

**AGENDA**  
**SAN ELIJO JOINT POWERS AUTHORITY**  
**TUESDAY, NOVEMBER 13, 2018 AT 8:30 AM**  
**SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM**  
**2695 MANCHESTER AVENUE**  
**CARDIFF BY THE SEA, CALIFORNIA**

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

None
6. \* **CONSENT CALENDAR**
7. \* APPROVAL OF MINUTES FOR OCTOBER 8, 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. \* 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

12. SAN ELIJO JOINT POWERS AUTHORITY END OF YEAR REVIEW OF THE FISCAL YEAR 2017-18 OPERATING AND DEBT SERVICE EXPENSES

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

Staff Reference: Director of Finance and Administration

13. GENERAL MANAGER'S REPORT

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

14. GENERAL COUNSEL'S REPORT

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

15. 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.

16. 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".

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION. Significant exposure to litigation pursuant to Gov. Code section 54956.9(d)(2): 1 matter; and

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION. Initiation of litigation pursuant to Gov. Code section 54956.9(d)(4): 1 matter.

17. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, December 10, 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](http://www.sejpa.org). The SEJPA Board meetings are held on the second Monday of the month, except August.

**AFFIDAVIT OF POSTING**

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

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

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

Date: November 7, 2018

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

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

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
HELD ON OCTOBER 8, 2018  
AT THE  
SAN ELIJO WATER RECLAMATION FACILITY

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Tasha Boerner Horvath, Chair

David Zito, Vice Chair

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A regular meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, October 8, 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

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

2. ROLL CALL

*Directors Present:*

Tasha Boerner Horvath  
David Zito  
Joe Mosca  
Peter Zahn

*Directors Absent:*

None

*Others Present:*

General Manager  
Director of Finance & Administration  
Director of Operations  
Laboratory Analyst  
Administrative Assistant/Board Clerk

Michael Thornton  
Paul Kinkel  
Chris Trees  
Susie Arredondo  
Jennifer Basco

*SEJPA Counsel:*

Procopio, Cory, Hargreaves & Savitch

Greg Moser  
Katherine M. Knudsen

*City of Encinitas:*

Director of Public Works

Carl Quiram

*City of Solana Beach:*

City Manager  
Director of Engineering/Public Works

Greg Wade  
Mohammad "Mo" Sammak

3. PLEDGE OF ALLEGIANCE

Vice Chair Zito led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

The General Manager recognized Susie Arredondo, Senior Laboratory Analyst, for 10 years of service.

6. CONSENT CALENDAR

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

- |                    |  |
|--------------------|--|
| Agenda Item No. 7  | Approval of Minutes for the September 10, 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 | Maintenance Truck and Sludge Tractor California Air Resources Board Emissions Compliance |

Motion carried with the following vote of approval:

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

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. ACCEPTANCE OF COMPLETION – CONSTRUCTION CONTRACT FOR THE LAND  
OUTFALL REPLACEMENT PROJECT

The General Manager informed the Board of Directors that construction of the Land Outfall Replacement Project has been completed by J.R. Filanc Construction Company and placed into service, with no reported injuries. The Project was a priority capital project for the SEJPA. The land outfall was constructed in 1965 and due to its age and surrounding soil type, the pipeline was estimated to be at the end of its useful life. During construction of the 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. Construction change orders approved by the SEJPA Board to date resulted in an additional project cost of 1% of the contract value. Other potential change orders presented by the Contractor have not yet reached a mutually acceptable conclusion, but may be presented to the Board at a subsequent Board meeting, once resolved. Mr. Thornton stated that acceptance of the Project by the SEJPA and the filing of the Notice of Completion will complete the contract with J.R. Filanc Construction Company. The total budget for the project was \$9,679,175. The current cost of the project is \$9,729,501.

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

1. Authorize the General Manager to accept the Land Outfall Replacement Project on behalf of the SEJPA and record the project Notice of Completion.

Motion carried with the following vote of approval:

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

14. GENERAL MANAGER'S REPORT

The General Manager updated the Board of Directors on the completion of an emergency repair of the digester gas line and informed the Board about a successful emergency repair of a leaking recycled water pipeline within Quail Gardens Drive in Encinitas.

15. GENERAL COUNSEL'S REPORT

Greg Moser informed the Board of Directors that the Governor signed AB 1912. Under the bill, if a JPA agency participates in a public retirement system, members of the JPA would be jointly and severally liable for all obligations to the retirement system. Recommendations will be presented to the Board of Directors at a future meeting.

16. BOARD MEMBER COMMENTS

None

17. CLOSED SESSION

The Board of Directors adjourned to closed session at 8:57 a.m., pursuant to the following Government Code Sections:

- CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION. Significant exposure to litigation pursuant to Gov. Code section 54956.9(d)(2): 1 matter;
- CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION. Initiation of litigation pursuant to Gov. Code section 54956.9(d)(4): 1 matter; and
- CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION. Pursuant to Gov. Code section 54956.9(d)(1), name of case: In the Matter of the Appeal Regarding the Uniform Allowance of San Elijo Joint Powers Authority, CalPERS Case No. 2016-0354.

The Board of Directors came out of closed session at 9:15 a.m., with no reportable action.

18. ADJOURNMENT

The meeting adjourned at 9:16 a.m. The next Board of Directors meeting will be held on Tuesday, November 13, 2018 at 8:30 a.m.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

**SAN ELIJO JOINT POWERS AUTHORITY****PAYMENT OF WARRANTS****19-11****For the Months September and October 2018**

<b>Warrant #</b>	<b>Vendor Name</b>	<b>G/L Account</b>	<b>Warrant Description</b>	<b>Amount</b>
36254	Aquatic Bioassay	Services - Laboratory	Toxicity testing	1,400.00
36255	AT&T	Utilities - Telephone	Phone service - 08/13/18 - 09/12/18	387.83
36256	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping; grit and screenings	4,590.72
36257	Black & Veatch	Services - Management	Solids treatment process	6,635.00
36258	Boot World, Inc.	Uniforms - Boots	Safety boots	355.65
36259	Brenntag Pacific, Inc.	Supplies - Chemicals	Sodium hydroxide	1,046.64
36260	Carollo Engineers	Services - Engineering	ARC flash study; SCADA upgrades	5,638.11
36261	Clear Edge Filtration Inc.	Repair Parts Expense	Wire	216.93
36262	Coast Waste Management, Inc.	Services - Grit & Screenings	Grit screenings disposal	3,577.26
36263	City of Encinitas	Service - IT Support	Admin network - September	2,625.00
36264	Encinitas Ford	Vehicle Maintenance	Air conditioning unit repair	1,281.59
36265	J.R. Filanc Construction Co.	Retention	Land outfall replacement	402,276.05
36266	Fisher Scientific	Supplies - Shop & Field	Gas detectors replacement	475.17
36267	Golden Bell Products	Supplies - Chemicals	Lift station degrease and granular chlorine	622.80
36268	Hardy Diagnostics	Supplies - Lab	Laboratory supplies	469.20
36269	Kemira Water Solutions, Inc.	Supplies - Chemicals	Ferric chloride	5,205.75
36270	The Lawton Group	Services - Intern Program	Weeks worked - 09/04/18 - 09/16/18	388.50
36271	Lee's Lock & Safe	Services - Maintenance	Lock repair/replace	279.10
36272	Lomas Santa Fe Country Club	Other Personnel Cost	Deposit	150.00
36273	MBC Applied Environmental	Services - Professional	Annual kelp survey	5,901.36
36274	McMaster-Carr Supply Co.	Repair Parts Expense	Steel pipes, filter, electrical and plumbing supplies	1,951.90
36275	MetLife - Group Benefits	Dental/Vision	Dental - October	1,906.25
36276	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium hypochlorite	3,276.58
36277	Eric ORiley	Supplies - Safety	Safety glasses and certificate	390.00
36278	Pacific Pipeline Supply	Repair Parts Expense	Pressure regulator	140.42
36279	Procopio Cory Hargreaves	Services - Legal	Labor and employment; General - August	15,407.50
36280	The Pun Group LLP	Services - Accounting	Progress billing	15,000.00
36281	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	286.05
36282	Red Truck Fire & Safety Co.	Supplies - Safety	Fire extinguishers	603.52
36283	Roesling Nakamura Terada Architects	Services - Professional	Equipment enclosure - Encinitas Ranch	1,199.00
36284	Santa Fe Irrigation District	Services - Engineering; Utilities	Potable reuse and RW expansion; recycled water	4,492.98
36285	Smart & Final	Supplies - Office	Kitchen supplies	116.52
36286	Sunbelt Rentals	Equipment Rental/Lease	Silent trash pump - 08/20/18 - 09/16/18	1,895.87
36287	Terminix Processing Center	Services - Maintenance	Pest control	190.00
36288	Test America	Services - Laboratory	Testing water samples	1,053.00
36289	Unifirst Corporation	Services - Uniforms	Uniform service	301.80
36290	UPS	Postage/Shipping	Postage for parts and letter	34.36
36291	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	7,349.42
36292	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,518.66
36293	Verizon Wireless	Utilities - Telephone	08/11/18 - 09/10/18	309.13
36294	Verizon Wireless	Utilities - Telephone	Phone service and equip. - 08/08/18 - 09/07/18	1,206.93
36295	Volt Management Corp	Services - Intern Program	Period end - 08/24/18 through 09/07/18	5,001.12
36296	WageWorks	Payroll Processing Fees	Admin and compliance fee - August	118.25
On-line 116	Chevron & Texaco Business Card	Fuel	September	307.92
On-line 117	Home Depot Credit Services	Supplies - Safety	Supplies, tools, and parts	749.28
On-line 118	P.E.R.S.	Medical Insurance - PERS	Health - October	23,714.97
On-line 119	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 09/08/18 - 09/21/18	13,394.48
On-line 120	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 08/05/18 - 09/04/18	82,151.92
On-line 121	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - October	1,715.67
36297	2ndgear	Capital Outlay	Computer and monitor	1,516.17
36298	Aflac	EE Deduction Benefits	Aflac - October	643.60
36299	Ag Tech, LLC	Services - Biosolids Hauling	Biosolid hauling - September	15,894.65
36300	Albertsons Companies	Services - Medical	Medical service	34.00
36301	All American First Aid & Safety	Supplies - Lab; Safety	Nitrile gloves, first aid supplies	1,102.23
36302	ASCE Membership	Dues & Memberships	Membership	295.00
36303	AT&T	Utilities - Telephone	Alarm service - October	399.56
36304	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	554.88
36305	American Water Chemicals, Inc.	Supplies - Chemicals	Antiscalant	6,548.69
36306	James Barnett	Dues & Memberships	Exam fee reimbursement	165.00
36307	Boot World, Inc.	Uniforms - Boots	Safety boots	359.51
36308	Brenntag Pacific, Inc.	Supplies - Chemicals	Sodium hydroxide	1,894.34



