provide our services as expeditiously as practicable with the goal of meeting the agreed upon schedule.

Fee and Expenses

Kimley-Horn will perform the services listed below on a labor fee plus expense basis. Individual task amounts are provided for budgetary purpose only. Labor fee will be billed on an hourly basis according to our and our subconsultants' current rates. Actual budget for hourly tasks may be more or less than the estimated budget.

Task 1	Project Coordination, Meetings, and Management	\$ 25,000
Task 2	Review Existing Data and Information Provided by Client and Caltrans and Determine Additional Data Needed to Complete the Project Tasks	
	Additional Surveying (Estimate)	\$ 25,000 (Allowance)
	Additional Geotechnical Investigation (Estimate)	\$ 30,000 (Allowance)
Task 3	Prepare Civil Engineering and Electrical Plans, Reports, Studies, Specifications, and Estimates (PS&E)	\$208,000
Task 4	Environmental Compliance and Permitting	\$150,000*
	* Helix Environmental Planning Budget = \$145,000	
	Total - Tasks 1, 3 & 4	\$383,000
	Maximum Allowance - Task 2	<u>\$ 55,000</u>
	Subtotal (per attached spreadsheet)	\$438,000

Other Costs

Approx. 10% Contingency on Tasks 1, 3 & 4 \$ 38,000

Direct reimbursable expenses such as express delivery services, fees, air travel, subconsultant costs, and other direct expenses will be billed at cost. All permitting, application, and similar project fees will be paid directly by the Client. Should the Client request Kimley-Horn to advance any such project fees on the Client's behalf, a separate invoice for such fees will be immediately issued to and paid by the Client. Reimbursable expenses will be invoiced based upon expenses incurred.

Payment will be due within 30 days of your receipt of the invoice and should include the invoice number and Kimley-Horn project number.

Alternative Delivery Methods

This proposal and scope of work is valid for design-bid-build project delivery as well as alternative delivery methods, including:

- Construction Manager/General Contractor (CMGC), in which Kimley-Horn would be under direct contract with SEJPA, or
- Design-Build, in which Kimley-Horn could be under direct contract with SEJPA or SEJPA's Design-Build Contractor, but with the same contract terms and conditions as SEJPA's standard consultant engineering/professional services agreement.

Closure

In addition to the matters set forth herein, our Agreement shall include and be subject to, and only to, the attached Standard Provisions, which are incorporated by reference. As used in the Standard Provisions, "Consultant" shall refer to Kimley-Horn and Associates, Inc., and "Client" shall refer to San Elijo Joint Powers Authority.

Kimley-Horn, in an effort to expedite invoices and reduce paper waste, submits invoices via email in an Adobe PDF format. We can also provide a paper copy via regular mail if requested. Please include the invoice number and Kimley-Horn project number with all payments. Please provide the following information:

Please email all invoices to _____

Please copy _____


If you concur in all the foregoing and wish to direct us to proceed with the services, please have authorized persons execute both copies of this Agreement in the spaces provided below, retain one copy, and return the other to us. We will commence services only after we have received a fully-executed agreement. Fees and times stated in this Agreement are valid for sixty (60) days after the date of this letter.

To ensure proper set up of your projects so that we can get started, please complete and return with the signed copy of this Agreement the attached Request for Information. Failure to supply this information could result in delay in starting work on your project.

We appreciate the opportunity to provide these services to you. Please contact me with any questions.

Very truly yours,

KIMLEY-HORN AND ASSOCIATES, INC.

By: 
Kirk P. Ammerman, PE
Senior Project Manager


Dennis Landaal, PE
Senior Vice President

c: Mike Konicke, SEJPA
Pete Ritchey, Kimley-Horn

San Elijo Joint Powers Authority

By:

_____, General Manager

(Date)

(Print or Type Name)

(Email Address)

Attest:

_____, Secretary/Assistant Secretary

(Print or Type Name)

Client's Federal Tax ID: _____

Client's Business License No.: _____

Client's Street Address: _____

Attachment – Request for Information

Attachment – Standard Provisions

Request for Information

Please return this information with your signed contract; failure to provide this information could result in delay in starting your project

Client Identification

Full, Legal Name of Client					
Mailing Address for Invoices					
Contact for Billing Inquiries					
Contact's Phone and e-mail					
Client is (check one)	Owner	<input type="checkbox"/>	Agent for Owner	<input type="checkbox"/>	Unrelated to Owner

Property Identification

	Parcel 1	Parcel 2	Parcel 3	Parcel 4
Street Address				
County in which Property is Located				
Tax Assessor's Number(s)				

Property Owner Identification

	Owner 1	Owner 2	Owner 3	Owner 4
Owner(s) Name				
Owner(s) Mailing Address				
Owner's Phone No.				
Owner of Which Parcel #?				

Project Funding Identification – List Funding Sources for the Project

Attach additional sheets if there are more than 4 parcels or more than 4 owners

KIMLEY-HORN AND ASSOCIATES, INC.

STANDARD PROVISIONS

(1) **Consultant's Scope of Services and Additional Services.** The Consultant's undertaking to perform professional services extends only to the services specifically described in this Agreement. However, if requested by the Client and agreed to by the Consultant, the Consultant will perform Additional Services, which shall be governed by these provisions. Unless otherwise agreed to in writing, the Client shall pay the Consultant for any Additional Services an amount based upon the Consultant's then-current hourly rates plus an amount to cover certain direct expenses including telecommunications, in-house reproduction, postage, supplies, project related computer time, and local mileage. Other direct expenses will be billed at 1.10 times cost.

