

AGENDA
REGULAR BOARD MEETING OF THE
SAN ELIJO JOINT POWERS AUTHORITY
NOVEMBER 12, 2024 AT 8:30 A.M.
SAN ELIJO WATER CAMPUS – BOARD MEETING ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS/PUBLIC COMMENT PERIOD (NON-ACTION ITEM)
5. AWARDS AND RECOGNITION
Christopher Trees, Director of Operations – 15 years of service
6. * **CONSENT CALENDAR**
7. * [APPROVAL OF MINUTES FOR OCTOBER 15, 2024 MEETING](#)
8. * [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS – OCTOBER](#)
9. * [WASTEWATER TREATMENT REPORT – SEPTEMBER 2024](#)
10. * [RECYCLED WATER REPORT – SEPTEMBER 2024](#)
11. * [REPORTABLE MEETINGS](#)
12. * [SAN ELIJO JOINT POWERS AUTHORITY UPDATED SALARY AND BENEFITS RESOLUTION](#)
13. * 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

14. **[BIOLOGICAL TREATMENT CAPITAL PROJECT UPDATE](#)**

1. Discuss and take action as appropriate, including the option to postpone the Biological Treatment Improvement Project to allow for the completion of the 2025 Facility Plan.

Staff Reference: General Manager

15. **GENERAL MANAGER'S REPORT**

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

16. **GENERAL COUNSEL'S REPORT**

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

17. **BOARD MEMBER COMMENTS**

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

18. **CLOSED SESSION**

None.

19. **ADJOURNMENT**

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Tuesday, December 10, 2024 at 8:30 a.m.

NOTICE:

The San Elijo Joint Powers Authority's open and public meetings comply with 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 are 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 2024 SEJPA Board meetings schedule is available at [SEJPA Board Meeting Dates](#).

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 on the SEJPA website at www.sejpa.org, and in the following locations:

San Elijo Water Campus (formerly known as 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 07, 2024

A handwritten signature in black ink, appearing to read 'M. Thornton', with a stylized flourish at the end.

Michael T. Thornton, P.E.

Secretary / General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON OCTOBER 15, 2024
AT THE SAN ELIJO WATER CAMPUS

Kellie Hinze, Chair

Kristi Becker, Vice Chair

A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, October 15, 2024, at 8:30 a.m., at the San Elijo Water Campus.

1. CALL TO ORDER

Board Chair Hinze called the meeting to order at 8:32 a.m.

2. ROLL CALL

Directors Present:

Kellie Hinze
Kristi Becker
Allison Blackwell
David Zito

Others Present:

General Manager
Director of Operations
Director of Infrastructure and Sustainability
Director Finance and Administration
Senior Project Manager
Administrative Coordinator
Accounting Technician I

Michael Thornton
Chris Trees
Tom Falk
Kevin Lang
Michael Konicke
Vanessa Hackney
Maria Cruz

SEJPA Counsel:

Snell & Wilmer

Adriana Ochoa

City of Encinitas:

Engineer
Financial Analyst

Daniel Nutter
Jered Elmore

City of Solana Beach:

Director of Engineering
Principal Engineer

Mohammad "Mo" Sammak
Dan Goldberg

Trussell Technologies:

President

Shane Trussell

3. PLEDGE OF ALLEGIANCE

Board Chair, Hinze, led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

None.

6. CONSENT CALENDAR

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

Agenda Item No. 7	Approval of Minutes for the September 17, 2024 Board Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report – September
Agenda Item No. 9	Wastewater Treatment Report – August
Agenda Item No. 10	Recycled Water Report – August
Agenda Item No. 11	Reportable Meetings
Agenda Item No. 12	Update Conflict of Interest Code

Motion carried with the following vote of approval:

AYES: Hinze, Becker, Blackwell, Zito
NOES: None
ABSENT: None
ABSTAIN: None

14. CAPTIAL PROGRAM FUNDING WORKSHOP

Director of Infrastructure and Sustainability, Tom Falk, stated that SEJPA's current 3-Year Capital Plan consisting of six prioritized projects and a list of miscellaneous near-term projects previously estimated to cost \$32.8 million. The prioritized projects were planned to be funded by cash contributions collected from wastewater customer agencies through annual budgeting process, recycled water revenues, and outside funding sources including state and federal grants.

Mr. Falk noted that recently SEJPA updated its capital project cost and cash flow projections and the inflation in the construction sector has resulted in a funding shortfall. Furthermore, SEJPA's funding plan for its capital projects include state and federal grants that reimburse expenditures with cash receipts anticipated to lag at least six months after project expenses. Considering these factors and SEJPA's current and forecasted cash positions, it is apparent that additional funding will be necessary to close the budget gap and to relieve cash-flow constraints, estimated at approximately \$7 million.

SEJPA staff is actively reviewing its capital program projects to ensure viability of completing the projects as planned. In addition, SEJPA staff has launched the 2025 Facility

Plan that will provide further definition of future capital needs at the San Elijo Water Campus, its remote recycled water facilities, and the member agencies' pump stations.

SEJPA staff provided an update on above efforts and discussed options for securing supplemental funding to allow the prioritized projects to be completed by the end of 2026. The Board provided staff direction to meet with member agency staff to assess funding capacity for the identified funding gap and to consider the likely impact of capital projects being incorporated into the 2025 Facility Plan.

No action required. This item was submitted for information only.

15. APPROVAL OF SPECIFIC EQUIPMENT ITEMS FOR THE BIOLOGICAL TREATMENT IMPROVEMENTS PROJECT

Director of Infrastructure and Sustainability, Tom Falk, stated that in March 2023, San Elijo Joint Power Authority's (SEJPA) Board approved the Phase 4 Capital Projects which included the Biological Treatment Improvements Project (Project).

The project is nearing completion of design and SEJPA is preparing to advertise for public bids this fall. The project procurements are subject to SEJPA's Purchasing Policies and Procedures (Board Resolution 2022-01) and California Public Contract Code (PCC). Furthermore, the grant funding agreement for the Bureau of Reclamation Title XVI Water Infrastructure Improvements for the Nation (WIIN) stipulates several purchasing requirements, namely the inclusion of Buy America clauses and typical federal procurement standards.

Projects of this size and complexity might expect upwards of 100 unique pieces of equipment or material to be furnished during construction. The construction documents outline requisite competition on all project labor, materials and equipment, except for three equipment packages that have been identified to be specified without equal ("sole source"):

- Blowers
- Aeration Control Valves
- Sludge Densification

As the design team finalizes the construction documents, SEJPA will secure firm price proposals for these items and validate fair and reasonable costs that will be stipulated in the bid documents. This approach will streamline the bidding process and provide cost certainty on key elements of the project scope. Furthermore, by confirming these key equipment selections, SEJPA can reduce risks during project startup and commissioning while ensuring SEJPA's investment delivers a robust, operator-friendly facility.

Approval of these equipment selections does not commit SEJPA to purchase equipment at this time. Equipment will be purchased by the General Contractor through the construction contract that will be brought to the Board for award following public bidding, assuming the project is funded and moves forward.

Moved by Board Member Zito and seconded by Board Chair Hinze to:

1. Authorize the General Manager to finalize selection of high speed turbo blowers prior to bidding the Biological Treatment Improvements Project, and in so doing find that the particular Neuros blowers designated herein are necessary in order to match the other high speed turbo blowers already in use.
2. Authorize the General Manager to finalize selection of aeration control valves prior to bidding the Biological Treatment Improvements Project, and in so doing find that the particular Egger Iris® Process Control Valves with integral flowmeter designated herein are necessary in order to obtain a necessary item that is only available from one source.
3. Authorize the General Manager to finalize selection of sludge densification equipment prior to bidding the Biological Treatment Improvements Project, and in so doing find that the particular inDENSE® Hydrocyclone Wasting by World Water Works technology designated herein is necessary in order to obtain a necessary item that is only available from one source.

Motion carried with the following vote of approval:

AYES:	Hinze, Becker, Blackwell, Zito
NOES	None
ABSENT:	None
ABSTAIN:	None

18. GENERAL MANAGER'S REPORT

General Manager Michael Thornton stated that staff is working with the City of Encinitas to review options for fire hazard management within the open space on the west side of the San Elijo Water Campus.

General Manager Thornton also stated that SEJPA, in collaboration with Leucadia Wastewater District and Olivenhain Municipal Water District, hosted the 2024 Water Career Day at the San Elijo Water Campus on October 10, 2024 with 30 high school students and 55 college students in attendance. The purpose of the Career Water Day was to connect with local high schools, colleges, and early military veterans to showcase the wastewater & water industry through a hands-on learning experience. The feedback from the attendees was very positive and all three agencies received employment applications from attendees for open entry-level positions.

19. GENERAL COUNSEL'S REPORT

General Counsel, Adriana Ochoa, stated that she will attend the CASA Conference in November and will report back with any relevant findings.

20. BOARD MEMBER COMMENTS

None.

21. CLOSED SESSION

None.

22. ADJOURNMENT

The meeting adjourned at 9:55 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, November 12, 2024, at 8:30 a.m.