**SAN ELIJO JOINT POWERS AUTHORITY****PAYMENT OF WARRANTS****19-11****For the Months September and October 2018**

<b>Warrant #</b>	<b>Vendor Name</b>	<b>G/L Account</b>	<b>Warrant Description</b>	<b>Amount</b>
36309	Carollo Engineers	Services - Professional	Oak Crest Park Reservoir	341.40
36310	Coast Waste Management, Inc.	Services - Grit & Screenings	Roll-off and service charge 09/16 - 09/24/18	1,342.35
36311	Complete Office	Supplies - Office	Supplies	167.55
36312	Carrie Cook	Supplies - Shop & Field	Shore sampling	52.58
36313	Corodata	Rent	Record storage - September	91.83
36314	CWEA Membership	Dues & Memberships	Plant maintenance, laboratory, membership	550.00
36315	EDCO Waste & Recycling Service	Utilities - Trash	September	242.75
36316	Encina Wastewater Authority	Service - EWA Support	Resource sharing - HR and safety	1,385.81
36317	Environmental Lab Accred. Prog	Fees - Permits	Laboratory accreditation	5,294.00
36318	J.R. Filanc Construction Co.	Retention	Land outfall replacement	24,000.00
36319	Grainger, Inc.	Repair Parts Expense	Muffler repair	557.22
36320	Golden State Overnight	Postage/Shipping	Lab samples	35.22
36321	GTT Communications	Utilities - Internet	T-1 Service - November	355.24
36322	Hardy Diagnostics	Supplies - Lab	Laboratory supplies	366.10
36323	Harrington Industrial Plastics	Shop Tools and Equip.	Pump - drums	755.09
36324	Michael Henke	Subsistence - Travel/Rm & Bd	Seminar	850.21
36325	Kennedy/Jenks Consultants	Services - Engineering	Land ocean outfall	1,165.00
36326	Casey Larsen	Subsistence - Travel	Training	11.83
36327	The Lawton Group	Services - Intern Program	Week worked - 09/17/18 - 09/28/18	703.00
36328	Lizbeth Ecke	Licenses	Temp construction access	750.00
36329	McMaster-Carr Supply Co.	Supplies - Safety; Repair Parts	Fire extinguisher; plumbing parts, battery, pipe	913.93
36330	Metro Fire & Safety	Services - Maintenance	Sprinkler inspections	538.05
36331	Mile3 Web Development, Inc.	Services - Professional	Website redesign	8,675.00
36332	NeWest Construction	Services - Contractors	Headworks and grit project; digester line	388,951.74
36333	The Nyhart Company	Services - Accounting	Pension and OPEB actuarial valuations	1,500.00
36334	Olivenhain Municipal Water District	Rent	Pipeline rental payment - September	12,424.50
36335	Penn Valley Pump Co., Inc.	Repair Parts Expense	Exchange bearing drive assembly	2,447.00
36336	Preferred Benefit Insurance	Dental/Vision	Vision - October	315.60
36337	ProBuild Company, LLC	Supplies - Shop & Field	Supplies and parts	536.13
36338	Procopio Cory Hargreaves	Services - Legal	General; labor and employment - September	18,532.50
36339	Rusty Wallis, Inc.	Services - Maintenance	Water softener, carbon tank, and salt bags	124.39
36340	Santa Fe Irrigation District	Utilities - Water	Recycled water	1,463.91
36341	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment - September	1,584.00
36342	San Dieguito Water District	Utilities - Water	Recycled water	1,526.13
36343	San Dieguito Water District	Utilities - Water	Recycled water	2,149.32
36344	Sigma-Aldrich	Supplies - Lab	Minerals	233.15
36345	Signarama Carlsbad	Printing	Site sign	861.11
36346	Smart & Final	Supplies - Office	Kitchen supplies	173.90
36347	State Water Resources Control Board	Dues & Memberships	Operator certificate	300.00
36348	Terminix Processing Center	Services - Maintenance	Pest control	82.00
36349	Thatcher Company of California	Supplies - Chemicals	Citric acid	2,211.31
36350	Michael Thornton	Subsistence - Travel/Rm & Bd	WEFTEC 2018 Conference	3,024.47
36351	Technology Integration Group	Services - Maintenance	Copier	97.66
36352	Trussell Technologies, Inc.	Services - Engineering	RO membrane replacement and coliform study	8,944.00
36353	Unifirst Corporation	Services - Uniforms	Uniform service	222.15
36354	UPS	Postage/Shipping	Postage	18.42
36355	Underground Service Alert/SC	Services - Alarm	Dig alert - September	117.25
36356	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	7,349.42
36357	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,523.61
36358	Volt Management Corp	Services - Intern Program	Period end - 09/28/2018	5,257.80
36359	VWR International, Inc.	Supplies - Lab	Laboratory supplies	426.88
36360	Woodard & Curran	Services - Professional	Stormwater opportunities study	4,843.14
36361	Water Systems Consulting, Inc.	Services - Professional	SEJPA strategic communications	10,831.37
On-line 122	Chevron & Texaco Business Card	Fuel	September and October	307.58
On-line 123	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 09/22/18 - 10/05/18	13,417.50
36362	A-1 Crane San Diego	Equipment Rental/Lease	Crane rental to replace pipe	945.00
36363	AMETEK Arizona Instrument	Services - Maintenance	Loaner analyzer	175.00
36364	AT&T	Utilities - Telephone	Phone service - 09/13/18 - 10/12/18	400.37
36365	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping; grit and screenings	1,303.88
36366	Black & Veatch	Services - Management	Project and construction management	41,559.90
36367	Brenntag Pacific, Inc.	Supplies - Chemicals	Sodium Hydroxide	1,246.47