(2) **Client's Responsibilities.** In addition to other responsibilities described herein or imposed by law, the Client shall:

- (a) Designate in writing a person to act as its representative with respect to this Agreement, such person having complete authority to transmit instructions, receive information, and make or interpret the Client's decisions.
- (b) Provide all information and criteria as to the Client's requirements, objectives, and expectations for the project including all numerical criteria that are to be met and all standards of development, design, or construction.
- (c) Provide to the Consultant all previous studies, plans, or other documents pertaining to the project and all new data reasonably necessary in the Consultant's opinion, such as site survey and engineering data, environmental impact assessments or statements, upon all of which the Consultant may rely.
- (d) Arrange for access to the site and other private or public property as required for the Consultant to provide its services.
- (e) Review all documents or oral reports presented by the Consultant and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of the Consultant.
- (f) Furnish approvals and permits from governmental authorities having jurisdiction over the project and approvals and consents from other parties as may be necessary for completion of the Consultant's services.
- (g) Cause to be provided such independent accounting, legal, insurance, cost estimating and overall feasibility services as the Client may require.
- (h) Give prompt written notice to the Consultant whenever the Client becomes aware of any development that affects the scope, timing, or payment of the Consultant's services or any defect or noncompliance in any aspect of the project.
- (i) Bear all costs incidental to the responsibilities of the Client.

(3) **Period of Services.** Unless otherwise stated herein, the Consultant will begin work timely after receipt of a properly executed copy of this Agreement and any required retainer amount. This Agreement is made in anticipation of conditions permitting continuous and orderly progress through completion of the services. Times for performance shall be extended as necessary for delays or suspensions due to circumstances that the Consultant does not control. If such delay or suspension extends for more than six months (cumulatively), Consultant's compensation shall be renegotiated.

(4) **Method of Payment.** Compensation shall be paid to the Consultant in accordance with the following provisions:

- (a) Invoices will be submitted periodically for services performed and expenses incurred. Invoices are due and payable upon presentation. Client shall pay Consultant a time-price differential of one and one-half percent (1.5%) of the outstanding amount of each invoice that is overdue for more than 30 days. The Client shall also pay any applicable sales tax. All retainers will be held by the Consultant for the duration of the project and applied against the final invoice. If the Client fails to make any payment due to the Consultant under this or any other agreement within 30 days after presentation, the Consultant may, after giving notice to the Client, suspend services and withhold deliverables until all amounts due are paid in full and may commence proceedings, including recording liens, to secure its right to payment under this Agreement.
- (b) If the Client relies on payment or proceeds from a third party to pay Consultant and Client does not pay Consultant's invoice within 60 days of receipt, Consultant may communicate directly with such third party to secure payment.
- (c) If the Client objects to an invoice, it must advise the Consultant in writing giving its reasons within 14 days of receipt of the invoice or the Client's objections will be waived, and the invoice shall conclusively be deemed due and owing. If the Client objects to only a portion of the invoice, payment for all other portions remains due within 25 days of receipt.
- (d) The Client agrees that the payment to the Consultant is not subject to any contingency or condition. The Consultant may negotiate payment of any check tendered by the Client, even if the words "in full satisfaction" or words intended to have similar effect appear on the check without such negotiation being an accord and satisfaction of any disputed debt and without prejudicing any right of the Consultant to collect additional amounts from the Client.

(5) **Use of Documents.** All documents, including but not limited to drawings, specifications, reports, and data or programs stored electronically, prepared by the Consultant are related exclusively to the services described in this Agreement, and may be used only if the Client has satisfied all of its obligations under this Agreement. They are not intended or represented to be suitable for use, partial use or reuse by the Client or others on extensions of this project or on any other project. Any modifications made by the Client to any of the Consultant's documents, or any use, partial use or reuse of the documents without written authorization or adaptation by the Consultant will be at the Client's sole

risk and without liability to the Consultant, and the Client shall indemnify, defend and hold the Consultant harmless from all claims, damages, losses and expenses, including but not limited to attorneys' fees, resulting therefrom. The Consultant's electronic files and source code developed in the development of application code remain the property of the Consultant and shall be provided to the Client only if expressly provided for in this Agreement. Any electronic files not containing an electronic seal are provided only for the convenience of the Client, and use of them is at the Client's sole risk. In the case of any defects in the electronic files or any discrepancies between them and the hardcopy of the documents prepared by the Consultant, the hardcopy shall govern. Because data stored in electronic media format can deteriorate or be modified without the Consultant's authorization, the Client has 60 days to perform acceptance tests, after which it shall be deemed to have accepted the data.

(6) **Opinions of Cost.** Because the Consultant does not control the cost of labor, materials, equipment or services furnished by others, methods of determining prices, or competitive bidding or market conditions, any opinions rendered as to costs, including but not limited to opinions as to the costs of construction and materials, shall be made on the basis of its experience and represent its judgment as an experienced and qualified professional, familiar with the industry. The Consultant cannot and does not guarantee that proposals, bids or actual costs will not vary from its opinions of cost. If the Client wishes greater assurance as to the amount of any cost, it shall employ an independent cost estimator. Consultant's services required to bring costs within any limitation established by the Client will be paid for as Additional Services.