Respectfully submitted,

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

Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS

For the Month of October 2024

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
44285	Sterling Infosystems, Inc	Preemployment Screening	Security clearance reports	\$ 90.08
44286	Abila	Licenses	Accounting software support and subscription	365.13
44287	Allied Storage Containers	Equipment Rental/Lease	20' and 40' storage containers - 09/28/24 - 10/25/24	359.00
44288	American Backflow	Dues & Memberships	Membership - M. Piper	80.00
44289	At&T	Utilities - Internet	Internet service - 08/28/24 - 09/27/24	2,162.24
44290	Atlas Copco Compressors LLC	Repair Parts Expense	RW Compressor	517.54
44291	Black & Veatch	Services - Engineering	Dewatering facilities upgrades and facility plan update	14,850.00
44292	Boot World, Inc.	Uniforms - Boots	Safety boots - T. Cook	223.02
44293	Brenntag Pacific, Inc	Supplies - Chem - Odor	Sodium hydroxide	1,343.88
44294	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride solution	12,275.90
44295	Caltrol, Inc.	Repair Parts Expense	RO Actuator	259.68
44296	CDM Smith	Services - Engineering	Services for Moonlight PS and pipeline - 08/04/24 - 08/31/24	32,516.30
44297	The Coast News Group	Advertising	Newspaper Ad - Stormwater capture and reuse	393.75
44298	Columbia Analytical Instr. Inc	Supplies - Lab	Test standard	588.41
44299	The Reinalt-Thomas Corp.	Vehicle Maintenance	Pump run truck maintenance	1,308.66
44300	Westbound Solar 2, LLC	Utilities - Solar Power	Solar - Aug	15,629.18
44301	E & M Electric & Machinery, In	Licenses	Software support renewal	26,750.00
44302	EDCO Waste & Recycling Service	Utilities - Trash	Sep	503.15
44303	City of Encinitas	Service - IT Support	Admin Network and Licenses - Sep	6,722.98
44304	Enthalpy Analytical, LLC	Services - Laboratory	Laboratory toxicity testing services for Jul 2024	1,050.00
44305	ERA	Supplies - Lab	Test standard	462.21
44306	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	2,705.50
44307	Excel Landscape, Inc.	Services - Landscape	Grounds maintenance service - Sep	4,382.00
44308	Federal Express Corporation	Postage/Shipping	Shipping	32.00
44309	Firehawk Fire & Safety	Services - Maintenance	Fire extinguisher service and parts	872.90
44310	Grainger, Inc.	Shop Tools and Equip.	Various supplies	1,802.25
44311	Hardy Diagnostics	Supplies - Lab	Various lab supplies	857.60
44312	America Y. Hernandez Guillen	Dues & Memberships	Employee reimbursement - CWEA Membership	20.00
44313	Idexx Distribution, Inc.	Supplies - Lab	Colilert testing kits	1,859.99
44314	Lawson Products Inc.	Supplies - Shop & Field	Various supplies	479.93
44315	Leaf & Cole, LLP	Services - Accounting	Audit services - FY 23/24	9,450.00
44316	Liquid Environmental Solution	Services - Grease & Scum	Pumping service - 08/26/24 and 08/28/24	810.00
44317	McMaster-Carr Supply Co.	Shop Tools and Equip., Repair Parts Expense	Various supplies	2,903.56
44318	Mission Square	ICMA Retirement	ICMA - 401a	7,098.96
44319	Mission Square - 304175	EE Deduction Benefits Payable	ICMA -457	8,342.44
44320	Cosby Oil Company, Inc	Fuel	Fuel - Sep	530.25
44321	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Procurement of Sodium Hypochlorite	11,166.96
44322	Olivenhain Municipal Water Dis	Services - Lobbying	Consulting fee - Bluewater strategies	13,000.00
44323	OneSource Distributors, Inc.	Repair Parts Expense	12V batteries and power supply unit	1,017.40
44324	Otis Elevator Company	Services - Maintenance	Elevator maintenance from 09/01/24 - 09/30/24	205.20
44325	Pacific Pipeline Supply	Repair Parts Expense	Grit pump piping repair	949.33
44326	Polydyne Inc.	Supplies - Chem - Polymer	Clarifloc WE-007	16,929.43
44327	Precision Balance Specialist	Services - Maintenance	Calibration of lab balances	405.00
44328	ProBuild Company, LLC	Supplies - Shop & Field, Safety	Various supplies	307.16
44329	Rusty Wallis, Inc.	Services - Maintenance	Water softener, tank service and salt bags	391.63
44330	Santa Fe Irrigation District	Utilities - Water	Water	98.51
44331	San Dieguito Water District	Utilities - Water	Water	2,453.41
44332	Terminix Processing Center	Services - Maintenance	Pest control service	108.88
44333	Michael Thornton	Subsistence - Travel/Rm & Bd	Employee reimbursement - CASA Conference, lodging and travel	3,188.92
44334	Trojan Technologies Corp	Capital Outlay	Module replacements	388,667.49
44335	Trussell Technologies, Inc	Services - Professional	Design of bio treatment improvements - 07/01/24 - 07/31/24	16,084.75
44336	Unifirst Corporation	Supplies - Safety	Uniform service and gloves	438.61
44337	USA Bluebook	Supplies - Lab	Various lab supplies	4,176.32
44338	Valley CM, Inc.	Services - Contractors	Management and inspection services - 08/01/24 - 08/31/24	26,945.75
44339	Volt Management Corp	Services - Temp	Internship program and temp service	1,050.96
44340	Benefits Coordinators Corp.	Dental/Vision	Vision - Oct	418.70
44341	VWR International, Inc.	Supplies - Lab	RO Module Arium	1,102.94
44342	WageWorks	Payroll Processing Fees	Admin fee - Sep	176.00
44343	Adam Kaye	Services - Professional	Public communications	200.00
44344	Aflac	EE Deduction Benefits Payable	Aflac - Oct	809.68
44345	Ahrens Mechanical	Services - Contractors	Wanket Tank RW Pipeline - 09/01/24 - 09/30/24	153,920.94
44346	Akeso Occupation Health	Services - Medical	New hire	115.00
44347	Alliant Insurance Services, Inc	Insurance - Auto	Equipment floater - First quarter premium	111.00
44348	Miguel A Becerra	Dues & Mem., Other Personnel Cost	Employee reimbursement - CWEA Membership and Health and wellness	359.00
44349	Boot World, Inc.	Uniforms - Boots	Safety boots - M. Henke	179.36
44350	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride solution	12,542.84
44351	CDW Government	Supplies - Office	Laptop	2,582.14
44352	Clean Water SoCal	Dues & Memberships	Annual membership dues FY 2024/2025	8,825.00
44353	Corodata	Rent	Record storage - Sep	119.07
44354	County of San Diego	Fees - Permits	Permits - APCD1989-SITE-07586	3,898.00
44355	CWEA	Dues & Memberships	Membership renewal - C. Larsen and W. Mutscheller	460.00
44356	Dudek & Associates	Services - Engineering	Stormwater capture reuse and water quality improvements and construction of M.B.P.S	29,901.25
44357	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	673.00
44358	Evoqua Water Technologies	Supplies - Chem - Odor	Bioxide	9,570.90
44359	Federal Express Corporation	Postage/Shipping	Shipping	34.60
44360	Fisher Scientific	Supplies - Shop & Field	DE Tube	693.49
44361	Flo-Systems, Inc.	Repair Parts Expense	Headworks grit classifier	7,367.28
44362	FRS Environmental	Services - Maintenance	Parts washer service	291.00
44363	Global Power Group Inc.	Services - Maintenance	Pump stations, Solana Beach Fire station and city hall, SEJPA plant	14,235.00
44364	Golden Bell Products	Supplies - Chemicals	Lift station degreaser	498.34
44365	Grainger, Inc.	Repair Parts Expense, Shop & Field	Various supplies	887.88
44366	GSE Construction Company Inc.	Services - Contractors	Biosolids facilities improvements - 09/01/24 - 09/31/24	891,290.00
44367	Hardy Diagnostics	Supplies - Lab	Various lab supplies	1,748.34
44368	Helix Environmental Planning	Services - Professional	Biological consulting services through 09/22/24	1,328.75
44369	Idexx Distribution, Inc.	Supplies - Lab	Enterococci and Enterolert test kits	3,339.28
44370	Kennedy/Jenks Consultants	Services - Engineering	Engineering services for Olivenhain P.S. slide gate	8,165.00
44371	Kevin R. Lang	Subsistence - Meals	Employee reimbursement - Team safety meeting supplies	630.55
44372	Lee's Lock & Safe	Repair Parts Expense	Lock service for Lomas Santa Fe P.S. and Olivenhain P.S	3,099.87
44373	Life Technologies Corporaiton	Supplies - Lab	Lab supplies	144.01
44374	LiftOff, LLC	Licenses	Licenses - Office 365 , Exchange , Project 3 , Azure	17,773.20
44375	Liquid Environmental Solution	Services - Grease, Scum, Grit & Screenings	Pumping service and roll off box	5,060.00
44376	McMaster-Carr Supply Co.	Supplies - Shop & Field, Repair Parts Expense	Various supplies	1,501.61
44377	MetLife - Group Benefits	Dental/Vision	Dental - Nov	3,641.48
44378	Mission Square	ICMA Retirement	ICMA - 401a	7,344.84
44379	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	8,771.71
44380	Cosby Oil Company, Inc	Fuel	Fuel - Oct	1,025.46
44381	The Nyhart Company	Services - Accounting	Actuarial service	1,800.00
44382	Oasis Palm Nursery, Inc.	Services - Maintenance	Fall service - Palm maintenance	600.00
44383	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Procurement of Sodium Hypochlorite	11,277.08
44384	Olivenhain Municipal Water Dis	Rent	Pipeline rental payment - September 2024	10,040.00
44385	OneSource Distributors, Inc.	Repair Parts Expense	VFD AC Unit for pump #3	8,284.19
44386	Otis Elevator Company	Services - Maintenance	Elevator maintenance from 10/01/24 - 10/31/24	205.20

**SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS
For the Month of October 2024**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
44387	Void			-
44388	ProBuild Company, LLC	Shop Tools and Equip., Supplies - Shop & Field	Various supplies	428.59
44389	RingCentral, Inc	Utilities - Telephone	Phone service - 09/12/24 - 11/11/24	1,066.94
44390	RSF Security Systems	Services - Alarm	Cellular fire system monitoring and code change service	86.67
44391	Rusty Wallis, Inc.	Services - Maintenance	Water softener , tank service and salt bags	311.01
44392	Santa Fe Irrigation District	Utilities - Water, SFID Distr. Pipeline	Water, Pipeline purchase payment	6,854.50
44393	San Dieguito Water District	Utilities - Water	Water	3,035.07
44394	Signed Sealed Delivered by MBS	Services - Uniforms	SEJPA Apparel	397.71
44395	Smart & Final	Supplies - Office, Subsistence - Meals	Various supplies	154.04
44396	Southwest Valve & Equip.	Repair Parts Expense	Pump #2 discharge check valve	981.15
44397	SWRCB	Dues & Memberships	Certification renewal - M. Henke	203.00
44398	SWRCB	Dues & Memberships	Certification renewal - T. Hutchinson	203.00
44399	SWRCB - ELAP Fees	Fees - Permits	ELAP annual accreditation fee	5,525.00
44400	Terminix Processing Center	Services - Maintenance	Pest control service	454.13
44401	Tesco Controls	Services - Professional	SCADA Support services	450.00
44402	Trussell Technologies, Inc	Services - Professional	Design of bio treatment improvements and T1 - Operational support	109,830.50
44403	Unifirst Corporation	Services - Uniforms	Uniform service	626.03
44404	Underground Service Alert/SC	Services - Alarm	Dig alert and excavation board	104.41
44405	USA Bluebook	Supplies - Lab, Repair Parts Expense	Various supplies	3,315.33
44406	Valley CM, Inc.	Services - Contractors	Management and inspection services - 09/01/24 - 09/30/24	23,371.25
44407	Vaughn Irrigation Services, In	Repair Parts Expense	Speed control valves	765.03
44408	VEGA Americas, Inc	Repair Parts Expense	CCT Level sensor	4,600.41
44409	Daniel Verdon	Dues & Memberships	Employee reimbursement - CWEA Lab Grade III exam	222.00
44410	Volt Management Corp	Services - Temp	Internship program and temp service	2,101.92
44411	VWR International, Inc.	Supplies - Lab, Chemicals	Various supplies	2,913.83
44412	WaterReuse	Dues & Memberships	2025 Annual membership dues	1,708.26
On-line 970	Michelle Pizer	Training	Executive coaching - Aug 2024	3,000.00
On-line 971	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 09/14/24 - 09/27/24	24,330.03
On-line 972	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	1,111.02
On-line 973	BankCard Center	Vehicle Maintenance	Various supplies	9,325.98
On-line 974	CA. Dept. of Tax & Fee Admin.	Accrued Sales Tax Payable	Use Tax - 07/01/24 - 09/30/2024	637.00
On-line 975	Home Depot Credit Services	Supplies - Shop & Field	Various supplies	3,707.50
On-line 976	Michelle Pizer	Training	Executive coaching - Sep 2024	2,250.00
On-line 977	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 09/07/24 - 10/07/24	109,061.49
On-line 978	Sun Life Financial	Life Insurance/Disability	Life and disability - Nov	2,866.87
On-line 979	WM Corporate Services, Inc.	Services - Sediment Disposal	10 yard roll off disposal	2,664.00
On-line 980	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 09/28/24 - 10/11/24	24,856.82
	San Elijo Payroll Account	Payroll	Payroll - 10/04/2024	118,317.24
	San Elijo Payroll Account	Payroll	Payroll - 10/18/2024	141,714.96
				\$ 2,502,789.87

**SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS SUMMARY**

**For the Month of October 2024
As of October 31, 2024**

PAYMENT OF WARRANTS

\$ 2,502,789.87

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 SEJPA, including the Member Agency commitment in their operating budgets to support the operations of SEJPA, are expected to be adequate to meet SEJPA's obligations over the next six months. I also certify that SEJPA's investment portfolio complies with the SEJPA's investment policy.