**SAN ELIJO JOINT POWERS AUTHORITY****PAYMENT OF WARRANTS****19-11****For the Months September and October 2018**

<b>Warrant #</b>	<b>Vendor Name</b>	<b>G/L Account</b>	<b>Warrant Description</b>	<b>Amount</b>
36368	City National Bank	Interest Expense - AWT Note	Loan agreement	74,076.57
36369	Complete Office	Supplies - Office	Pencil sharpener, report covers, pens, and tape	126.07
36370	CS-Amsco	Repair Parts Expense	Valve with buriable worm gear	2,027.70
36371	DMV	Services - Other	Safety records - 09/01/18 - 09/30/18	7.00
36372	Dudek & Associates	Services - Professional	Preliminary treatment upgrades; ER RW project	19,273.65
36373	City of Encinitas	Service - IT Support	Admin network - October and November	5,250.00
36374	Evantec Lab Supply	Supplies - Lab	Filters, tubes, buffer, ammonia, digestion vials	1,775.01
36375	Forte of San Diego	Supplies - Janitorial	Supplies	515.72
36376	Grainger, Inc.	Repair Parts Expense	V-belt pulley	172.98
36377	Golden State Overnight	Postage/Shipping	Water samples	35.28
36378	Hach Company	Supplies - Lab	Supplies	483.66
36379	Home Depot Credit Services	Supplies - Shop & Field	Tools and supplies	1,491.91
36380	Kemira Water Solutions, Inc.	Supplies - Chemicals	Ferric chloride	5,290.91
36381	Kennedy/Jenks Consultants	Services - Engineering	CMAR - Owner representative	22,841.36
36382	Kimley-Horn & Associates, Inc.	Services - Professional	Civil engineering and environmental	71,801.28
36383	The Lawton Group	Services - Intern Program	Weeks worked - 10/01/18 - 10/21/18	1,119.25
36384	Lizbeth Ecke	Licenses	Temporary construction access	750.00
36385	Marine Taxonomic Services, Ltd.	Services - Contractors	Offshore water monitoring	2,250.00
36386	McMaster-Carr Supply Co.	Repair Parts Expense	Battery, electrical parts, swith, v-belt pulley	1,318.19
36387	MetLife - Group Benefits	Dental/Vision	Dental - November	1,861.15
36388	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium hypochlorite	3,650.06
36389	Pacific Green Landscape	Services - Landscape	October	2,625.00
36390	Pacific Pipeline Supply	Repair Parts Expense	Bolt nut set	212.03
36391	Random Deeds Media LLC	Services - Professional	Education, training, and SOP's	2,685.00
36392	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	317.42
36393	Roesling Nakamura Terada Architects	Services - Professional	Building improvements	2,398.00
36394	Southwest Membrane Operation	Dues & Memberships	Membership	360.00
36395	Sunbelt Rentals	Equipment Rental/Lease	Discharge hose - 09/07/18 - 10/09/18	81.89
36396	T.S. Industrial Supply	Supplies - Shop & Field	Suction hose	427.82
36397	Thatcher Company of California	Supplies - Chemicals	Aluminum sulfate	6,070.85
36398	Technology Integration Group	Services - Maintenance	Copier	91.13
36399	Unifirst Corporation	Services - Uniforms	Uniform service	223.62
36400	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	7,349.42
36401	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,555.72
36402	Verizon Wireless	Utilities - Telephone	09/11/18 - 10/10/18	310.69
36403	Verizon Wireless	Utilities - Telephone	Cell phone service - 09/08/18 - 10/07/18	818.54
36404	Volt Management Corp	Services - Intern Program	Period end - 10/05/18 and 10/12/18	3,047.04
36405	WageWorks	Payroll Processing Fees	Admin and compliance fee	128.75
36406	Water Systems Consulting, Inc.	Services - Professional	Strategic communications	8,125.00
36407	WorkPartners Occupational	Services - Medical	Vaccine	205.00
On-line 124	BankCard Center	Supplies - Safety	Security, repairs, and meetings	3,872.07
On-line 125	Chevron & Texaco Business Card	Fuel	October	357.12
On-line 126	P.E.R.S.	Medical Insurance - PERS	Health - November	23,096.90
On-line 127	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 10/06/18 - 10/19/18	13,566.92
On-line 128	Void	Void	Void	Void
On-line 129	Void	Void	Void	Void
On-line 130	Void	Void	Void	Void
On-line 131	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 09/04/18 - 10/03/18	64,307.55
On-line 132	Board of Equalization	Accrued Sales Tax Payable	3rd Qtr 2018	1,129.00
On-line 133	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - November	1,842.02
	San Elijo Payroll Account	Payroll	Payroll - 09/28/2018	68,945.13
	San Elijo Payroll Account	Payroll	Payroll - 10/12/2018	71,442.74
	San Elijo Payroll Account	Payroll	Payroll - 10/26/2018	74,698.96
				<u>\$1,827,695.59</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Months September and October 2018  
As of October 30, 2018**

PAYMENT OF WARRANTS		\$ 1,827,695.59
Reference Number	19-11	

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



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Paul F. Kinkel  
Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS  
AND INVESTMENT INFORMATION  
As of October 30, 2018

FUNDS ON DEPOSIT WITH	AMOUNT
<b>LOCAL AGENCY INVESTMENT FUND</b>	
<i>(SEPTEMBER 2018 YIELD 2.063%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 8,453,739.79
<b>CALIFORNIA BANK AND TRUST</b>	
<i>(SEPTEMBER 2018 YIELD 0.01%)</i>	
REGULAR CHECKING	\$ 397,418.64
PAYROLL CHECKING	\$ 5,000.00
<b>UNION BANK - TRUSTEE (BOND FUNDS)</b>	
BLACKROCK	\$ 459,322.75
<i>(SEPTEMBER 2018 YIELD 1.89%)</i>	
LAIF	\$ 18,052,843.60
<i>(SEPTEMBER 2018 YIELD 2.063%)</i>	
<b>TOTAL RESOURCES</b>	<b>\$ 27,998,324.78</b>