(7) **Termination.** The obligation to provide further services under this Agreement may be terminated by either party upon seven days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party, or upon thirty days' written notice for the convenience of the terminating party. If any change occurs in the ownership of the Client, the Consultant shall have the right to immediately terminate this Agreement. In the event of any termination, the Consultant shall be paid for all services rendered and expenses incurred to the effective date of termination, and other reasonable expenses incurred by the Consultant as a result of such termination. If the Consultant's compensation is a fixed fee, the amount payable for services will be a proportional amount of the total fee based on the ratio of the amount of the services performed, as reasonably determined by the Consultant, to the total amount of services which were to have been performed.

(8) **Insurance.** The Consultant carries Workers' Compensation insurance, professional liability insurance, and general liability insurance. If the Client directs the Consultant to obtain increased insurance coverage, the Consultant will take out such additional insurance, if obtainable, at the Client's expense.

(9) **Standard of Care.** The standard of care applicable to Consultant's services will be the degree of care and skill ordinarily exercised by consultants performing the same or similar services in the same locality at the time the services are provided. No warranty, express or implied, is made or intended by the Consultant's undertaking herein or its performance of services, and it is agreed that the Consultant is not a fiduciary with respect to the Client.

(10) **LIMITATION OF LIABILITY.** In recognition of the relative risks and benefits of the Project to the Client and the Consultant, the risks have been allocated such that the Client agrees, to the fullest extent of the law, and notwithstanding any other provisions of this Agreement or the existence of applicable insurance coverage, that the total liability, in the aggregate, of the Consultant and the Consultant's officers, directors, employees, agents, and subconsultants to the Client or to anyone claiming by, through or under the Client, for any and all claims, losses, costs or damages whatsoever arising out of, resulting from or in any way related to the services under this Agreement from any cause or causes, including but not limited to, the negligence, professional errors or omissions, strict liability or breach of contract or any warranty, express or implied, of the Consultant or the Consultant's officers, directors, employees, agents, and subconsultants, shall not exceed twice the total compensation received by the Consultant under this Agreement or \$50,000, whichever is greater. Higher limits of liability may be negotiated for additional fee. Under no circumstances shall the Consultant be liable for extra costs or other consequences due to changed conditions, or for costs related to the failure of contractors to perform work in accordance with the plans and specifications. This Section 10 is intended solely to limit the remedies available to the Client or those claiming by or through the Client, and nothing in this Section 10 shall require the Client to indemnify the Consultant.

(11) **Mutual Waiver of Consequential Damages.** In no event shall either party be liable to the other for any consequential, incidental, punitive, or indirect damages including but not limited to loss of income or loss of profits.

(12) **Certifications.** The Consultant shall not be required to execute certifications or third-party reliance letters that are inaccurate, that relate to facts of which the Consultant does not have actual knowledge, or that would cause the Consultant to violate applicable rules of professional responsibility.

(13) **Dispute Resolution.** All claims by the Client arising out of this Agreement or its breach shall be submitted first to mediation in accordance with the Construction Industry Mediation Procedures of the American Arbitration Association as a condition precedent to litigation. Any mediation or civil action by Client must be commenced within one year of the accrual of the cause of action asserted but in no event later than allowed by applicable statutes.

(14) **Hazardous Substances and Conditions.** In no event shall Consultant be a custodian, transporter, handler, arranger, contractor, or remediator with respect to hazardous substances and conditions. Consultant's services will be limited to professional analysis, recommendations, and reporting, including, when agreed to, plans and specifications for isolation, removal, or remediation. The Consultant shall notify the Client of hazardous substances or conditions not contemplated in the scope of services of which the Consultant actually becomes aware. Upon such notice by the Consultant, the Consultant may stop affected portions of its services until the hazardous substance or condition is eliminated.

(15) **Construction Phase Services.**

(a) If the Consultant's services include the preparation of documents to be used for construction and the Consultant is not retained to make periodic site visits, the Client assumes all responsibility for interpretation of the documents and for construction observation, and the Client waives any claims against the Consultant in any way connected thereto.

(b) If the Consultant provides construction phase services, the Consultant shall have no responsibility for any contractor's means, methods, techniques, equipment choice and usage, sequence, schedule, safety programs, or safety practices, nor shall Consultant have any authority or responsibility to stop or direct the work of any contractor. The Consultant's visits will be for the purpose of endeavoring to provide the Client a greater degree of confidence that the completed work of its contractors will generally conform to the construction documents prepared by the Consultant. Consultant neither guarantees the performance of contractors, nor assumes responsibility for any contractor's failure to perform its work in accordance with the contract documents.

(c) The Consultant is not responsible for any duties assigned to the design professional in the construction contract that are not expressly provided for in this Agreement. The Client agrees that each contract with any contractor shall state that the contractor shall be solely responsible for job site safety and for its means and methods; that the contractor shall indemnify the Client and the Consultant for all claims and liability arising out of job site accidents; and that the Client and the Consultant shall be made additional insureds under the contractor's general liability insurance policy.

(16) **No Third-Party Beneficiaries; Assignment and Subcontracting.** This Agreement gives no rights or benefits to anyone other than the Client and the Consultant, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole benefit of the Client and the Consultant. The Client shall not assign or transfer any rights under or interest in this Agreement, or any claim arising out of the performance of services by Consultant, without the written consent of the Consultant. The Consultant reserves the right to augment its staff with subconsultants as it deems appropriate due to project logistics, schedules, or market conditions. If the Consultant exercises this right, the Consultant will maintain the agreed-upon billing rates for services identified in the contract, regardless of whether the services are provided by in-house employees, contract employees, or independent subconsultants.