C. Yani Barragan
Accounting Supervisor

SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION

As of October 31, 2024

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND <i>(OCTOBER 2024 YIELD 4.518%)</i>	\$ 12,760,294.45
CALIFORNIA BANK AND TRUST <i>(OCTOBER 2024 YIELD 0.01%)</i>	795,467.13
U.S. Bank <i>(OCTOBER 2024 YIELD 4.40%)</i>	15,870,115.81
PARS <i>(SEPTEMBER 2024 YIELD 1.42%)</i>	1,057,140.28
TOTAL RESOURCES	<u>\$ 30,483,017.67</u>

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

November 12, 2024

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WASTEWATER TREATMENT REPORT – SEPTEMBER 2024

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Facility Performance and Evaluation

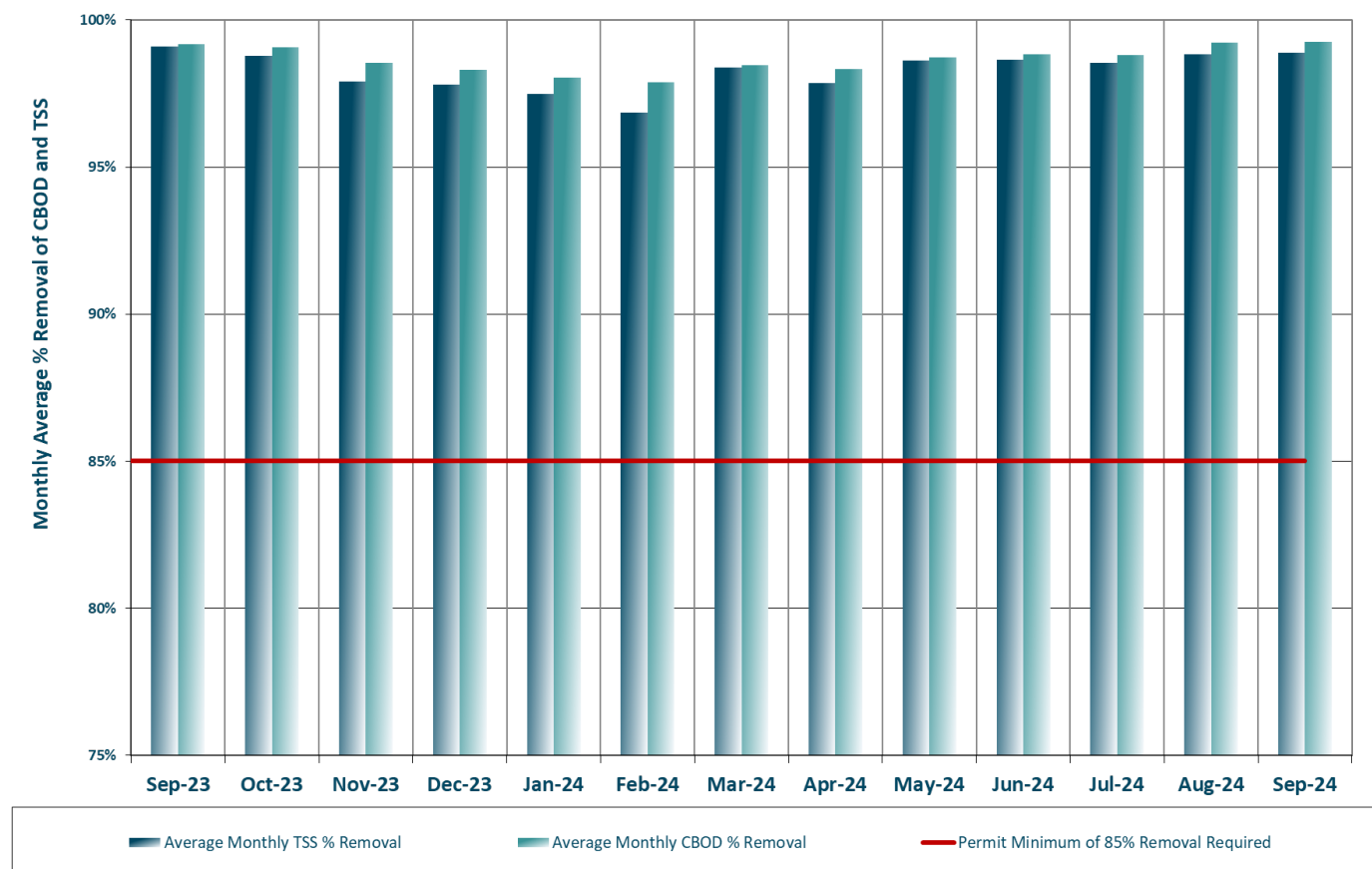
Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of September 2024. The primary indicators of treatment performance include the removal of Total Suspended Solids (TSS) and Carbonaceous Biochemical Oxygen Demand (CBOD). The SEJPA is required to remove a minimum of 85 percent of the TSS and CBOD from the wastewater. Treatment levels for **TSS** and **CBOD** were **98.9** and **99.2** percent removal, respectively, during the month of September.

Exceptional Water Treatment

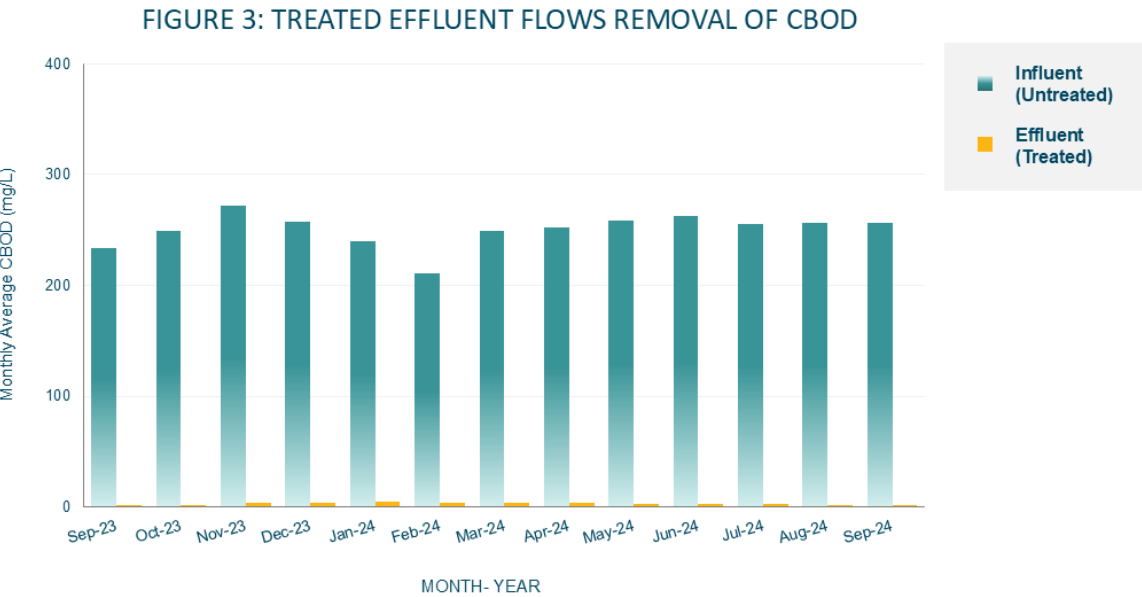
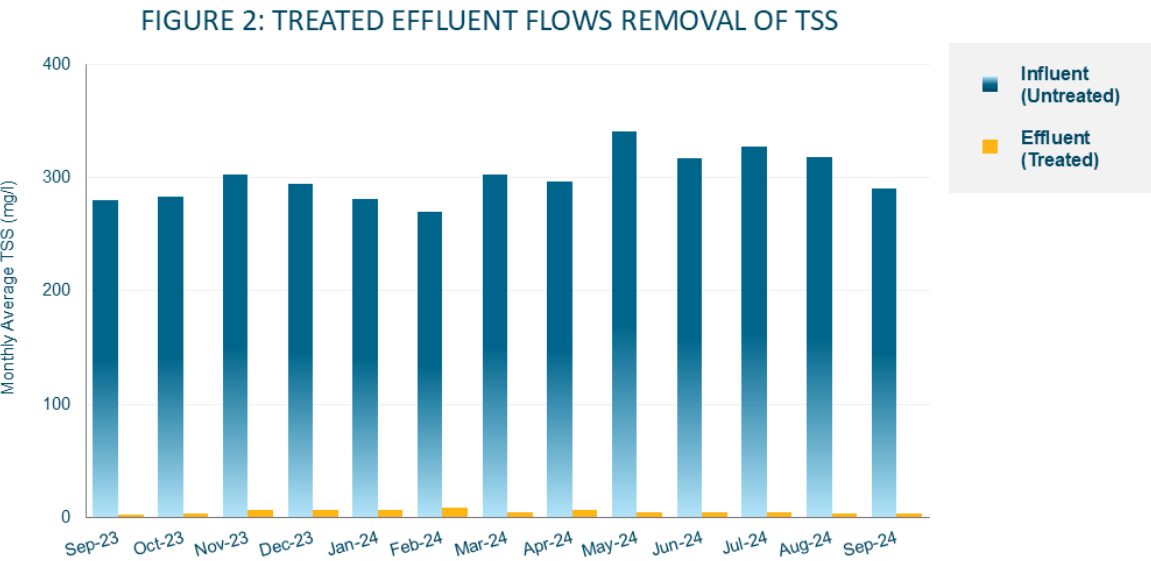


Figure 1 (below) shows historic treatment performance trends for the removal of TSS and CBOD over the last 13 months compared to the permit minimum removal requirement of 85%.

Figure 1: Wastewater Treatment Performance of the SEJPA % Removal of Total Suspended Solids (TSS) and Carbonaceous Biochemical Oxygen Demand (CBOD)



Figures 2 and 3 (below) show historic influent vs effluent TSS and CBOD concentration fluctuations in the strength of the wastewater being received and discharged by the SEJPA.



Member Agency Flows

Table 1 (below) presents the influent and effluent flows for the month of September. Average daily influent flows were recorded for each contributing agency. In September, about 67% of the incoming flow was repurposed as recycled water with the remaining flow discharged to the ocean.