\*

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

November 13, 2018

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

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

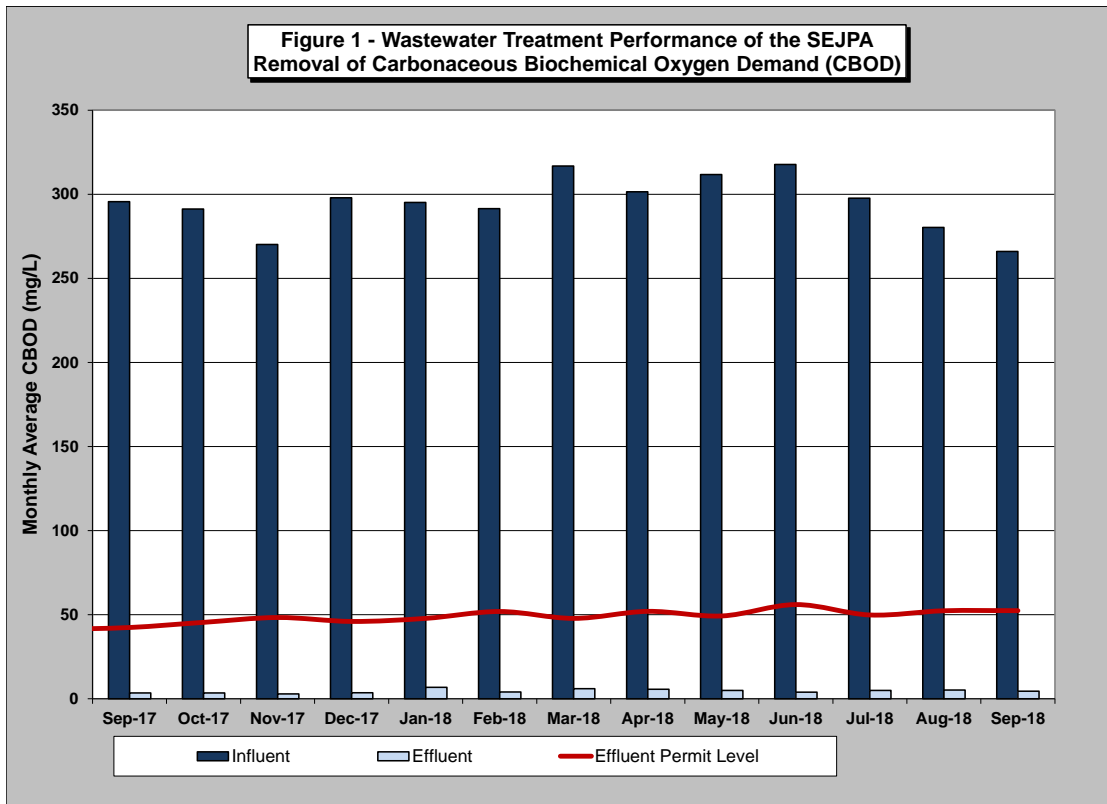
RECOMMENDATION

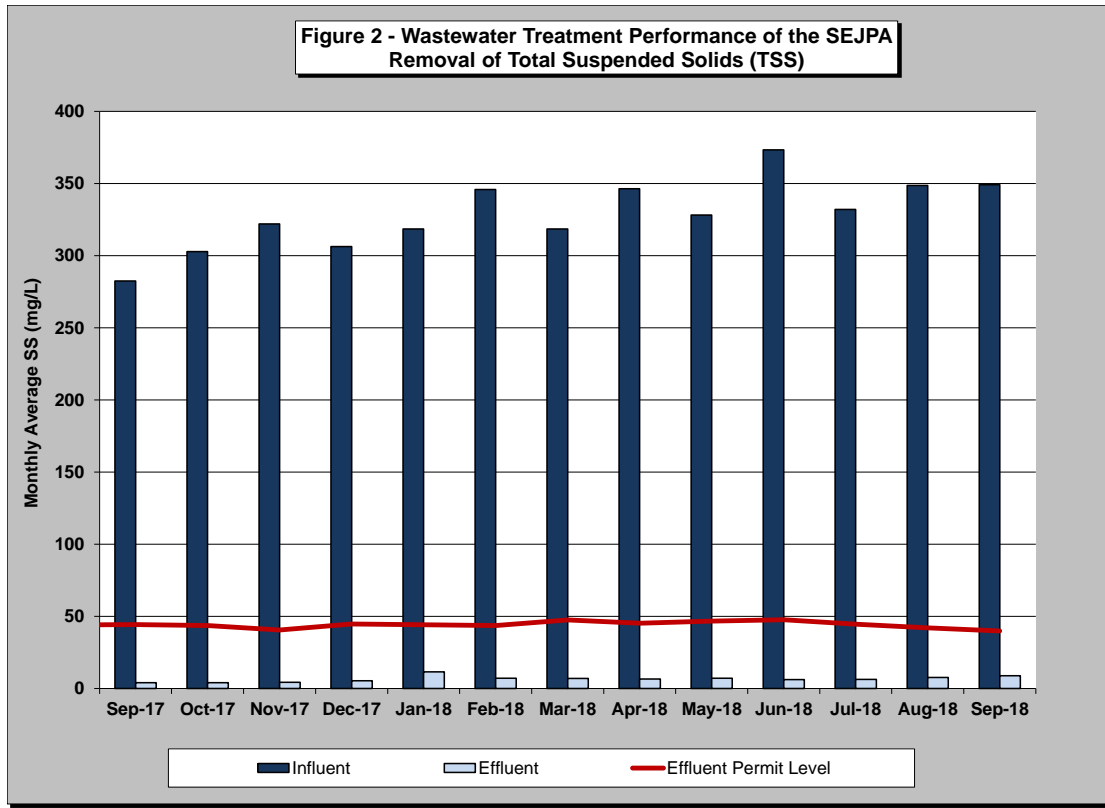
No action required. This memorandum is submitted for information only.

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 September 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 98.3 and 97.5 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 September. Average daily influent flows were recorded for each Member Agency. Total effluent flow was calculated for the San Elijo Water Reclamation Facility.

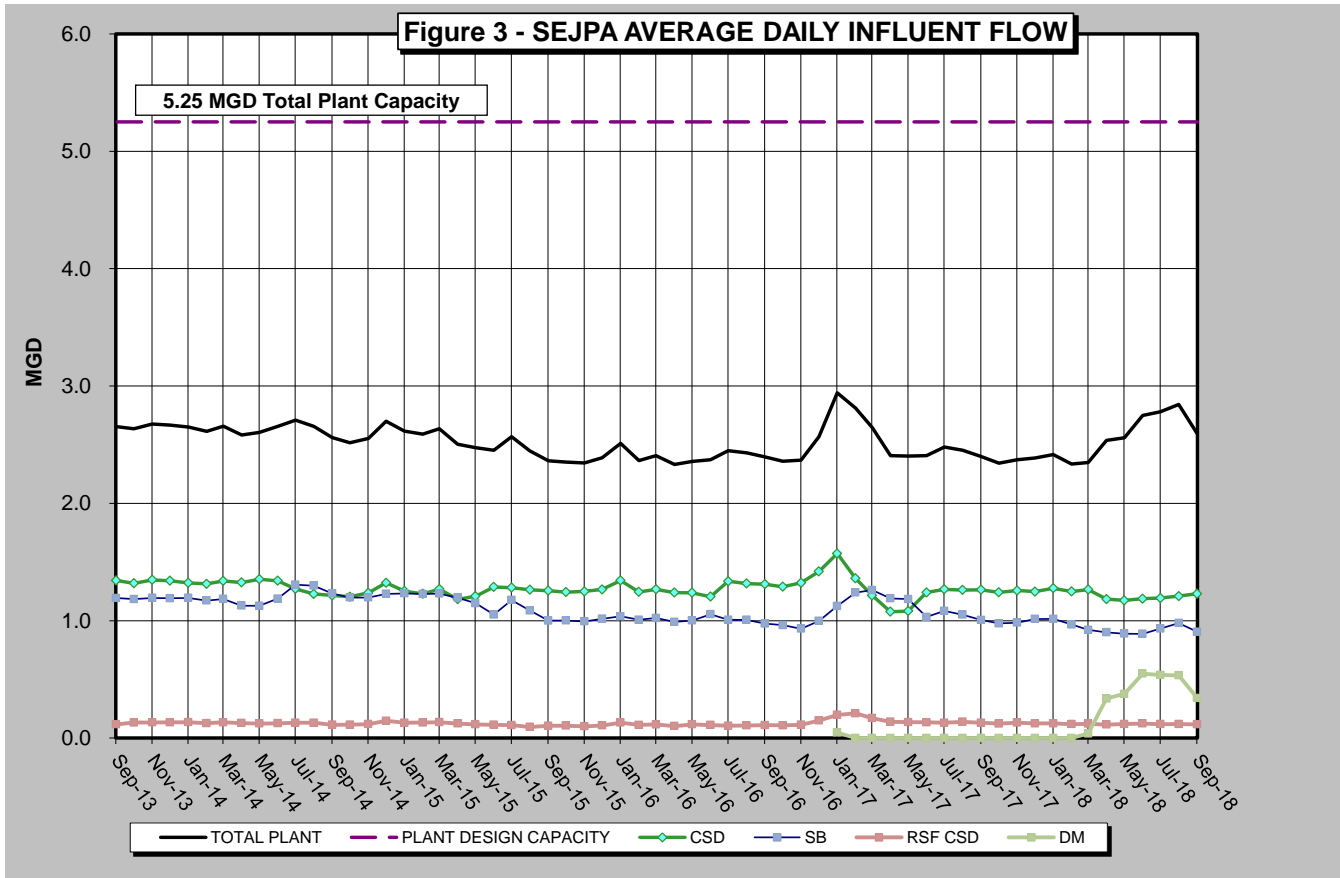
	September	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.230	0.677
City of Solana Beach	0.905	0.498
Rancho Santa Fe SID	0.117	0.064
City of Del Mar	0.341	0.188
<b>Total San Elijo WRF Flow</b>	<b>2.593</b>	<b>1.427</b>

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

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



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 September 2018 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below.

	<b>Flow (mgd)</b>
Escondido (Average flow rate)	7.51
Escondido (Peak flow rate)	18.2

Connected Equivalent Dwelling Units

The City of Solana Beach updated the connected EDUs number that is reported to the SEJPA in July 2018. The City of Encinitas and Rancho Santa Fe CSD report their connected EDUs every month. The City of Del Mar updated their connected EDUs in July 2018. The number of EDUs connected for each of the Member Agencies and lease agencies is as follows:

	<b>Connected (EDU)</b>
Cardiff Sanitary Division	8,481
Rancho Santa Fe SID	563
City of Solana Beach	7,747
San Diego (to Solana Beach)	337
City of Del Mar	2,611
<b>Total EDUs to System</b>	<b>19,737</b>

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

November 13, 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 September 2018, recycled water demand was 193 acre-feet (AF), which was met using 193 AF of recycled water no supplementation with potable water.

September demand was 5.9% above budget for recycled water production and delivery, with actual above budget expectations by 56 AF or 9.2% for the first 3 months of the fiscal year. This demand was the second highest for a September since the program began.