(17) **Confidentiality.** The Client consents to the use and dissemination by the Consultant of photographs of the project and to the use by the Consultant of facts, data and information obtained by the Consultant in the performance of its services. If, however, any facts, data or information are specifically identified in writing by the Client as confidential, the Consultant shall use reasonable care to maintain the confidentiality of that material.

(18) **Miscellaneous Provisions.** This Agreement is to be governed by the law of the State of California. This Agreement contains the entire and fully integrated agreement between the parties and supersedes all prior and contemporaneous negotiations, representations, agreements or understandings, whether written or oral. Except as provided in Section 1, this Agreement can be supplemented or amended only by a written document executed by both parties. Provided, however, that any conflicting or additional terms on any purchase order issued by the Client shall be void and are hereby expressly rejected by the Consultant. Any provision in this Agreement that is unenforceable shall be ineffective to the extent of such unenforceability without invalidating the remaining provisions. The non-enforcement of any provision by either party shall not constitute a waiver of that provision nor shall it affect the enforceability of that provision or of the remainder of this Agreement.

TASK/HOUR BREAKDOWN
CLIENT: SEJPA
INDIRECT CLIENT:
PROJECT: SEJPA Trail

6/4/2018

		QC MANAGER Kirk \$243 per hour		PROJECT MANAGER Pete \$243 per hour		PROFESSIONAL P3 \$211 per hour		ANALYST P2 \$124 per hour		ADMIN Jenes/Kim \$95 per hour		Sub		Sub			
TASK	DESCRIPTION	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$		\$		\$	HRS	\$
1.0	Project Coordination, Meetings, Management															140	\$24,859
1.1	Meetings (client, City, Coastal Comm., agencies)	16	\$3,890	16	\$3,890		\$0	10	\$1,242		\$0					42	\$9,021
1.2	Project Administration (Invoicing/Progress Reports)	4	\$972	20	\$4,862		\$0		\$0	30	\$2,857					54	\$8,691
1.3	Project Prevailing Wage Compliance		\$0		\$0		\$0		\$0	24	\$2,285					24	\$2,285
1.4	Project Schedule	4	\$972	8	\$1,945		\$0		\$0		\$0					12	\$2,917
1.5	Preconstruction Meeting	4	\$972	4	\$972		\$0		\$0		\$0					8	\$1,945
2.0	Review Existing Data															0	\$55,000
2.1	Additional Surveying (Allowance)		\$0		\$0		\$0		\$0		\$0		\$25,000			0	\$25,000
2.2	Additional Geotechnical Investigation (Allowance)		\$0		\$0		\$0		\$0		\$0		\$30,000			0	\$30,000
3A	Construction Drawings (40/90/F) - Manchester Ave															405	\$67,277
3.1	Title Sheet		\$0	1	\$243		\$0	4	\$497		\$0					5	\$740
3.2	General Notes		\$0		\$0		\$0	4	\$497		\$0					4	\$497
3.3	Construction Details		\$0	2	\$486		\$0	10	\$1,242		\$0					12	\$1,728
3.4	Curb Return/Ped Ramp Details		\$0	2	\$486	10	\$2,112	20	\$2,483		\$0					32	\$5,082
3.5	Curb/Sidewalk Plan		\$0	2	\$486	10	\$2,112	20	\$2,483		\$0					32	\$5,082
3.6	Grading/Drainage		\$0	2	\$486		\$0	10	\$1,242		\$0					12	\$1,728
3.7	Striping/Signage	4	\$972		\$0	40	\$8,449		\$0		\$0					44	\$9,422
3.8	Traffic Control	10	\$2,431		\$0		\$0	30	\$3,725		\$0					40	\$6,156
3.9	Landscape/Irrigation		\$0	4	\$972		\$0	20	\$2,483		\$0					24	\$3,455
3.10	Retaining Wall Plan		\$0	4	\$972		\$0	10	\$1,242		\$0					14	\$2,214
3.11	Lighting/Electrical	4	\$972		\$0		\$0	20	\$2,483		\$0					24	\$3,455
3.12	Erosion Control/Storm Water Pollution Prevention Plan		\$0	8	\$1,945		\$0	80	\$9,932		\$0					88	\$11,877
3.13	Permanent BMPs		\$0	10	\$2,431	30	\$6,337		\$0		\$0					40	\$8,768
3.14	Construction Phasing	2	\$486	2	\$486		\$0	10	\$1,242		\$0					14	\$2,214
3.15	QA/QC	10	\$2,431	10	\$2,431		\$0		\$0		\$0					20	\$4,862
3B	Construction Drawings (40/90/F) - Channel															152	\$30,676
3.16	Construction Details	2	\$486		\$0		\$0	10	\$1,242		\$0					12	\$1,728
3.17	Grading/Drainage		\$0		\$0	20	\$4,225		\$0		\$0					20	\$4,225
3.18	Erosion Control		\$0		\$0		\$0		\$0		\$0					0	\$0
3.19	Permanent BMPs		\$0	4	\$972	10	\$2,112		\$0		\$0					14	\$3,085
3.20	Storm Water Channel design (plan/profile)	10	\$2,431	4	\$972	40	\$8,449		\$0		\$0					54	\$11,853
3.21	Storm Water Channel Maintenance Access/Easement	2	\$486	6	\$1,459		\$0	24	\$2,980		\$0					32	\$4,924
3.22	QA/QC	10	\$2,431	10	\$2,431		\$0		\$0		\$0					20	\$4,862
3C	Construction Drawings (40/90/F) - Shared-Use Trail															470	\$84,811
3.23	Construction Details		\$0	2	\$486		\$0	10	\$1,242		\$0					12	\$1,728
3.24	Trail Paving Plan/Profile		\$0	10	\$2,431	20	\$4,225	40	\$4,966		\$0					70	\$11,622
3.25	Grading/Drainage	4	\$972	10	\$2,431	20	\$4,225		\$0		\$0					34	\$7,628
3.26	Striping/Signage	4	\$972	10	\$2,431	40	\$8,449		\$0		\$0					54	\$11,853
3.27	Landscape/Irrigation		\$0		\$0	40	\$8,449		\$0		\$0					40	\$8,449
3.28	Retaining Wall Plan		\$0		\$0		\$0	20	\$2,483		\$0					20	\$2,483
3.29	Lighting/Electrical	10	\$2,431		\$0	40	\$8,449		\$0		\$0					50	\$10,880
3.30	Erosion Control		\$0	10	\$2,431		\$0	20	\$2,483		\$0					30	\$4,914
3.31	Permanent BMPs		\$0	4	\$972	10	\$2,112		\$0		\$0					14	\$3,085
3.32	Construction Phasing		\$0		\$0		\$0		\$0		\$0					0	\$0
3.33	Trail Easement			2	\$486		\$0	12	\$1,490		\$0					14	\$1,976
3.33	State and/or Local Funding Grant Applications			12	\$2,917		\$0	100	\$12,415		\$0					112	\$15,332
3.34	QA/QC	10	\$2,431	10	\$2,431		\$0		\$0		\$0					20	\$4,862
3D	Reports and Technical Documents															132	\$24,867
3.35	Storm Water Quality Management Plan (SWQMP)	4	\$972	4	\$972	40	\$8,449	20	\$2,483		\$0					68	\$12,877
3.36	Technical Specifications	20	\$4,862	10	\$2,431		\$0	10	\$1,242		\$0					40	\$8,535
3.37	Opinion of Probable Construction Cost (OPCC)	2	\$486	2	\$486		\$0	20	\$2,483		\$0					24	\$3,455
4.0	Environmental Compliance and Permitting															24	\$150,197
4.1	Helix Environmental Planning		\$0		\$0		\$0		\$0		\$0		\$145,000			0	\$145,000
4.2	Easements (plats/legals)	2	\$486	2	\$486	20	\$4,225		\$0		\$0					24	\$5,197
SUBTOTAL - Kimley-Horn and Associates, Inc. (Tasks 1-4)		138	\$33,548	207	\$50,322	390	\$82,380	534	\$66,296	54	\$5,142		\$200,000		\$0	1,323	\$437,687
10% Contingency (Tasks 1, 3 & 4)																	\$38,269
TOTAL - Kimley-Horn and Associates, Inc. (Tasks 1-4)																	\$475,956