TABLE 1 – INFLUENT AND EFFLUENT FLOWS IN SEPTEMBER

	Influent (mgd)	Recycled Water (mgd)	Effluent (mgd)*
Cardiff Sanitary Division	1.278	0.860	0.418
City of Solana Beach	1.034	0.696	0.338
Rancho Santa Fe SID	0.165	0.111	0.054
City of Del Mar	0.399	0.269	0.130
Total San Elijo Water Campus Flow	2.876	1.936	0.940

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

Table 2 (below) presents the historical average and unit influent rates per month for each of the contributing agency during the past 3 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each agency during this same time.

TABLE 2 - SAN ELIJO WATER CAMPUS MONTHLY REPORT - FLOWS AND EDUS

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)				
	CSD	RSF	SB	DM	TOTAL DESIGN	CSD	RSF	SB	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
Jul-21	1.183	0.144	0.972	0.435	2.734	8,554	579	8,124	2,616	19,873	138	249	120	178	138
Aug-21	1.178	0.150	0.966	0.480	2.774	8,556	579	8,124	2,616	19,875	138	259	119	196	140
Sep-21	1.153	0.129	0.948	0.353	2.583	8,557	579	8,124	2,616	19,876	135	223	117	144	130
Oct-21	1.225	0.126	0.885	0.329	2.565	8,557	579	8,124	2,616	19,876	143	218	109	139	129
Nov-21	1.156	0.131	0.911	0.329	2.527	8,557	581	8,124	2,616	19,878	135	226	112	135	127
Dec-21	1.264	0.145	0.913	0.310	2.632	8,557	581	8,124	2,616	19,878	148	250	112	127	132
Jan-22	1.174	0.140	0.906	0.357	2.577	8,557	581	8,124	2,616	19,878	137	241	112	145	130
Feb-22	1.113	0.158	0.929	0.300	2.500	8,557	581	8,124	2,616	19,878	130	272	114	120	126
Mar-22	1.176	0.142	0.946	0.307	2.571	8,557	581	8,124	2,616	19,878	137	245	116	123	129
Apr-22	1.134	0.140	0.875	0.315	2.464	8,557	582	8,124	2,616	19,879	133	241	108	129	124
May-22	1.146	0.140	0.877	0.301	2.464	8,557	582	8,124	2,616	19,879	134	241	108	123	124
Jun-22	1.133	0.138	0.921	0.452	2.644	8,557	583	8,124	2,616	19,880	132	237	113	184	133
Jul-22	1.124	0.129	0.948	0.438	2.639	8,557	583	8,142	2,616	19,898	131	221	116	179	133
Aug-22	1.163	0.133	0.929	0.448	2.673	8,557	583	8,142	2,616	19,898	136	228	114	185	134
Sep-22	1.139	0.125	0.904	0.381	2.549	8,557	584	8,142	2,616	19,899	133	214	111	158	128
Oct-22	1.083	0.128	0.890	0.295	2.396	8,557	584	8,142	2,616	19,899	127	219	109	122	120
Nov-22	1.205	0.124	0.879	0.336	2.544	8,557	585	8,142	2,616	19,900	141	212	108	138	128
Dec-22	1.186	0.133	0.906	0.374	2.599	8,557	585	8,142	2,616	19,900	139	228	111	151	131
Jan-23	1.630	0.200	0.979	0.379	3.188	8,557	585	8,142	2,616	19,900	190	342	120	153	160
Feb-23	1.323	0.167	0.930	0.371	2.791	8,557	585	8,142	2,616	19,900	155	286	114	149	140
Mar-23	1.892	0.255	1.044	0.392	3.583	8,557	585	8,142	2,616	19,900	221	436	128	154	180
Apr-23	1.244	0.187	0.915	0.303	2.649	8,557	586	8,142	2,616	19,901	145	319	112	123	133
May-23	1.184	0.167	0.879	0.295	2.525	8,557	586	8,142	2,616	19,901	138	285	108	120	127
Jun-23	1.185	0.144	0.891	0.413	2.633	8,557	586	8,142	2,616	19,901	136	282	109	171	132
Jul-23	1.160	0.146	0.949	0.446	2.701	8,557	586	8,166	2,616	19,925	136	249	116	182	136
Aug-23	1.242	0.177	0.954	0.494	2.867	8,559	586	8,166	2,622	19,933	145	302	117	200	144
Sep-23	1.161	0.161	0.885	0.371	2.578	8,559	586	8,166	2,622	19,933	136	275	108	152	129
Oct-23	1.125	0.163	0.870	0.308	2.466	8,559	587	8,166	2,622	19,934	131	278	107	125	124
Nov-23	1.246	0.186	0.961	0.409	2.802	8,559	588	8,166	2,622	19,935	146	317	118	149	141
Dec-23	1.313	0.173	1.011	0.377	2.874	8,559	588	8,166	2,622	19,935	153	294	124	133	144
Jan-24	1.416	0.190	1.055	0.380	3.041	8,569	588	8,166	2,622	19,945	165	323	129	134	152
Feb-24	1.788	0.256	1.099	0.422	3.565	8,569	588	8,166	2,622	19,945	209	436	135	151	179
Mar-24	1.395	0.200	1.061	0.352	3.008	8,616	588	8,166	2,639	20,009	162	340	130	125	150
Apr-24	1.313	0.216	1.036	0.368	2.933	8,620	588	8,166	2,639	20,013	152	368	127	130	147
May-24	1.294	0.196	1.017	0.349	2.856	8,620	588	8,166	2,639	20,013	150	334	125	125	143
Jun-24	1.275	0.191	1.058	0.508	3.032	8,620	588	8,166	2,639	20,013	148	325	130	184	152
Jul-24	1.310	0.185	1.076	0.494	3.065	8,620	588	8,166	2,639	20,013	152	315	132	182	153
Aug-24	1.279	0.166	1.090	0.512	3.047	8,621	588	8,178	2,639	20,025	148	283	133	188	152
Sep-24	1.278	0.165	1.034	0.399	2.876	8,621	588	8,178	2,657	20,043	148	281	126	147	143

CSD: Cardiff Sanitary Division

RSF: Ranch Santa Fe Community Service District

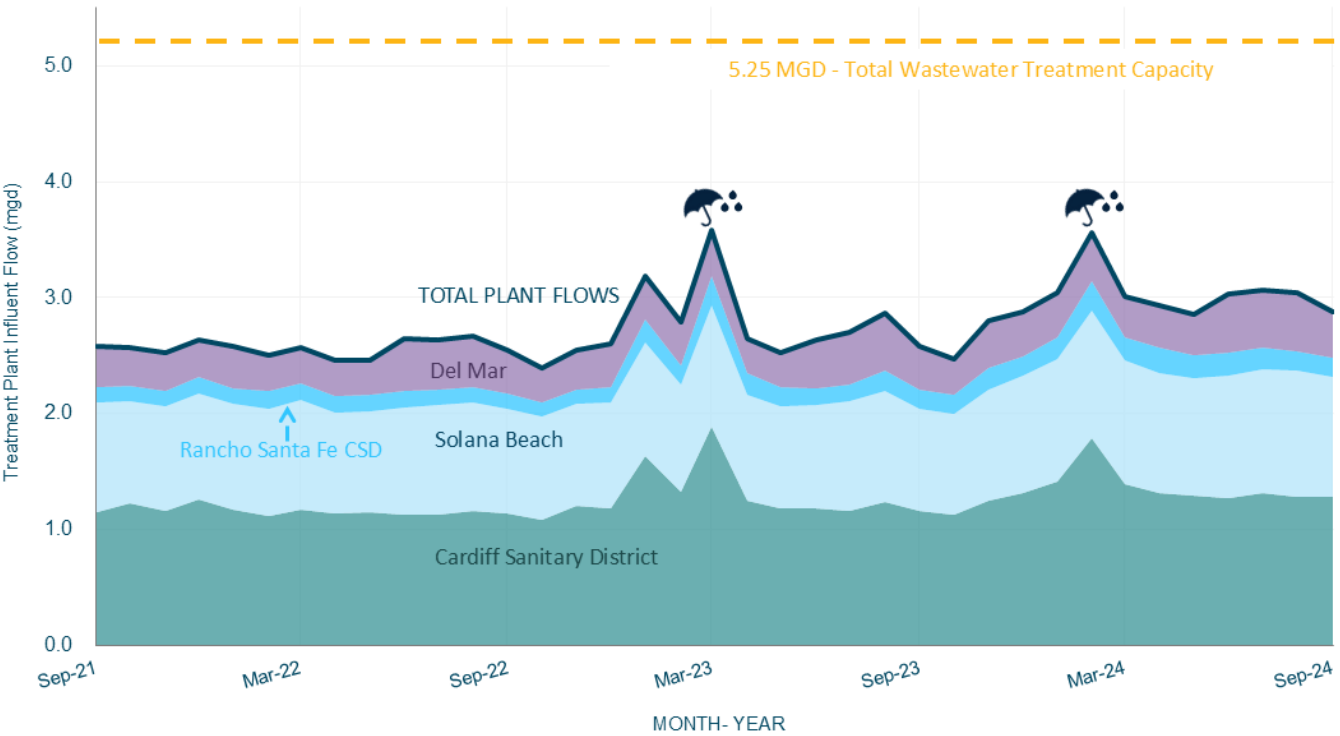
SB: Solana Beach

DM: City of Del Mar

EDU: Equivalent Dwelling Unit

Figure 4 (below) presents the 3-year historical average daily flows per month for each contributing agency. This is to provide a historical overview of the average flow treated for each agency. Also shown in Figure 4 is the total wastewater treatment capacity of the water campus, 5.25 mgd, of which the Cities of Encinitas and Solana Beach 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.

FIGURE 4: SEJPA AVERAGE DAILY FLOWS OVER THE PAST 3 YEARS



City of Escondido Flows

The average and peak flow rate for the month of September 2024 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below in Table 3.

TABLE 3 – CITY OF ESCONDIDO FLOWS

	Flow (mgd)
Escondido (Average flow rate)	8.4
Escondido (Peak flow rate)	18.0

Connected Equivalent Dwelling Units

The City of Solana Beach updated the number of connected EDUs that are reported to the SEJPA in August 2024. The number of connected EDUs for City of Del Mar was updated in September 2024. City of Encinitas and Rancho Santa Fe CSD update their connected EDUs report every month. The number of EDUs connected for each of the Member Agencies and lease agencies is reported in Table 4 below.

TABLE 4 – CONNECTED EDUs BY AGENCY

	Connected (EDU)
Cardiff Sanitary Division	8,621
Rancho Santa Fe SID	588
City of Solana Beach	7,841
San Diego (to Solana Beach)	337
City of Del Mar	2,657
Total EDUs to System	20,043

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

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AGENDA ITEM NO. 10

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

November 12, 2024

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER REPORT – SEPTEMBER 2024

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of September 2024, recycled water demand was 209.3 acre-feet (AF), which was all recycled water and no supplemental water. September demand was 16.1% higher than budget expectations of 180 AF. Demand for the first quarter of the fiscal year is 7.9% ahead of budget.