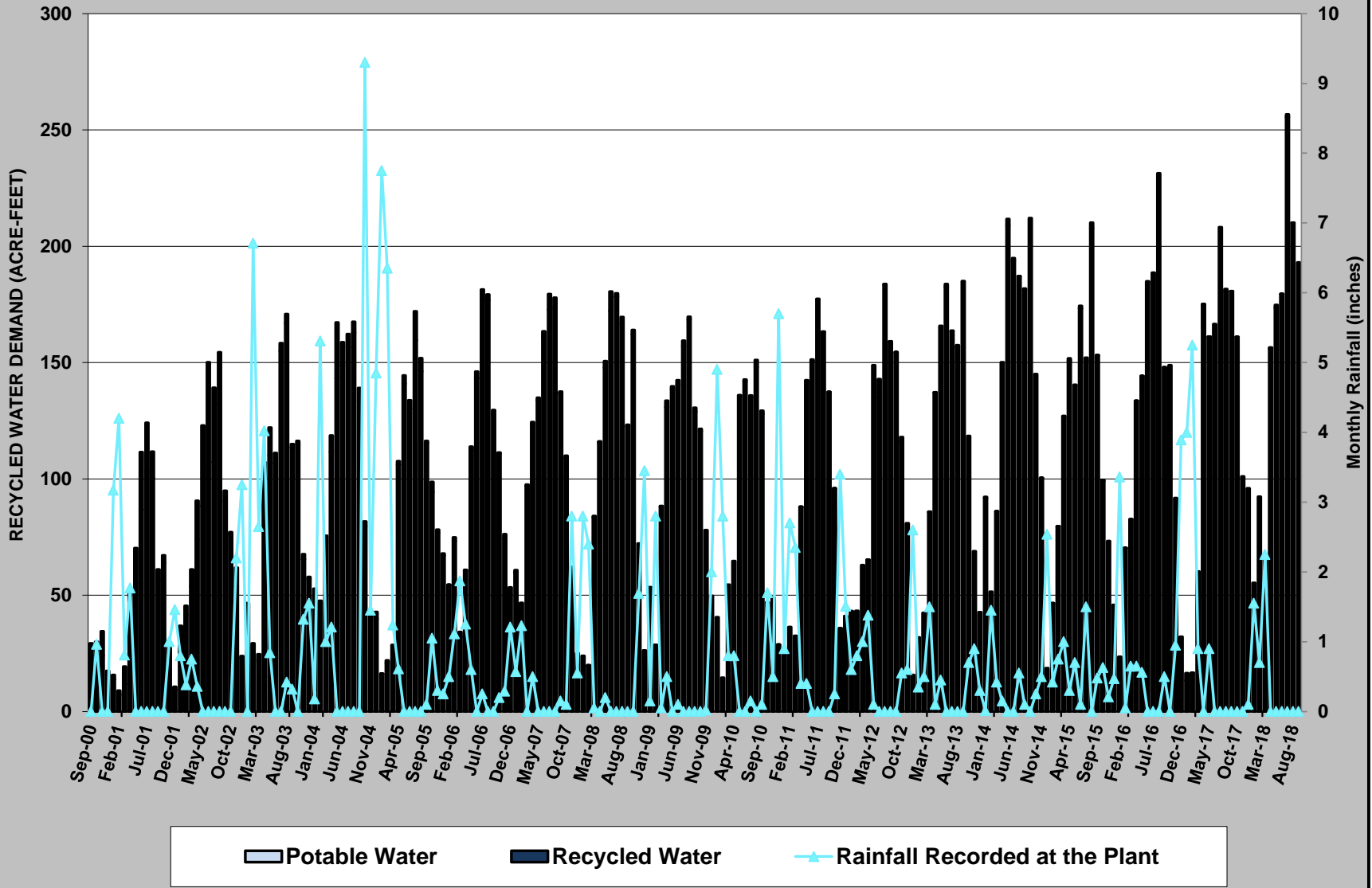
Figure 1 (attached) provides monthly demands for recycled water since deliveries began in September 2000. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning the last 17 fiscal years. Figure 3 (attached) shows the monthly recycled water demand for each September since the program began. Figure 4 (attached) compares budget versus actual recycled water sales for FY 2018-19; showing sales are starting the year above budget.