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 11, 2018

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CONSIDERATION OF ALTERNATIVE DELIVERY FOR THE BUILDING AND
SITE IMPROVEMENT PROGRAM

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to proceed with developing the Building and Site Improvement Project under the Construction Manager at Risk (CMAR) delivery method;
2. Authorize the General Manager to engage Kennedy/Jenks Consultants as the Owner's Representative and to execute a professional service agreement for an amount not to exceed \$77,235; and
3. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) is developing architectural and engineering designs for building and site improvements at the San Elijo Water Reclamation Facility. This project will include updating and modernizing the water campus including replacing aging administration, operations, and maintenance buildings, upgrading physical and cyber security measures, improving the potable water and fire-fighting systems, and adding new public parking. In addition, solar power, energy efficiency, EV charging stations, and other Climate Action Plan measures will be incorporated into the project design. Transportation improvements include a regional bicycle/pedestrian path connecting Birmingham Drive to Manchester Avenue through the SEJPA property and road crossing enhancements at Manchester Avenue. The bike path, building, and site improvements are planned to be integrated into a single project (Building and Site Improvement Project), which is expected to enter into construction in 2020.

DISCUSSION

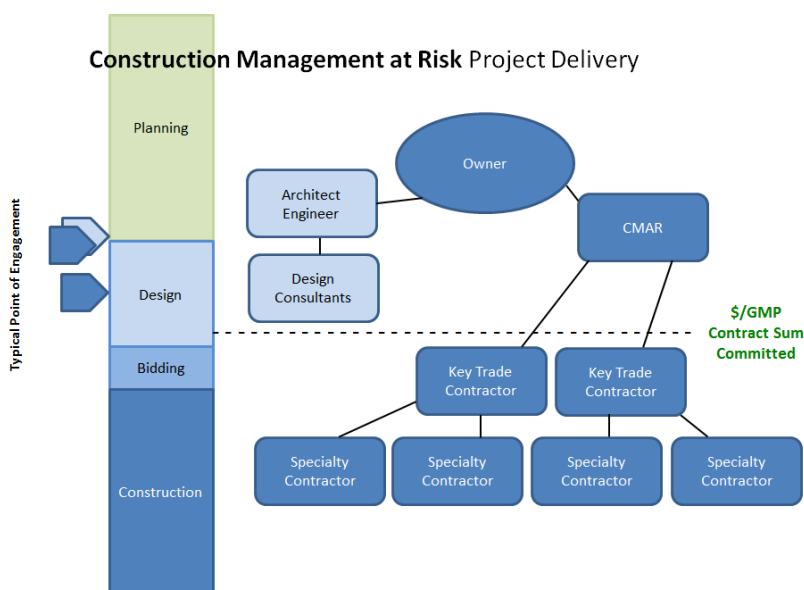
Staff has evaluated construction delivery methods for moving this project forward, including traditional design-bid-build, fixed-price design build, progressive design build, and construction management at risk (CMAR). In addition, staff has evaluated project funding alternatives,

including pay-go, bond revenues, and lease-lease-back. From these evaluations, staff recommends moving the project forward under the CMAR project delivery methodology, and potentially using a lease-lease-back funding structure (although the lease-lease-back funding structure is optional and can be determined at a later date). This is similar to the project delivery and funding structure that SEJPA used in 2009 for the Advanced Water Treatment facility. Local school districts, cities, County of San Diego, SANDAG, Caltrans, and numerous other state and local agencies have used the CMAR delivery method.