Figure 1 (attached) provides a graphical view of annual recycled water demand spanning the last 10 fiscal years, with the overlay of annual rainfall. Since the recycled water program primarily serves outdoor irrigation, annual demand is reduced during wet periods and increases during times of drought. Figure 2 (attached) shows the monthly recycled water demand for each September for the last ten years to provide a year-over-year comparison. Figure 3 (attached) compares budget versus actual recycled water sales for FY 2024-25.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

FIGURE 1: RECYCLED WATER DEMAND AND RAINFALL COMPARISON

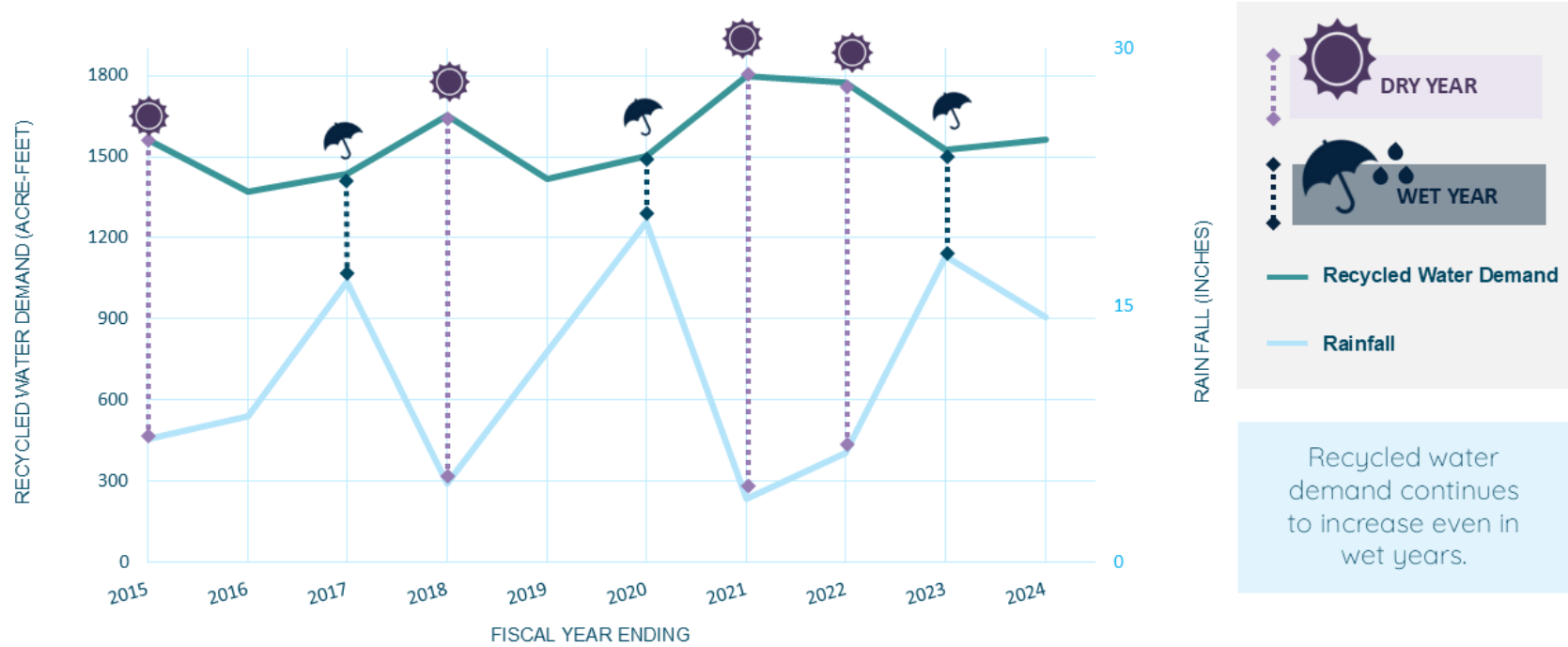


FIGURE 3: SEPTEMBER RECYCLED WATER DEMAND

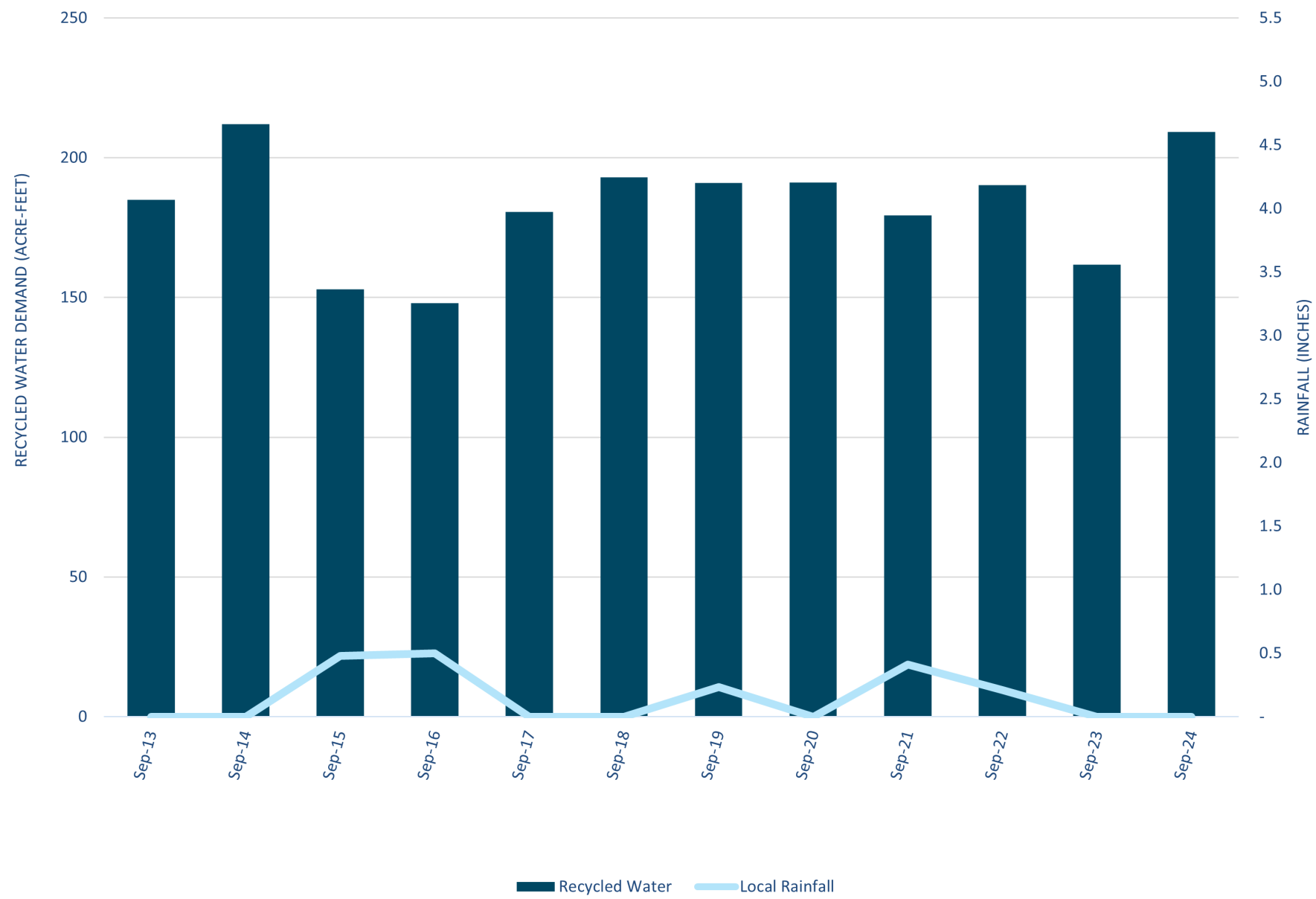
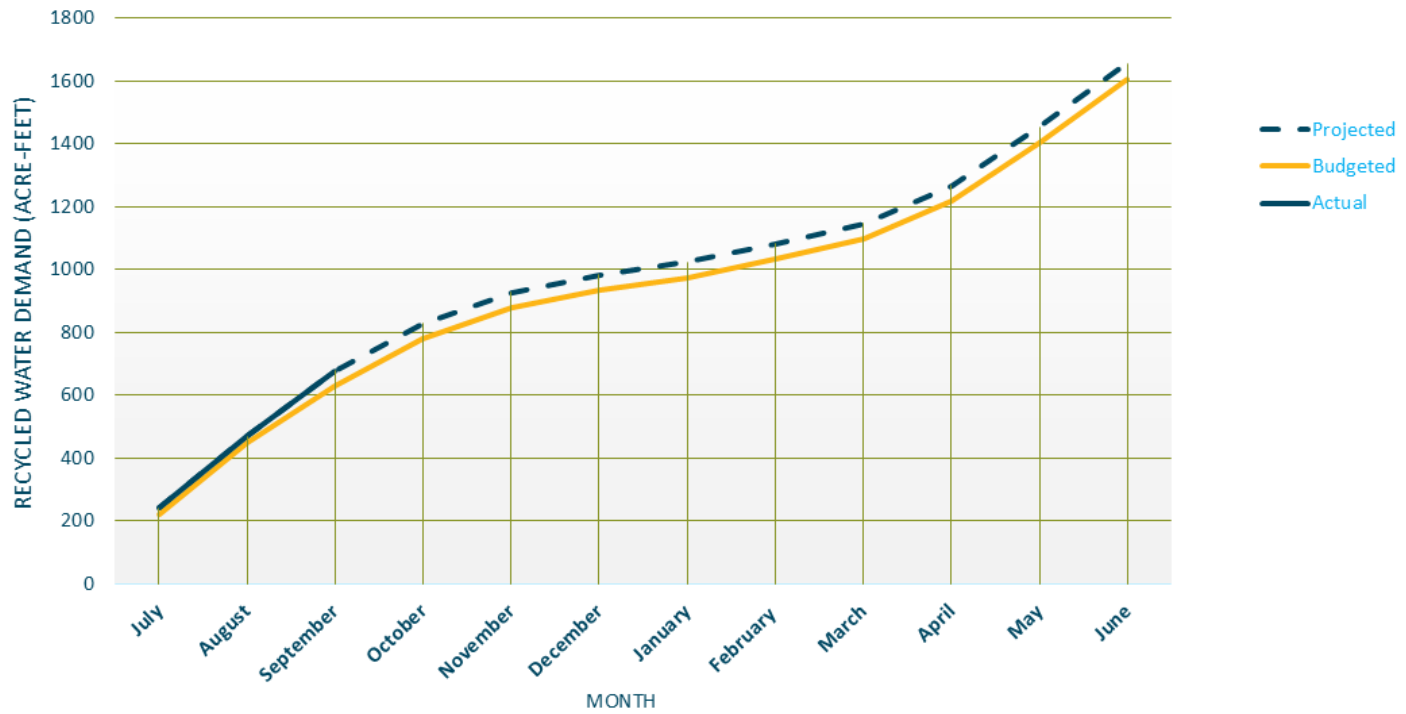


FIGURE 3: FY2023/24 CUMULATIVE DEMAND VS BUDGET



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AGENDA ITEM NO. 11

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

November 12, 2024

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: REPORTABLE MEETINGS

RECOMMENDATION

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

BACKGROUND

The General Manager or his designee may meet monthly with one or more Board Members in preparation for the Board Meeting.