Respectfully submitted,

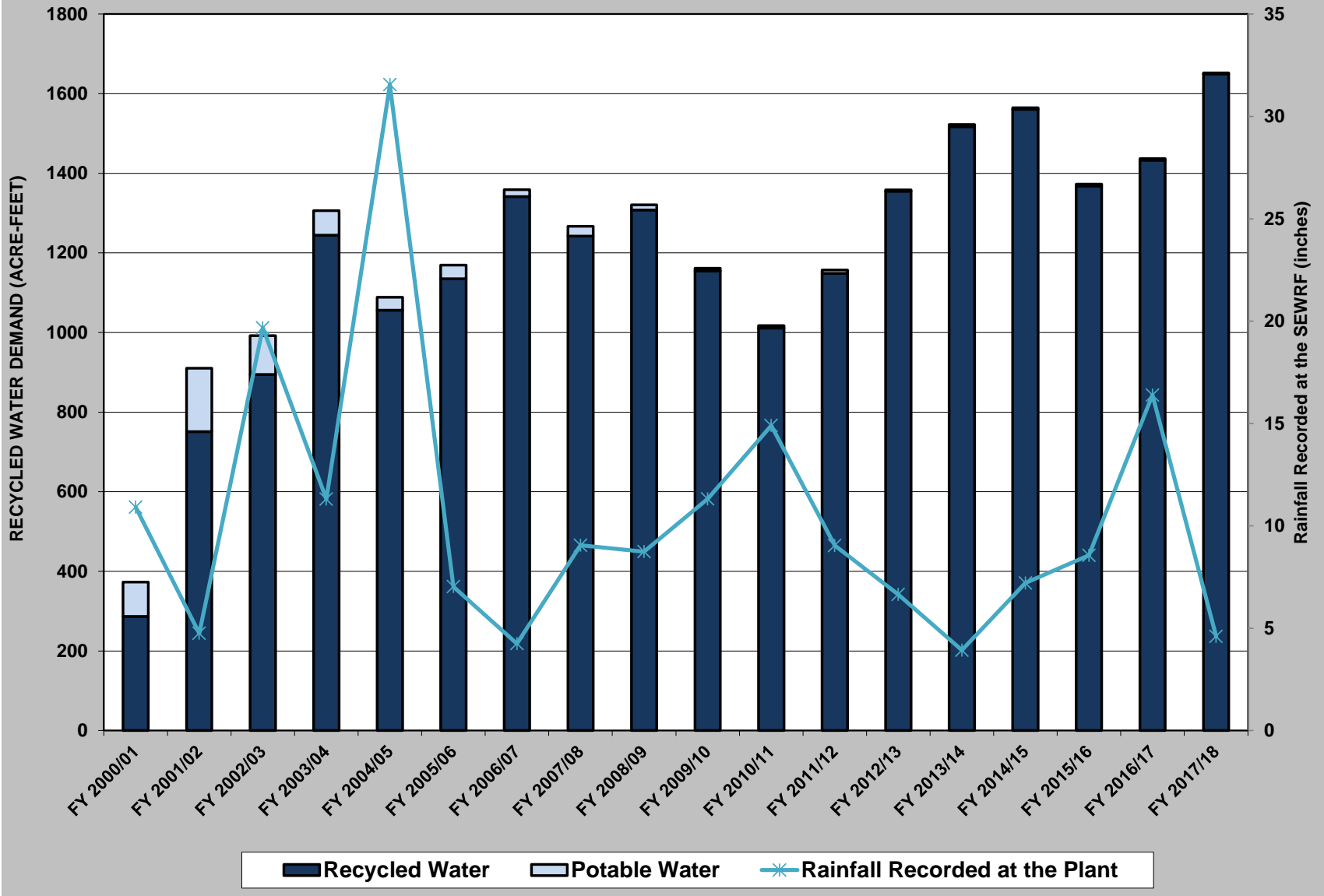


Michael T. Thornton, P.E.  
General Manager

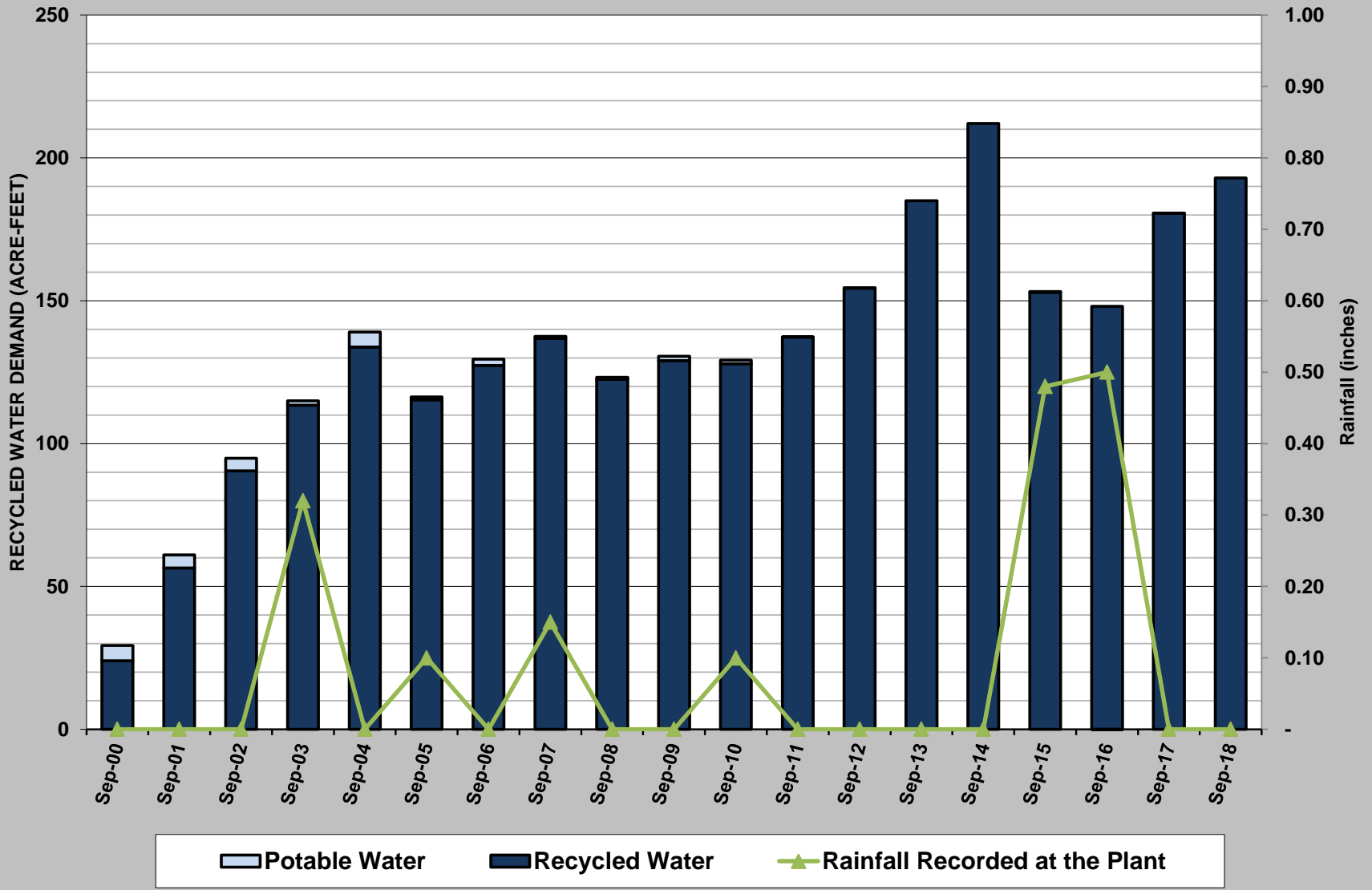
**Figure 1 - MONTHLY RECYCLED WATER DEMAND**



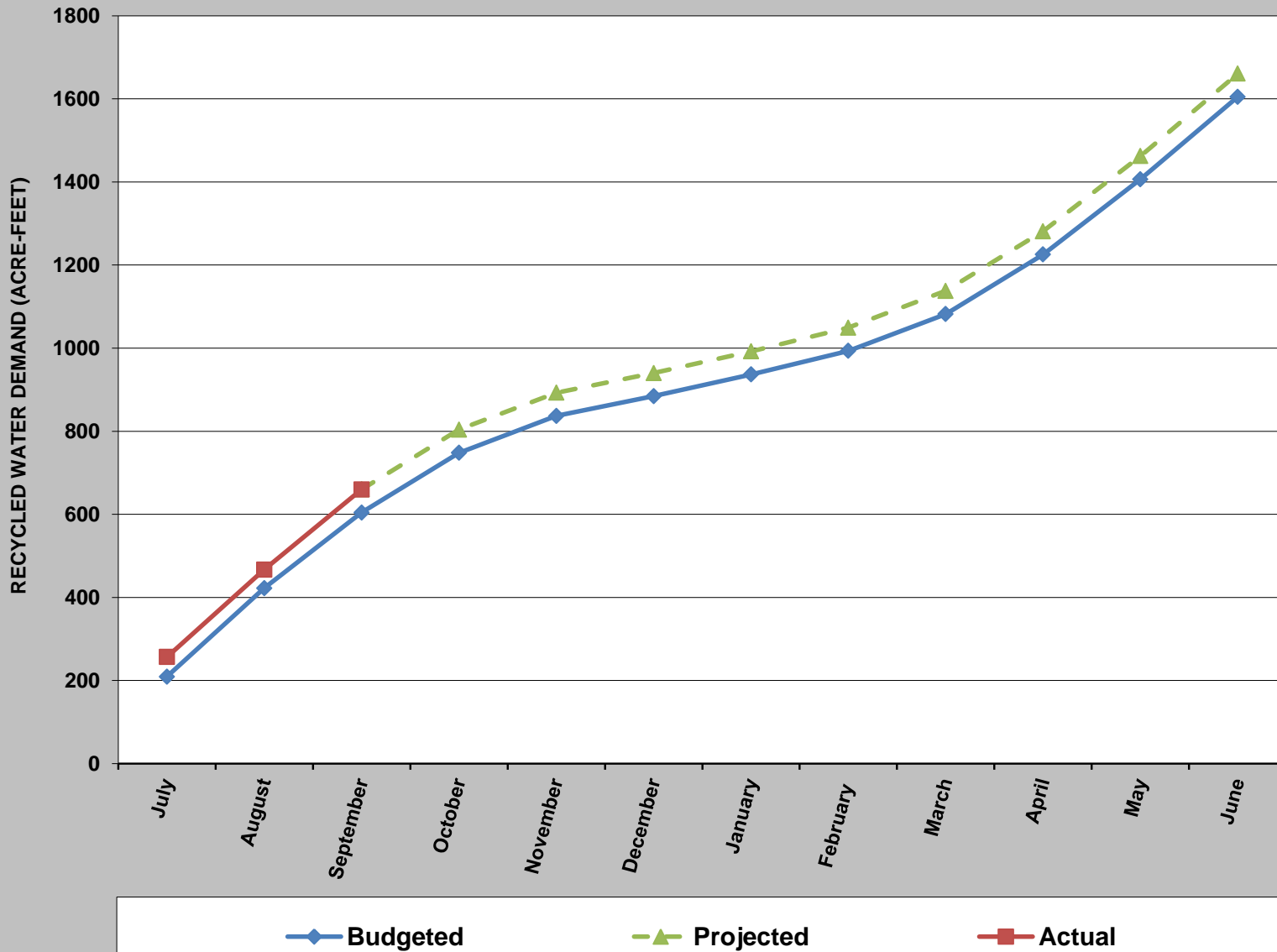
**Figure 2 - RECYCLED WATER DEMAND by FISCAL YEAR**



**Figure 3 - SEPTEMBER RECYCLED WATER DEMAND**



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



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

November 13, 2018

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY END OF YEAR REVIEW OF THE  
FISCAL YEAR 2017-18 OPERATING AND DEBT SERVICE EXPENSES

RECOMMENDATION

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

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) owns and operates the San Elijo Water Reclamation Facility (SEWRF), San Elijo Recycled Water Utility, and is a co-owner of the San Elijo Ocean Outfall. The SEJPA also manages several related service programs to support the cities of Encinitas and Solana Beach, as well as other local government agencies.