Example of water/wastewater CMAR projects:

- Pierce County, Chambers Creek Wastewater Treatment Plant Expansion - \$80M CMAR
- City of Richmond, Wastewater Treatment Wet Weather Storage Basins - \$20M CMAR
- East Cherry Creek, Northern Water Treatment Plant Expansion - \$30M CMAR
- East Cherry Creek, 2 Booster Pump Stations - \$24M CMAR
- LA Department of Water & Power, Silverlake Reservoir, multiple packages - \$300M

The CMAR is a delivery method that entails a commitment by the Construction Manager (CM) or Contractor to deliver the project within a Guaranteed Maximum Price (GMP), which is based on the construction documents and specifications at the time of the agreed upon GMP, plus any reasonably inferred items or tasks. The CMAR process allows for the Architect and Engineer to work collaboratively with the Contractor through the design development and construction phases. Generally, the CMAR will give the Owner a GMP prior to bidding the project. Included in this GMP is a contingency line item for reasonably inferred items and other project related items that may arise during construction. By giving the Owner the GMP prior to bids, the CMAR assumes the risk of bids coming in higher as they are contractually bound to deliver the project per the plans and specifications, as well as any mutually accepted allowances defined in the GMP.



During the design process, the CMAR provides cost estimates at contractually established points. If these cost estimates are in line with the established budget, the architect/engineer then moves to the next phase of design. If not, the CMAR, Owner and Architect assess the cost estimate and make design changes to bring the design back into budget alignment.

Utilizing a CMAR project delivery approach would allow SEJPA to continue moving the project forward with the same architectural and engineering firms currently under contract, while obtaining the benefits of cost control and designing to an established budget. In addition, CMAR allows SEJPA to select a contractor under a Best Value selection process in consideration of cost and non-cost factors such as qualifications, safety record, schedule adherence and claims

history. As the designs are advanced, the Contractor is able to provide constructability input and “real-time” costing data for the design and any alternatives under consideration. This highly collaborative process between Owner, Architect/Engineer and Contractor facilitates a “design-to-budget” process maximizing SEJPA’s ability to control how and where its money is utilized.

The lease-lease-back financing approach provides additional project safeguards to SEJPA because the contractor has to deliver the completed project to SEJPA meeting or exceeding all the prescribed criteria as a condition of the lease. The lease period also provides SEJPA with financial flexibility by allowing payments to be made over time, with a buy-out of the residual balance at any time deemed advantageous to SEJPA. Ultimately, a combination of cash, bond revenues, and grants will likely be the primary funding for the lease-lease-back.

With this approach, staff recommends retaining Kennedy/Jenks Consultants, the same Owner’s Representative that assisted SEJPA with the Advanced Water Treatment Facility Lease-Lease-Back project, to assist SEJPA in procuring the CMAR contractor through a 2-step qualifications and proposal process. Kennedy/Jenks Consultants would subsequently assist SEJPA with quality control to help ensure the project is delivered as envisioned by SEJPA and its stakeholders.

FINANCIAL IMPACT

The financial impact of this request is \$77,235, which will fund the selection phase of the contractor for the CMAR team. Upon the completion of this step, the SEJPA will engage Kennedy/Jenks Consultants for a scope of work and fee for the remaining work associated with serving as the Owner’s Representative for GMP negotiations, design refinement, value engineering assistance, construction contract development, and assistance through construction. Funding for this professional service agreement is available in the Building and Site Improvement capital program.

It is recommended that the Board of Directors:

1. Authorize the General Manager to proceed with developing the Building and Site Improvement Project under the Construction Manager at Risk (CMAR) delivery method;
2. Authorize the General Manager to engage Kennedy/Jenks Consultants as the Owner’s Representative and to execute a professional service agreement for an amount not to exceed \$77,235; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Kennedy/Jenks Consultants Proposal – Site Improvements Project – Owner’s Advisor

Kennedy/Jenks Consultants
Engineers & Scientists

9665 Granite Ridge Drive, Suite 210
San Diego, California 92123
858-676-3620
FAX: 858-292-1694

June 6, 2018

Mr. Michael T. Thornton, P.E.
General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff by the Sea, California 92007-1077

Subject: Building and Site Improvements Project – Owner's Advisor

Dear Mr. Thornton:

Kennedy/Jenks Consultants (Kennedy/Jenks) is pleased to submit this proposal to San Elijo Joint Powers Authority (SEJPA) for support services related to the procurement of Contractor for a Construction Manager at Risk (CMAR) project delivery for the Building and Site Improvements Project.