DISCUSSION

The following meetings have taken place since the previous Board Meeting:

1. Meeting to review Board Meeting Agenda with Chair Hinze on October 11, 2024.

FINANCIAL IMPACT

Per the SEJPA Restatement Agreement, SEJPA offers the Board Member \$160 for each reportable meeting, which the Board Member may choose to accept or reject. These meetings are accounted for in our annual budget.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

November 12, 2024

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY UPDATED SALARY AND BENEFITS
RESOLUTION

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution 2025-02 entitled "A Resolution of the Board of Directors of the San Elijo Joint Powers Authority Adopting Salary and Benefits for Fiscal Years 2024-25 and 2025-26"; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) directly employs staff and maintains an Employee Handbook to clearly communicate its employment practices and policies. The handbook serves as a comprehensive guide that outlines SEJPA's policies, relevant state and federal employment laws, and promotes fairness and consistency in the workplace. It also reflects SEJPA's values, history, and the legal relationship between the employer and employees, while outlining workplace rights and responsibilities.

The handbook sets standards for employment practices, compensation, timekeeping, benefits, leaves of absence, employee conduct, health and safety, and other policies. Appendices cover important topics such as alcohol and drug use, administrative policies, employer-employee relations, and labor agreements, providing a central location for essential employee information.

The last update to the Employee Handbook was in July 2022 to incorporate changes in employment law and SEJPA policies. Given the evolving state and federal laws, along with updates to SEJPA's labor practices, an update is required, effective January 1, 2025. While the handbook itself does not require Board approval, Resolution 2025-02 has been prepared for Board approval to formalize the updates.

DISCUSSION

Staff, in collaboration with legal counsel from Snell & Wilmer, has reviewed the Employee Handbook and Resolution 2025-02 to ensure compliance with current employment laws. Resolution 2025-02 reflects updates from the previous Resolution 2022-06 (approved in July 2022), which was the last time the resolution and handbook were adopted. These changes are designed to improve fairness, flexibility, and legal compliance, ultimately enhancing the overall employee experience at SEJPA.

1. **Compliance with Laws:** Update language to ensure compliance with applicable local, state, and federal laws.
2. **Clarity and Ease of Interpretation:** Revise language for better clarity and easier interpretation.
3. **Juneteenth as a Holiday:** Add Juneteenth to SEJPA's holiday schedule. This provides employees the opportunity to reflect on and celebrate the end of slavery while aligning SEJPA with California's and members' holiday schedules.
4. **Change to Leave Benefits:** Shift from a days-based to an hours-based leave system. Each standard workday will equal nine (9) hours, providing greater equity for employees with different shift lengths (e.g., 8, 9, or 10 hours).
5. **Other Leave Benefits Updates:** Adjust leave policies, including changes to accrual limits for Administrative Leave and new minimums for Vacation/Administrative/Paid Sick Leave (PSL) usage. These changes offer more flexibility for employees when using earned leave.
6. **PSL Accrual Process Update:** Transition from monthly PSL accrual to a block-grant system upon hire and annually. This ensures compliance with California's minimum PSL requirements and provides greater security for employees, who may need sick leave soon after starting.

Other significant changes reflected in the Employee Handbook, which is not reflected in Resolution 2025-02, and are informational only, relate to the creation of a New Hire Probationary Period. This six-month probationary period for new hires allows SEJPA to provide feedback during training and assess whether employees are likely to succeed in their roles.

FINANCIAL IMPACT

The impact to Fiscal Year 2024-25 for the adoption of Juneteenth as a holiday is anticipated to be \$12,500. There are no other changes anticipated to have a financial impact associated with adoption of Board Resolution 2025-02.

RECOMMENDATION

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

1. Adopt Resolution 2025-02 entitled "A Resolution of the Board of Directors of the San Elijo Joint Powers Authority Adopting Salary and Benefits for Fiscal Years 2024-25 and 2025-26"; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Kevin Lang
Director of Finance and Administration

Attachment 1: Resolution 2025-02 - A Resolution of the Board of Directors of the San Elijo Joint Powers Authority Adopting Salary and Benefits for Fiscal Years 2024-25 and 2025-26

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN ELIJO JOINT POWERS AUTHORITY
ADOPTING SALARY AND BENEFITS
FOR FISCAL YEARS 2024-25, and 2025-26**

WHEREAS, San Elijo Joint Powers Authority (SEJPA), which provides direct employment of SEJPA employees, desires to meet in an informal input process with SEJPA employees (Employees) regarding the wages, benefits, and certain other terms and conditions of employment;

WHEREAS, the Board of Directors has appointed the General Manager to act as a Labor Relations committee;

WHEREAS, the General Manager and the SEJPA Board of Directors have reviewed salary and benefit data of comparable service agencies;

WHEREAS, the General Manager has met with the Employees regarding compensation and benefits;

WHEREAS, the Employees are a valuable and important part of SEJPA and have had the opportunity to meet in the informal input process with the designated SEJPA representative, the General Manager, on compensation, benefits, and other terms and conditions of employment;

WHEREAS, the SEJPA Board of Directors had approved Resolution 2022-06 for fiscal years 2022-23, 2023-24, 2024-25, and 2025-26;

WHEREAS, changes to applicable law required the SEJPA Board of Directors to amend Resolution 2022-06;

NOW THEREFORE, be it resolved by the Board of Directors of SEJPA that the salary, benefits, and other terms and conditions of employment for the Employees set forth below are hereby adopted and established as those of the SEJPA. The San Elijo Joint Powers Authority Employee Handbook may be updated as deemed necessary by the General Manager consistent with these provisions.

SECTION I GENERAL

The provisions of this resolution shall commence on January 1, 2025 and terminate on June 30, 2026, as the FY 2025-26 option year was approved by the employees with majority vote. If a new resolution is not in place by July 1, 2026, the provisions of this resolution will continue with all salary and benefit allowance frozen at the Fiscal Year 2025-26 limits. For Section II, F, the process for determining benefit limits remains the same until a new resolution is in place.

SECTION II BENEFITS**A. Vacation Leave**

Full-time employees accrue vacation leave as follows:

<u>Vacation Increment</u>	<u>Hours of Vacation Leave</u>	<u>Bi-Weekly Accrual Rate</u>	<u>Maximum Accumulation</u>
0-5 years	104	4.00 hours	208 hours
5-10 years	128	4.92 hours	256 hours
10-15 years	153	5.85 hours	306 hours
15+ years	185	7.08 hours	370 hours

Vacation leave for part-time employees is prorated based on the number of hours worked, e.g. an employee who works 30 hours per week would accrue vacation leave at a rate of 75 percent of that rate at which a regular full-time employee accrues vacation leave. Vacation accrues on an as-worked basis. Vacation does not accrue during any unpaid leave of absence.

Employees are entitled to accrue vacation leave up to a maximum amount equal to twice the employees' annual accrual rate ("Maximum Accumulation"), after which accrual ceases until the balance of maximum accrued hours falls below the Maximum Accumulation.

Exempt employees may take vacation leave only in half-hour increments over 4.5 hours per day. Non-exempt employees may take vacation in increments of 30 minutes or more.

Accrued, Unused Vacation Payout upon Separation of Employment

Upon separation of employment with the SEJPA, accrued vacation benefits that have not been used or cashed out will be paid to the employee in accordance with applicable law.

Conversion of Accrued, Unused Vacation Leave to Cash

Annually, on December 1st of each year, an employee may elect to cash-out vacation hours in excess of 72 hours, provided that the employee has used at least 72 hours of vacation time within the previous 12 months. The maximum allowable hours to be cashed-out annually is limited to an amount equal to the employee's one-year accrual rate at the time the vacation is cashed out. For example, an employee with who has worked for SEJPA for 0 to 5 years is permitted to cash out a maximum of 104 hours annually, provided the employee has used at least 72 vacation hours during the 12 months preceding December 1. The pay rate will be the employee's applicable hourly wage at the time each cash-out payment is made. Cash-out will be paid on a quarterly basis by the last payday of April, July, October, and January. If an employee's employment is terminated prior to receiving all of the employee's quarterly cash-out payments, the employee will be paid all remaining accrued, unused vacation at the time the employee receives his or her final pay. The election to cash-out vacation hours may not be revoked or modified.

B. Holidays

Full-time employees of San Elijo Joint Powers Authority (SEJPA) are eligible to receive up to 117 paid holiday hours each fiscal year (9 hours per holiday for each of the 11 fixed holidays identified below and 2 floating holidays). The process for the grant of Floating Holidays is described below.

Fixed holidays include:

- | | |
|---|--|
| 1. New Year's Day, January 1 | 6. Independence Day, July 4 |
| 2. Martin Luther King, Jr., Third Monday in January | 7. Labor Day, First Monday in September |
| 3. President's Day, Third Monday in February | 8. Veteran's Day, November 11 |
| 4. Memorial Day, Last Monday in May | 9. Thanksgiving Day, Fourth Thursday in November |
| 5. Juneteenth, June 19 | 10. Day after Thanksgiving |
| | 11. Christmas Day, December 25 |

Fixed holiday hours accrue and become available for entry on the employee's timecard on the observed holiday. Employees may use the holiday hours on or after the designated holiday at their discretion if required to work on the holiday. Floating holiday hours (18) will become available during the first pay period in July of each fiscal year. Full-time employees hired after the start of the fiscal year but prior to January 1 will receive a prorated amount of 9 hours on their first day of employment and 9 hours on January 1. Full-time employees hired after January 1 will receive a prorated amount of 9 hours on their first day of employment. Holiday hours will accrue up to a maximum of 234 hours of holiday time. Unused holiday hours will be paid out upon termination of employment.

Holiday hours and Floating Holidays for part-time employees are prorated based on the number of scheduled hours to be worked, as outlined in their offer letter. For example, an employee scheduled to work 30 hours per week would accrue holiday hours at a rate of 75 percent of that rate at which a regular full-time employee accrues holiday hours.

C. Paid Sick Leave

Eligible Employees

All employees (including part-time and temporary) who work for SEJPA are eligible to accrue Paid Sick Leave ("PSL") beginning on the first day of employment under the accrual rate and cap set forth in this policy.

Permitted Use

Eligible employees may use their accrued PSL to take paid time off for the diagnosis, care, or treatment of an existing health condition of (or preventive care for) the employee or the employee's family member.

For purposes of this policy, "family member" means a child, parent, spouse, registered domestic partner, grandparent, grandchild, sibling of the employee or a designated person. "Child" means a biological child, a foster child, an adopted child, a step-child, a child of a registered domestic

RESOLUTION NO. 2025-02

partner, a legal ward, or a child of a person standing in loco parentis. “Parent” means a biological, foster, or adoptive parent, a step-parent, or a legal guardian of the employee or the employee’s spouse or registered domestic partner. “Spouse” means a legal spouse, as defined by California law. Designated person means a person identified by the employee at the time the employee requests paid sick days. Only one individual may be a “designated person” per 12-month period.

Employees may also use their PSL to take time off from work for reasons related to a qualifying act of violence.

Accrual Rate, Maximum, and Carryover

Upon commencement of employment, and annually in the first pay period of January each subsequent year, all full-time and part-time employees will be granted a “block grant” of 48 hours of Sick Leave. This block grant will satisfy California sick leave requirements for both full- and part-time employees. Sick leave will also accrue monthly. Eligible full-time employees will accrue PSL at a rate of four hours per month accumulated on a bi-weekly basis. Part-time employees will accrue at the same rate, but on a prorated basis. Accrual for non-exempt, part-time employees will be calculated based on actual hours worked. PSL accrues on an as- worked basis and does not accrue during an unpaid leave of absence.