Programs operated by the SEJPA include:

- Wastewater Treatment
- Laboratory
- Ocean Outfall
- Cardiff Sanitary Division Pump Stations
- Encinitas Sanitary Division Pump Station
- City of Encinitas Urban & Storm Water
- City of Solana Beach Pump Stations
- City of Solana Beach Generator Services
- Recycled Water
- City of Del Mar Pump Station

In providing these services, the SEJPA seeks to accomplish its mission in an environmentally, socially, and fiscally responsible manner. Each of the above programs is funded by the customer base that is served and cost allocations are applied based on actual flows treated or level of effort provided. Operational funding collected but not spent is returned to the contributing agencies. The total operating budget for the Fiscal Year (FY 2017-18) was \$6,142,079.

## DISCUSSION

The SEJPA manages and operates ten programs of which nine of these programs were active the entire year, and one was delayed. All of the programs completed the year at or under budget. The City of Del Mar (21<sup>st</sup> Street Pump Station) was not as active as anticipated due to maintenance work sharing with Del Mar.

The following information is the actual expense for FY 2017-18, which ended June 30, 2018. The final expense for FY 2017-18 includes a \$50,000 investment contribution to the recently established PARS trust, which is intended to assist with funding future CalPERS pension obligations. Although each program's costs and total costs were at or below budget, cost sharing was greater than expected for the Cities of Encinitas, Solana Beach, and Rancho Santa Fe CSD's as a result of the City of Del Mar's collection system repairs that delayed Del Mar's conveyance of wastewater to SEJPA until March 2018. Below is a table depicting wastewater treatment and disposal revenues for the member and other government agencies:

### **Wastewater Treatment & Disposal Revenues by Member & Other Government Agencies**

<b>Agency</b>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Received</b>
City of Encinitas	1,945,860	1,857,984	87,876	104.7%
City of Solana Beach	1,547,027	1,406,746	140,281	110.0%
City of Escondido	461,973	484,547	(22,573)	95.3%
Rancho Santa Fe CSD's	292,217	262,659	29,558	111.3%
City of Del Mar	140,460	572,549	(432,089)	24.5%
	<b>4,387,538</b>	<b>4,584,485</b>	<b>(196,947)</b>	<b>95.7%</b>



Below is a table of expense and budget variance for FY 2017-18 by each of the SEJPA Programs:

**Summary by Program**

<b>Program</b>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Spent</b>
Wastewater Treatment	2,764,781	2,787,364	(22,583)	99.2%
Laboratory	472,390	471,669	721	100.2%
Ocean Outfall	531,138	562,121	(30,983)	94.5%
Cardiff Sanitary Division Pump Stations	218,365	242,831	(24,466)	89.9%
Encinitas Sanitary Division Pump Station	113,257	153,136	(39,879)	74.0%
City of Encinitas Urban & Storm Water	26,915	31,013	(4,098)	86.8%
City of Solana Beach Pump Stations	304,096	318,388	(14,292)	95.5%
City of Solana Beach Generator Services	9,688	9,755	(67)	99.3%
City of Del Mar Pump Station	17,527	75,897	(58,369)	23.1%
<b>Programs before Recycled Water</b>	<b>4,458,158</b>	<b>4,652,174</b>	<b>(194,016)</b>	<b>95.8%</b>
<b>Recycled Water</b>	<b>1,433,442</b>	<b>1,489,905</b>	<b>(56,463)</b>	<b>96.2%</b>
<b>Total All SEJPA Programs</b>	<b>5,891,601</b>	<b>6,142,079</b>	<b>(250,479)</b>	<b>95.9%</b>

Overall, as an agency, the SEJPA was 4.1% under the budget or \$250,479. Recycled Water was \$56,463 or 3.8% under budget, and Wastewater Treatment and Disposal, which includes pump stations and other services was \$194,016 or 4.2% under budget.

## Wastewater Treatment

<i>Expense Category</i>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Spent</b>
Personnel	1,334,967	1,287,305	47,662	103.7%
Supplies & Services	1,343,160	1,404,859	(61,700)	95.6%
Capital Outlay	86,654	25,000	61,654	346.6%
Contingency	-	70,200	(70,200)	
<b>Total JPA Wastewater Treatment</b>	<b>2,764,781</b>	<b>2,787,364</b>	<b>(22,583)</b>	<b>99.2%</b>

This program is the cost center for all operations and maintenance activities for wastewater treatment at the San Elijo Water Reclamation Facility. Activities include wastewater treatment for the cities of Encinitas, Solana Beach and Del Mar as well as the Rancho Santa Fe Community Services Districts, with the effluent being recycled or disposed to the ocean. Wastewater biosolids are treated and dewatered, then hauled by contractor to Arizona for beneficial reuse through land application.

Wastewater Treatment is under budget by \$22,583 or 0.8%. Personnel expense exceeded budget due to higher than anticipated labor as a result of labor associated with repair of the sludge collection equipment and the SEJPA Board's action to invest in the PARS trust to proactively manage the pension costs. Capital Outlay was also higher than budget due to unplanned replacement of sludge collection system components including pumps, skimmers, gears and chains. The Personnel expense and Capital Outlay were offset by unspent budgeted amounts in Supplies & Services and Contingency.

## Laboratory

<i>Expense Category</i>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Spent</b>
Personnel	391,597	402,911	(11,314)	97.2%
Supplies & Services	65,410	58,858	6,552	111.1%
Capital Outlay	15,384	5,800	9,584	265.2%
Contingency	-	4,100	(4,100)	
<b>Total JPA Laboratory</b>	<b>472,390</b>	<b>471,669</b>	<b>721</b>	<b>100.2%</b>

The laboratory located at the San Elijo Water Reclamation Facility provides analytical laboratory services for the SEJPA's wastewater and recycled water programs as well as to other entities through contract agreements. For the Fiscal Year 2017-18, contract agreements include the Fairbanks Ranch Community Services District, the Rancho Santa Fe Community Services District, the Santa Fe Valley Community Services District, and the Whispering Palms Community Services District. Supplies & Services was greater than budget due to additional outside lab testing required for compliance. The cost overrun in Capital Outlay was due to unplanned HVAC repairs, and a new spectrophotometer used for water analysis. Overall, the Laboratory program completed the year about at budget.

## Ocean Outfall

<i><b>Expense Category</b></i>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Spent</b>
Personnel	298,651	284,344	14,307	105.0%
Supplies & Services	221,583	247,878	(26,294)	89.4%
Capital Outlay	10,904	12,500	(1,596)	87.2%
Contingency	-	17,400	(17,400)	
<b>Total JPA Ocean Outfall</b>	<b>531,138</b>	<b>562,121</b>	<b>(30,983)</b>	<b>94.5%</b>

This program provides a cost center for all operation and maintenance services related to the ocean outfall system. These activities include effluent pump station operations and maintenance; ocean monitoring; sampling and testing; and annual outfall inspection. As the outfall capacity is shared through an agreement with the City of Escondido, all operations and maintenance costs are shared on the basis of actual usage measured by discharged flow to the outfall (87% City of Escondido and 13% SEJPA). Capital improvement project costs are shared based on owned capacity (79% City of Escondido and 21% SEJPA).

Ocean Outfall was under budget by \$30,983. Personnel expense is greater than budget as a result of additional labor to support the Regional Water Quality Control Board NPDES permit renewal. Lower than planned engineering and contractor services, utilities, and Contingency provided unspent amounts resulting in the program ending the year 5.5% under plan.

## Cardiff Sanitary Division Pump Stations

<i><b>Expense Category</b></i>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Spent</b>
Personnel	131,548	149,754	(18,206)	87.8%
Supplies & Services	71,959	77,576	(5,617)	92.8%
Capital Outlay	14,857	-	14,857	
Contingency	-	15,500	(15,500)	
<b>Total Cardiff Sanitary Division</b>	<b>218,365</b>	<b>242,831</b>	<b>(24,466)</b>	<b>89.9%</b>

Under this program, the SEJPA provides pump station maintenance and operation services to the City of Encinitas, Cardiff Sanitary Division (CSD). These facilities include the Cardiff, Coast Highway, and Olivenhain pump stations. The actual costs incurred are borne solely by the CSD.

This program was under budget by \$24,466 primarily due to lower than anticipated Personnel expense. Capital Outlay was higher than budget due to the installation of valve actuators for remote operation at the Olivenhain Pump Station and pump repairs at the Cardiff Pump Station, which was funded by Contingency.