It is our understanding that the SEJPA has been developing preliminary designs for two site improvement projects: (1) building and site improvements, and (2) regional bike path and utility relocation. SEJPA staff have evaluated the viable project delivery alternatives for moving these projects forward, including: design bid build (DBB), fixed-price design build (DB), progressive design build (PDB), and CMAR. In addition, SEJPA staff has evaluated the viable project funding alternatives, including: pay go, State Revolving Fund (SRF), bond revenue, grants, and lease-lease-back. From these evaluations, it is understood that SEJPA staff recommended moving these projects forward under a single CMAR project delivery methodology which may be funded using a lease-lease-back structure.

This proposal assumes the following:

- Kennedy/Jenks will assist the SEJPA in developing Request for Qualifications (RFQ) and Request for Proposal (RFP) documents for procuring the CMAR.
- SEJPA will provide the technical information (e.g. drawings, design criteria, BODR, etc.) to go into the RFQ/RFP documents.
- Unless otherwise noted, all deliverables will consist of one electronic copy in Adobe Acrobat (pdf) or other standard format (e.g. Word, Excel).

Our scope of services includes the following:

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6 June 2018
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SCOPE OF SERVICES

Task 1 – Project Management and Administrative Support Services

Task 1.1 – Project Administration

Kennedy/Jenks will provide project administration services, which includes supervision of Kennedy/Jenks in-house staff, planning and monitoring contract budget and schedule, reviewing and submitting invoices, and communicating with SEJPA. The estimated level of effort assumes a five (5) month contract period.

Task 1.2 – Quality Assurance/Quality Control (QA/QC)

Kennedy/Jenks will perform a review of all deliverables prior to delivery.

Task 2 – CM/GC Procurement Support

This task involves providing support for the CMAR procurement process. Support includes assisting SEJPA with developing the methodology for reviewing and ranking of CMAR submittals.

1

2

Task 2.1 – Request for Qualifications (RFQ)

Kennedy/Jenks will prepare an RFQ to solicit Statements of Qualifications (SOQs) from potential CMARs for the Site Improvements Project and satisfying certain minimal qualifications for professional and business licenses, financial capacity, insurance and bonding.

Task 2.1.1 – Prepare RFQ

It is proposed to select a CMAR through a two-step process following the Water Design Build Council and Design-Build Institute of America (DBIA) best practices. The first step includes a request for qualifications that is assumed to be through an open advertisement. The second step includes a request for proposals (RFP) from a shortlist of CMARs selected after the first step. As part of this first step, the Kennedy/Jenks team will draft an RFQ for SEJPA's review. The draft RFQ will describe the project, desired collaborative partnership, set expectations for the design and construction of these facilities as well as related facilities, provide some insight into what will be included in the RFP so proposers have an understanding of how the SEJPA sees the project, the process going forward and will delineate selection criteria. These criteria will be developed in consultation with SEJPA staff. The RFQ may include the standard form of the proposed contract (prepared by others), but will not include specific contract terms, as the draft CMAR contract development is envisioned to be part of the second step (the RFP phase of the selection process). Comments received on the draft RFQ will be incorporated into a final RFQ suitable for distribution to prospective CMARs.

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Task Deliverables:

- Draft RFQ
- Final RFQ for issuance

Task 2.1.2 – Prepare Responses to Requests for Information (RFI)

Kennedy/Jenks will assist SEJPA in receiving and responding to questions from prospective CMARs during the qualifications period and prepare draft and final responses on up to three (3) RFI's submitted.

Task 2.1.3 – Review and Evaluate SOQs

It is assumed that SEJPA will receive the submitted SOQs and will distribute the SOQs to a selection panel chosen by SEJPA. Kennedy/Jenks will facilitate the SOQ review process, including one (1) review meeting with SEJPA, to arrive at a shortlist of CMARs deemed qualified. In addition, Kennedy/Jenks will review the SOQ submittals for conformance with concept and project intent and provide SEJPA with written comments on up to six (6) CMAR SOQs. Kennedy/Jenks will also assist SEJPA with checking references for the top three (3) ranked SOQs. Written comments will be in tabular format, with comments coordinated with submittal sections. Kennedy/Jenks will assist the SEJPA with the evaluation and scoring of the SOQ submittals, but it is assumed that Kennedy/Jenks will not score the SOQs and will not be a part of the selection panel. Results of the qualifications process will be summarized in a brief letter prepared by Kennedy/Jenks. It is assumed that the SEJPA will contact the prospective CMARs to inform them of the shortlist results. Our proposal assumes that three (3) CMARs will be shortlisted.

Task Deliverables:

- Recommendations Letter for Pre-Qualifying CMARs

Task 2.2 – Request for Proposal (RFP)

Kennedy/Jenks will also prepare an RFP and provide assistance with CMAR selection process. However, this task does not include development of the technical information for the project (bridging documents); these are assumed to be provided by others. It only accounts for compiling the documents such that they are appropriate for inclusion in an RFP for a CMAR delivery method.

Task 2.2.1 – Prepare RFP

As part of step two in the CMAR selection process, this task involves preparation of an RFP to support the SEJPA in selecting a CMAR from the pool of pre-qualified firms. The procurement documents would be based on the project concept information developed to date by the project team. Kennedy/Jenks will produce procurement documentation that includes the following:

- Proposal submittal requirements.
- Project concept details not required for the RFQ.
- A description of project constraints and challenges that the CMAR must acknowledge and address in the proposal.