There is a cap on PSL accrual. PSL accrues up to a maximum of 1,000 hours after which accrual ceases until the balance of maximum accrued hours falls below the cap. In such a case, no PSL will be earned for the period in which the employee’s PSL was at the maximum. Accrued but unused PSL will carry over from year to year, subject to this maximum accrual.

Limits on Use and Cashing Out

If an employee absents himself or herself from work for part or all of a workday for a reason covered by this policy, he or she will be required to use accrued PSL to make up for the absence based on the total hours of the absent shift. If while on vacation, an employee becomes ill, he/she may have the period of illness charged to his/her accumulated sick leave instead of vacation. Exempt employees may take sick leave in increments of 2 hours. Non-exempt employees may take sick leave in increments of 30 minutes or more.

Employees who have accumulated more than 176 hours of sick leave may elect to be paid for any sick leave in excess of 176 hours provided an election is made prior to December 15th each year for payment in the following year. The pay rate will be 50 percent of the employee’s hourly wage at the time of the cash-out.

Notification

The employee must provide reasonable advance notification, orally or in writing, of the need to use PSL, if foreseeable. If the need to use PSL is not foreseeable, the employee must provide notice as soon as practicable.

Termination

Employees who are not terminated for cause and have given SEJPA 14 calendar days (beginning on the date the notice is received by SEJPA) written notice shall be paid for 50 percent of their accumulated sick leave. Sick leave pay will be calculated based on the employee's regular rate of pay at the time of the cash-out.

All other employees who do not meet the conditions above will not receive pay in lieu of accrued but unused PSL. Accrued but unused PSL will not be paid out upon termination for cause or where the employee has failed to provide 14 days' notice of termination.

Employees returning to SEJPA within 12 months of separation of employment will have their forfeited sick leave reinstated to their prior balance and may use accrued sick leave upon the first day of work. Employees returning to SEJPA more than 12 months after separation of employment will be treated as a new employee for purposes of sick leave.

Retaliation

SEJPA prohibits discrimination or retaliation against employees for using their PSL.

D. Bereavement Leave

Employees may receive 3 days off with pay and two days off without pay for bereavement of an individual who is a member of the employee's immediate family. Immediate family member is defined as:

Spouse	Mother/Father-in-Law
Child/Adopted Child*	Daughter/Son-in-Law
Stepchild	Grandparent
Sibling	Niece/Nephew
Parent**	Sister/Brother-in-Law
Stepparent	Registered Domestic Partner
Grandchild	Child of Registered Domestic Partner
Aunt/Uncle	Persons who have raised the employee

*"Child" means a biological, adopted, or foster child, a stepchild, a legal ward, a child of a domestic partner, or a person to whom the employee stands in loco parentis.

**"Parent" means a biological, foster, or adoptive parent, a parent-in-law, a stepparent, a legal guardian, or other person who stood in loco parentis to the employee when the employee was a child.

Employees may receive one paid full day off to attend the funeral of a relative who is not a member of the employee's immediate family. SEJPA may request documentation (i.e. a copy of the death certificate) to certify the need for such leave.

Upon request, employees must provide documentation of the death of the family member within 30 days of the first day of the leave. "Documentation" may include, but is not limited to, a death

certificate, a published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or governmental agency.

E. Administrative Leave

Exempt employees are exempt from overtime provisions of the Fair Labor Standards Act. In lieu of compensating overtime, these employees shall be entitled to take up to 45 hours of administrative leave annually, awarded as a block grant on July 1st each fiscal year. This leave must be taken in increments of not less than four and one half (4.5) hours. This leave may be accrued up to a maximum of 90 hours. Unused administrative leave will be paid out upon termination of employment in accordance with applicable law.

F. Health, Dental Insurance, and Vision Care Plan

Employees and their dependents are provided a group dental and vision care plan; the employer's contribution for premiums for vision and dental plans shall be an amount each year that is 95% of the average of the plans being offered, at the appropriate tier (single, double and family). Eligibility for dental and vision insurance will begin the first of the month following employment. If there is a conflict between this Agreement and the applicable plan document, the plan document shall apply.

Employees and their dependents are provided with group health insurance coverage under the CalPERS PEMCHA program. Effective July 1, 2019, the employer's contribution for each employee shall be an amount each year that is 95% of the average of all health plans CalPERS makes available to SEJPA, excluding the CalPERS Care Plan, at the appropriate tier (single, double and family). The employee shall pay for any premium cost for coverage that exceeds SEJPA contribution. Eligibility for health coverage will begin the first of the month following employment.

Employees who meet the applicable eligibility requirements established by SEJPA, in accordance with applicable law, shall be provided health, dental and vision insurance for themselves and their dependents, upon request. Flexible contributions allocated to part-time employees are prorated based on the number of hours worked, i.e. an employee who works 30 hours per week would receive 75 percent of the maximum annual contribution.

In lieu of health insurance coverage, eligible employees may elect to receive compensation of 25 percent of the single employee benefit in addition to their regular pay. Employees must show current proof of health insurance coverage under another plan outside of SEJPA and may be required to periodically show proof upon request. Requests for compensation in lieu of health insurance coverage should be in writing and are subject to review and approval of the General Manager.

Employees hired before July 1, 2008, shall receive a minimum annual contribution of \$8,870 with maximum cash out of \$6,530.

G. Health Care Reimbursement

Employees shall be able to designate dollars for eligible medical, dental, and vision reimbursement. Employees may supplement Plan contributions with tax-exempt dollars through voluntary payroll deduction. Each employee shall assume responsibility for any income tax obligations resulting from participation in the health care reimbursement program.

H. Dependent Care Reimbursement

Employees shall be able to designate dollars for eligible dependent care reimbursement. Employees may supplement Plan contributions with tax-exempt dollars through voluntary payroll deduction. Each employee shall assume responsibility for any income tax obligations resulting from participation in the dependent care reimbursement program.

I. Life and Disability Insurance

SEJPA provides for its employees' life insurance equal to the employee's annual salary. Each employee shall assume responsibility for any income tax obligations resulting from the payment of insurance premiums.

SEJPA provides for its employees' short-term and long-term disability insurances. Each employee shall assume responsibility for any income tax obligations resulting from the payment of insurance premiums and disability compensation received from the disability insurance provider.

J. Retirement

For all employees hired prior to July 1, 2012, SEJPA shall participate in the California Public Employees' Retirement System (CalPERS) program, with a benefit formula of 2.5% at 55 Full Formula. Retirement benefits for members eligible under this program will be calculated using a One-Year Final Compensation base for employees participating in this program, effective July 1, 2008. Effective the first pay date of each fiscal year, employees under this program are required to pay the full employee portion as defined or set forth by CalPERS, which as of July 1, 2024, is 8.00%.

For all employees hired after June 30, 2012, but before January 1, 2013, including previously enrolled CalPERS Classic Employees, with less than a six month break in service, SEJPA shall participate in the California Public Employees' Retirement System (CalPERS) program, with a benefit formula of 2.0% at 60 Full Formula. Retirement benefits for members eligible under this program will be calculated using a Three Year Average Final Compensation base for employees participating in this program. Effective the first pay date of each fiscal year, employees under this program are required to pay the full employee portion as defined or set forth by CalPERS, which as of July 1, 2024, is 7.00%.

For all employees hired after January 1, 2013, including previous CalPERS Classic Employees with a break in service of more than six months, SEJPA shall participate in the California Public Employees' Retirement System (CalPERS) program, with a benefit formula of 2.0% at 62 Full Formula, subject to the California Public Employees' Pension Reform Act of 2013 ("PEPRA").

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Retirement benefits for members eligible under this program will be calculated using a Three Year Average Final Compensation base.

Employees under this program are required to pay the full employee portion as defined or set forth by CalPERS, which as of July 1, 2024, is 7.75%.

K. Deferred Compensation Plan

Where the employee voluntarily participates in the SEJPA's deferred compensation plan, SEJPA shall contribute an equal amount on a matching basis up to four percent (4%) of the employee's annual base salary.

L. Uniforms and Safety Equipment

SEJPA shall provide all laboratory, operations and maintenance employees (and any other employee classification as deemed appropriate) with necessary personal protective equipment as required for their duties, including but not limited to uniforms. SEJPA shall provide employees, upon date of hire and yearly thereafter, up to a maximum amount of \$225.00 to purchase safety shoes/boots required of their position. If an employee damages their boots performing work duties, the General Manager has authority to approve reimbursement of replacement boots.

SEJPA shall provide employees up to \$335.00 each fiscal year for the purchase of SEJPA-approved prescription safety glasses.

In certain circumstances, the General Manager also has authority to approve a uniform and safety equipment allowance beyond the maximum amount.

M. Tuition Reimbursement

SEJPA will reimburse employees for certain educational expenses incurred by employees in connection with the employee's successful completion of educational courses approved in advance by SEJPA under the terms set forth in the Employee Handbook. Employees may be reimbursed up to \$625.00 for any one course, and up to a maximum of \$2,300.00 per employee per fiscal year.

N. Health and Wellness Reimbursement

Starting in FY 2022-23 and continuing through the term of this Resolution, each employee is eligible for a reimbursement of up to \$120 per year for purchases related to health and wellness.

O. Work from Home

Eligible employees with approval of their respective director may be allowed up to two (2) days per week to work from home. Employees approved to work from home are required to be available for calls and meetings during scheduled work shift.

P. Electric Vehicle Charging

Electric vehicle charging shall be offered to employees without a fee at designated charging stations.

SECTION III COMPENSATION

A. Employee Compensation

Employees, except the General Manager, shall receive compensation in accordance with the adjusted ranges in the Classification and Compensation Schedule.

B. Salary Adjustments

Effective the first pay date in July 2025, the Classification and Compensation Schedule for all personnel classifications shall be increased as follows:

Year	Cost of Living Adjustment (COLA)*
July 1, 2025	3.0%

* Salary schedule adjustment shall apply to all SEJPA labor classifications except for the General Manager position.

Employees shall be provided a performance review, typically on an annual basis. Employees that are not at the top of their classification salary range shall receive consideration of a merit pay increase. At the discretion of the General Manager, in addition to or in lieu of the merit increase, an employee may receive an incentive award, which is based on an employee's outstanding performance, as evaluated against the achievements of their annual goals. Incentive payouts are one-time payments. No employee shall be awarded incentive compensation in an amount greater than five percent of that employee's base salary.

The Classification and Compensation Schedule for Fiscal Year 2024-25 is shown in Exhibit A.

SEJPA and its employees acknowledge and agree that during the term of this agreement SEJPA may implement decisions within its discretion related to implementation of its on-going assessment of the competitiveness of SEJPA. This means that job positions, classifications, and their respective job descriptions may be revised, added, or deleted; work and shift hours may be revised; new or revised automation; and new or revised procedures may be implemented. SEJPA invites employees to provide input on these decisions if they result in a modification of any express provision of SEJPA's policies and procedures.

C. Working Out of Position Specification

Occasionally, an employee is required by the General Manager to assume an "acting" position that is outside his/her job specification. This policy is intended to provide the employee with additional compensation based upon the newly assumed duties.