## Encinitas Sanitary Division Pump Station

<i>Expense Category</i>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Spent</b>
Personnel	55,306	66,227	(10,921)	83.5%
Supplies & Services	57,951	72,409	(14,458)	80.0%
Capital Outlay	-	-	-	
Contingency	-	14,500	(14,500)	
<b>Total Encinitas Sanitary Division</b>	<b>113,257</b>	<b>153,136</b>	<b>(39,879)</b>	<b>74.0%</b>

Pump station maintenance and operation services are provided to the City of Encinitas, Encinitas Sanitary Division (ESD), for the Moonlight Beach pump station. The actual costs incurred are the responsibility of ESD.

The program is under budget by \$39,879 or 26.0%. Personnel costs and unspent Capital Outlay contributed to the savings as well as lower than planned utilities. Pump station costs fluctuate year to year dependent on equipment failures and required maintenance.

## City of Encinitas Urban & Storm Water

<i>Expense Category</i>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Spent</b>
Personnel	20,292	22,342	(2,050)	90.8%
Supplies & Services	6,623	8,671	(2,048)	76.4%
Capital Outlay	-	-	-	
Contingency	-	-	-	
<b>Total City of Encinitas</b>	<b>26,915</b>	<b>31,013</b>	<b>(4,098)</b>	<b>86.8%</b>

The SEJPA provides maintenance and operation services to the City of Encinitas that includes the Urban Runoff Treatment Facility, the Phoebe Storm Water Pump Station, and the Storm Drain Sediment Drying and Disposal program. The actual costs incurred are paid for by the City of Encinitas. This program was \$4,098 or 13.2% under budget.

## City of Solana Beach Pump Stations

<i>Expense Category</i>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Spent</b>
Personnel	148,005	173,142	(25,137)	85.5%
Supplies & Services	127,685	124,646	3,039	102.4%
Capital Outlay	28,406	-	28,406	
Contingency	-	20,600	(20,600)	
<b>Total City of Solana Beach</b>	<b>304,096</b>	<b>318,388</b>	<b>(14,292)</b>	<b>95.5%</b>

This program provides pump station maintenance and operation services to the City of Solana Beach (SB). These facilities include the Eden Gardens, Solana Beach, San Elijo Hills, and Fletcher Cove pump stations, as well as the Storm Drain Sediment Drying & Disposal Program. The actual expense incurred is paid by the City of Solana Beach.

This program is under budget due to lower than planned Personnel expense. The Capital Outlay expense included purchasing a new pump at the Eden Gardens pump station which was paid for through the use of Contingency funding.

### **City of Solana Beach Services Generator Services**

<b><i>Expense Category</i></b>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Spent</b>
Personnel	5,516	5,899	(382)	93.5%
Supplies & Services	4,172	3,857	316	108.2%
Capital Outlay	-	-	-	
Contingency	-	-	-	
<b>Total City of Solana Beach Services</b>	<b>9,688</b>	<b>9,755</b>	<b>(67)</b>	<b>99.3%</b>

This program provides generator services to the Solana Beach City Hall and the Lomas Santa Fe Fire Station. The program was about at budget.

### **Del Mar Services Pump Station**

<b><i>Expense Category</i></b>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Spent</b>
Personnel	10,821	62,050	(51,229)	17.4%
Supplies & Services	6,706	10,646	(3,940)	63.0%
Contingency	-	3,200	(3,200)	
<b>Total City of Del Mar</b>	<b>17,527</b>	<b>75,897</b>	<b>(58,369)</b>	<b>23.1%</b>

Under this program, the SEJPA provides pump station operation and maintenance services to the City of Del Mar in conjunction with treating Del Mar's wastewater. The FY 2017-18 costs incurred were for evaluation and start-up costs associated with the conveyance of Del Mar's wastewater to SEJPA which was successfully completed in the 4<sup>th</sup> quarter of FY 2017-18.

### **Recycled Water**

The SEJPA owns and operates a recycled water utility which wholesales recycled water to the Santa Fe Irrigation District, the San Dieguito Water District, the City of Del Mar, and the Olivenhain Municipal Water District, as well as provides direct water sales to the Encinitas Ranch Golf Authority (ERGA). SEJPA's recycled water program typically delivers between 1,400 and 1,600 acre-feet per year (AFY) of recycled water to its retail partners. For FY 2017-18, the SEJPA budgeted 1,510 acre feet (AF); the program sold 1,577 AF or 4.4% more than

budget. This increase is a result of the additional customers with the Cities of Solana Beach and Encinitas, and through partnerships with Olivenhain Municipal Water District, San Dieguito Water District, and Santa Fe Irrigation District. Local customers that use the recycled water for landscape irrigation include the Solana Beach Coastal Rail Trail, Encinitas Ranch Golf Course, Lomas Santa Fe Executive and Country Club Golf Courses, Ecke YMCA, Encinitas Community Park, Del Mar Fairgrounds, local schools, parks, businesses, and street/freeway landscape.

Summary of Recycled Water Expenses:

<i><b>Expense Category</b></i>	<b>Final FY 2017-18</b>	<b>Budget FY 2017-18</b>	<b>Over/(Under) Budget</b>	<b>% Budget Spent</b>
Personnel	551,470	524,695	26,776	105.1%
Supplies & Services	859,581	960,210	(100,630)	89.5%
Capital Outlay	22,391	5,000	17,391	447.8%
<b>Total Recycled Water</b>	<b>1,433,442</b>	<b>1,489,905</b>	<b>(56,463)</b>	<b>96.2%</b>

The total expense for Recycled Water was \$56,463 or 3.7% less than budgeted expense. Personnel expense was over budget by 3.6% in part due planning and design of Capital projects that will result in increased water sales in future years. Capital Outlay exceeded budget due to the replacement of a forklift.

## Debt Service

SEJPA debt service includes two bond issuances and four capital loans. The 2011 Refunding Bonds refinanced existing debt for the Wastewater program in December 2011 resulting in about \$1.2 million savings. The 2011 Refunding Bonds primarily consists of debt incurred in 1991 for the construction of wastewater treatment improvements and this debt is scheduled for retirement in FY 2020-21. The 2017 Revenue Bonds (Clean Water Bonds) were issued in FY 2016-17 to provide the primary funding source for the SEJPA's Capital Improvement Program. The Recycled Water Utility was constructed in the late 1990's with funding by the State Revolving Fund (SRF) loan program; this debt is scheduled for retirement in FY 2020-21. The Private Placement Loan provided funding for the construction of advanced water purification and is scheduled for retirement in FY 2031-32. The Santa Fe Irrigation loan funded the purchase of a recycled water pipeline that expanded the distribution system. The repayment of the SFID loan is based on the volume of recycled water sold via this pipeline and therefore the debt does not have a predetermined retirement date. The SDG&E On Bill Financing is an interest free loan that financed energy efficient improvements to reduce energy consumption. The repayment is paid through the billing, and will be paid in full FY 2026-27. Below is a table showing the principal balances paid on each loan:

<b><i>Long Term Debt</i></b>	<b>Original Balance</b>	<b>Paid in Prior Years</b>	<b>Paid in FY 2017-18</b>	<b>FY 2017-18 Balance</b>
2011 Refunding Bonds	24,465,000	21,450,000	1,365,000	1,650,000
2017 Revenue Bonds (Clean Water)	22,115,000	-	-	22,115,000
State Revolving Loan (SRF)	12,633,522	9,493,494	756,174	2,383,854
Private Placement Loan (AWP)	2,000,000	397,933	82,515	1,519,552
Santa Fe Irrigation Loan (SFID)	526,149	87,810	9,010	429,329
SDG&E On Bill Financing	533,883	-	53,388	480,495
<b>Total Long Term Debt Outstanding</b>	<b>62,273,554</b>	<b>31,429,237</b>	<b>2,266,087</b>	<b>28,578,230</b>

All of the SEJPA's loans and bonds were paid timely and in accordance with the agreement provisions. SEJPA's credit rating was increased from AA to AA+ by S&P during FY 2017-18.

## Overall Summary

Overall, the SEJPA was below budget by \$250,479 or 4.1%. The pump stations, wastewater treatment, ocean outfall and other service programs were under budget by \$194,016 or 4.2%. Recycled Water expenditures were \$56,463 or 3.8% under budget. All debt service payments were paid according to the loan agreements. The City of Del Mar did not begin sending wastewater to SEJPA until the fourth quarter of FY 2017-18; as a result, the member agencies wastewater revenue demands exceeded budget due to higher flow percentages. SEJPA accrued \$50,000 for the PARS Section 115 Trust for the exclusive use to fund the CalPERS retirement plan unfunded actuarial liability or pension expense.

Respectfully submitted,



Paul Kinkel, Director of Finance and Administration