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- Permit requirements and challenges.
- SEJPA's General Conditions (updated or amended by SEJPA suitable for CMAR project delivery). Kennedy/Jenks to provide technical support.
- SEJPA's draft CMAR agreement (developed by SEJPA attorney). Kennedy/Jenks to provide technical support.
- Technical content of proposal.
 - Management approach.
 - Quality control plan.
 - Schedule.
 - Identification of major subcontractors and suppliers.
 - Proposed method to accomplish the work collaboratively with SEJPA and the designer while optimizing success factors.
 - Design criteria.
 - Cost information (e.g. indicative price, Contractor overhead and markups, etc.)
- Identification of Best Value selection criteria.
 - Project understanding and approach
 - Innovative ideas/value engineering
 - Cost proposal

Task Deliverables:

- Draft RFP
- Final RFP for issuance

Task 2.2.2 – Prepare Responses to RFI's

Kennedy/Jenks will assist the SEJPA in receiving and responding to questions from prospective CMARs during the proposal period and prepare draft and final responses on up to five (5) RFI's submitted.

Task 2.2.3 – Review and Evaluate CMAR Proposals

It is assumed that the SEJPA will receive the submitted proposals and will distribute the proposals to the selection panel. Kennedy/Jenks will facilitate the proposal review process, including one (1) review meeting with the SEJPA (Best Value review meeting), to arrive at a recommended CMAR. In addition, Kennedy/Jenks will review the CMAR proposals and provide the SEJPA with written comments on up to three (3) proposals. Written comments will be provided in tabular format with comments coordinated with submittal sections. Kennedy/Jenks will assist the SEJPA with the evaluation and scoring of the proposals, but it is assumed that Kennedy/Jenks will not score the proposals and will not be a part of the selection panel.

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Task 2.2.4 –Meetings

Kennedy/Jenks will prepare for and attend the following meetings during the RFP process:

- Pre-Proposal Meeting

Task 2.2.5 – Interviews

Kennedy/Jenks will participate in interviews with up to three (3) pre-qualified CMARs. It is assumed that all three interviews will be conducted in a single day.

Task 2.2.6 – Negotiations Support

Kennedy/Jenks will provide support during negotiations with the recommended CMAR. It is assumed that up to 16 hours of support will be provided.

BUDGET & SCHEDULE

Kennedy/Jenks proposes to provide the above-described scope of services on a time-and-materials basis in accordance with our attached 2017 Schedule of Charges (Attachment A) for an estimated fee of \$77,235. We will not exceed this budget estimate without prior authorization by the SEJPA.

Kennedy/Jenks will submit the final RFQ map files within 30 calendar days and the final RFP within 75 calendar days following receipt of a notice-to-proceed, assuming a SEJPA review time of three (3) working days for each submittal.

Should you have any questions regarding this proposal, or would like to request additional information, please do not hesitate to contact me.

Very truly yours,

KENNEDY/JENKS CONSULTANTS



Patrick T. Huston, P.E.
Vice President

Enclosures (2)

Proposal Fee Estimate

ATTACHMENT A

Kennedy/Jenks Consultants

CLIENT Name: San Elijo Joint Powers Authority

PROJECT Description: Site Improvements Project - Owner's Advisor

Proposal/Job Number: _____ **Date:** 6/6/2018

January 1, 2017 Rates	Eng-Sci-9	Eng-Sci-8	Eng-Sci-7	Eng-Sci-6	Eng-Sci-5	Eng-Sci-4	Eng-Sci-3	Eng-Sci-2	Eng-Sci-1	Sr. CAD-Design	CAD-Design	Sr. CAD-Tech	CAD-Tech	Project Administrator	Admin. Assist.	Aide					
Classification:																	Total	Total Labor	Total Subs	Total Expenses	Total Labor + Subs + Expenses
Hourly Rate:	\$290	\$270	\$250	\$225	\$200	\$185	\$170	\$155	\$130	\$160	\$145	\$120	\$105	\$120	\$95	\$75	Hours				Fees
Task 1 - Project Management & Admin Support Services																					
1.1 Project Administration	4		12											6			22	\$4,880	\$0	\$110	\$4,990
1.2 QA/QC	8																8	\$2,320	\$0	\$0	\$2,320
Task 1 - Subtotal	12	0	12	0	0	0	0	0	0	0	0	0	0	6	0	0	30	\$7,200	\$0	\$110	\$7,310
Task 2 - CM/GC Procurement Support																					
2.1 RFQ																					
2.1.1 Prepare RFQ	4		12				36								2		54	\$10,470	\$0	\$0	\$10,470
2.1.2 Prepare Responses to RFIs (3)	2		4				8										14	\$2,940	\$0	\$0	\$2,940
2.1.3 Review and Evaluate SOQs (6)	12		12				24								2		50	\$10,750	\$0	\$110	\$10,860
2.2 RFP																					
2.2.1 Prepare RFP	8		20				72								2		102	\$19,750	\$0	\$110	\$19,860
2.2.2 Prepare Responses to RFIs (5)	4		6				12										22	\$4,700	\$0	\$0	\$4,700
2.2.3 Review and Evaluate CM/GC Proposals (3)	12		12				24								2		50	\$10,750	\$0	\$0	\$10,750
2.2.4 Meetings (1)	2		4														6	\$1,580	\$0	\$110	\$1,690
2.2.5 Interviews	6		8														14	\$3,740	\$0	\$165	\$3,905
2.2.6 Negotiation Support	16																16	\$4,640	\$0	\$110	\$4,750
Task 2 - Subtotal	66	0	78	0	0	0	176	0	0	0	0	0	0	0	8	0	328	\$69,320	\$0	\$605	\$69,925
All Tasks Total	78	0	90	0	0	0	176	0	0	0	0	0	0	6	8	0	358	\$76,520	\$0	\$715	\$77,235