An employee designated as “acting” by the General Manager, will assume the acting title and associated base salary for the position that he/she is assuming. This title and compensation will continue throughout the duration of the acting period. The General Manager can designate a rate of pay within the range of the assumed position. Under no circumstance will the employee’s increased salary exceed the top of the assumed position range.

The needs of SEJPA will prevail in determining the length of time for which the employee assumes the acting position. This provision does not apply to the General Manager.

D. Shift Differential

SEJPA shall pay non-exempt operations and maintenance employees a shift differential of \$1.50 per hour in addition to their base rate of pay for hours assigned to a work shift other than the day shift.

E. Standby Duty

Non-exempt operations and maintenance employees are required to be on standby to respond to emergency situations as assigned by SEPJA. Standby duty is typically assigned for a two-week period. Employees on standby work their regularly assigned shifts and remain on call in case of emergencies during non-working time, including weekends, for the remainder of the time during the two-week period. Non-exempt operations and maintenance employees on standby are compensated at two (2.00) hours at their regular hourly rate of pay per day.

F. Call-Back

1. Employees Not on Standby

SEJPA shall compensate, at the rate of one and one-half their regular rate of pay, non-exempt employees who are unexpectedly ordered to report back to duty to perform necessary work following completion of the non-exempt employee’s workweek or work-shift and their departure from the site. Non-exempt employees called back under this condition shall receive a minimum of two hours compensation. Call-backs on holidays, weekdays or weekends after midnight and before the start of the non-exempt employee’s regular shift are compensated at a rate of two times the non-exempt employee’s regular hourly rate.

2. Employees on Standby

SEJPA shall compensate, at the rate of one and one-half their regular rate of pay, non-exempt employees on standby who are ordered to report to duty to perform necessary work following completion of the non-exempt employee’s scheduled workweek or work-shift and their departure from the site. Non-exempt employees on standby called back under this condition shall receive a minimum of two hours compensation. In the event there are multiple call-backs during the same workday, non-exempt employees shall be paid for the time actually worked or two hours, whichever is greater. Call-backs on holidays, weekdays or weekends after midnight and before the start of the non-exempt employee’s regular shift are compensated at a rate of two times the non-exempt employee’s regular hourly rate.

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Employees on standby have up to 45 minutes to respond to calls and may respond remotely to the extent feasible.

Following are examples of calculation of call-back pay for employees on standby:

- Example 1: Employee working a 9/80 schedule works their regular 9-hour shift. After leaving work but before midnight, the employee receives a call at home for system alarms.
 - Employee shall be compensated at a rate of one and one-half the employee's regular rate of pay for time worked, including travel time if required to return to the works site, or two hours, whichever is greater.
- Example 2: Employee working a 9/80 schedule works their regular 9-hour shift. After midnight the following day but before the start of their next regular shift, the employee receives a call at home for system alarms.
 - Employee shall be compensated at a rate of double the employee's regular rate of pay for time worked, including travel time if required to return to the works site, or two hours, whichever is greater.
- Example 3: Employee working a 9/80 schedule works their regular 9-hour shift. After leaving work but before midnight, the employee receives calls at home for system alarms. The employee receives a second call after midnight but before the start of their next scheduled shift.
 - Employee shall be compensated at a rate of one and one-half the employee's regular rate of pay for time worked, including travel time if required to return to the works site, or two hours, whichever is greater for the first call before midnight and double time for time worked, including travel time if required to return to the works site, for the second call after midnight.

G. Meal Allowance

SEJPA shall reimburse non-exempt employees a maximum of \$12.00 per meal for food and non-alcoholic beverages when the non-exempt employee is ordered to work for at least two hours overtime beyond the standard work shift.

H. Incentive Program

The Employee Recognition Program is designed to provide an opportunity for SEJPA to recognize dedicated and loyal employees who contribute to its success.

1. Professional and Technical Achievement

Recognizes employees for their individual accomplishments in the area of work-related professional development such as education or technical certification or recognition by a

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work-related professional organization, payable within 45 days of receiving certification or education and providing proof of completion of the qualifying certification or education.

Industry Awards and Professional Certifications - \$500.00

Associate's degree - \$1,000.00, Bachelor's Degree - \$1,500.00, Master's Degree - \$2,000.00

2. Organizational Performance Achievements

Recognizes employees for SEJPA accomplishments related to environmental performance, safety and industry recognition.

Environmental Performance

- Region 9 Regional Water Quality Control Board Performance
 - No more than 5 violations of NPDES requirements - \$250.00
 - 100% compliance with NPDES requirements - \$1,000.00
 - 100% compliance with NPDES requirements for 5 consecutive years - \$2,000.00
- Environmental Performance at Pump Stations
 - No reportable spills from pump stations - \$250.00
- Period of Performance
 - The period of performance will be January 1 to December 31, of each year, payable in January of the following year.

Safety Program - Provides incentive funding to all employees up to \$1,000.00 per employee per year that successfully perform safety inspections, safety presentations, develop corrective actions, demonstrate understanding of SEJPA's illness and Injury Prevention Plan, and safety online training as prescribed in the SEJPA Safety Program.

Industry Awards - Industry organizations may include, but not limited to, American Society of Civil Engineers (ASCE), California Water Environment Association (CWEA), WaterReuse, California Association of Sanitary Agencies (CASA), California Sanitary Risk Management Authority (CSRMA), and Water Environment Federation (WEF), payable within 60 days of receiving award and providing proof of receipt of award.

- Local Award – 1st place - \$150.00
- State Award - Honorable Mention, Second, or Third Place - \$200.00, First Place - \$300.00

All organizational awards apply to each, and every employee employed on the date of award. Full-time employees hired during the award year will receive a prorated award bonus provided they remain an employee on the date of the award. For example, an employee employed for only six (6) months of the award year will receive 50% of the applicable award bonus. Provided they remain an employee on the date of the award, part-time employees will receive a prorated award bonus based on the number of hours worked during the preceding 12 months, e.g. an employee who works 30 hours per week would be paid 75 percent of the designated amount paid to a regular full-time employee. Any single project or program may qualify for up to three industry awards in any

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one fiscal year period. For example, a capital project may achieve award recognition by four different organizations; however, the total award bonus will be limited to three.

Terms and Conditions of Employment

All other terms and conditions of employment are specified in the SEJPA's Employee Handbook.

Competitiveness Assessment Decision

The SEJPA will perform a Classification and Compensation Study and present recommendations to the SEJPA Board of Directors prior to the end of this contract.

RESOLUTION NO. 2025-02

PASSED AND AMENDED this 12th day of November 2024, by the following vote:

AYES: Board Members:
NOES: Board Members:
ABSENT: Board Members:
ABSTAIN: Board Members:

Kellie Hinze, Chairperson
SEJPA Board of Directors

ATTEST:

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

CLASSIFICATION AND SALARY SCHEDULE

SAN ELIJO JOINT POWERS AUTHORITY
FY 2024-25 CLASSIFICATION AND SALARY SCHEDULE
As of July 1, 2024

Position	Base Salary*			
	Monthly		Annual	
	Minimum	Maximum	Minimum	Maximum
Accounting Series				
Accounting Technician I	\$4,035	\$5,764	\$48,417	\$69,168
Accounting Technician II	4,670	6,671	56,039	80,056
Accounting Technician III	5,675	8,107	68,103	97,290
Accounting Supervisor	7,642	10,917	91,700	131,000
Administrative Series				
Administrative Assistant I	3,033	4,333	36,396	51,994
Administrative Assistant II	4,127	5,895	49,520	70,742
Administrative Assistant III	4,694	6,705	56,324	80,463
Administrative Coordinator	6,429	9,184	77,148	110,212
 Director of Operations	 12,773	 18,247	 153,272	 218,960
Director of Finance/Administration	12,773	18,247	153,272	218,960
Director of Infrastructure and Sustainability	12,773	18,247	153,272	218,960
Financial / Management / HR Analyst Series				
Analyst-In-Training	3,781	6,410	45,370	76,914
Analyst I	5,338	7,625	64,053	91,504
Analyst II	5,867	8,382	70,407	100,582
Analyst III	6,661	9,516	79,938	114,197
General Manager (Board Approved Contract)	22,917	22,917	275,000	275,000
Laboratory Series				
Laboratory Assistant	2,990	4,303	35,880	51,632
Laboratory Analyst I	4,932	7,046	59,183	84,548
Laboratory Analyst II	5,901	8,431	70,817	101,167
Senior Laboratory Analyst	8,523	12,175	102,271	146,102
Laboratory Manager	9,310	13,299	111,715	159,593
Mechanic Series				
Mechanic-In-Training	3,781	6,410	45,370	76,914
Mechanic I	5,091	7,273	61,097	87,281
Mechanic II	5,887	8,409	70,639	100,912
Lead Mechanic	6,845	9,779	82,144	117,349
Mechanical Systems Supervisor	7,992	11,417	95,900	137,000
Mechanical Systems Manager	9,310	13,299	111,715	159,593
Project Management Series				
Project Manager	8,567	12,239	102,809	146,870
Senior Project Manager	10,523	15,033	126,280	180,400
Recycled Water Distribution Series				
Recycled Water Specialist	6,429	9,184	77,148	110,212
Recycled Water Supervisor	7,023	10,032	84,273	120,389
Systems Integration Series				
Systems Integration Technician-In-Training	3,781	6,410	45,370	76,914
Systems Integration Technician I	5,180	7,400	62,162	88,802
Systems Integration Technician II	6,240	8,915	74,885	106,978
SCADA Manager	10,523	15,033	126,280	180,400
Wastewater Treatment Operator Series				
Operator-In-Training	3,781	6,410	45,370	76,914
Operator I	5,086	7,266	61,037	87,196
Operator II	6,121	8,744	73,452	104,931
Lead Operator	7,023	10,032	84,273	120,389
Chief Plant Operator	9,310	13,299	111,715	159,593
Intern (All Departments)	3,010	4,300	36,119	51,599

* Base salary minimum and maximum are based on full-time employment. Intern positions are generally part-time.

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

November 12, 2024

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: BIOLOGICAL TREATMENT CAPITAL PROJECT UPDATE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate, including the option to postpone the Biological Treatment Improvement Project to allow for the completion of the 2025 Facility Plan.

BACKGROUND

SEJPA's current Capital Plan includes six priority projects and several miscellaneous near-term projects, with a combined initial budget of \$32.8 million. Of the six priority projects, four are under construction. The fifth project, the Stormwater Capture and Reuse Project, is open for public bidding and is adequately funded. However, rising construction costs have created a funding shortfall affecting the remaining projects, including most significantly, the Biological Treatment Improvement Project. The identified funding shortfall is estimated at \$7 million, with approximately \$4.5 million required specifically for the Biological Treatment Improvement project.

SEJPA is currently preparing its 2025 Facility Plan (the "Plan"), which will evaluate infrastructure conditions, operational reliability, and new regulatory requirements to define capital needs and prioritization for the San Elijo Water Campus and other wastewater/recycled water remote facilities over the 2026-2035 period. The Plan will be SEJPA's guiding document that will help prioritize projects for future funding discussions with both member agencies and be included in future recycled water cost of service studies.

During the October 2024 Board meeting, SEJPA staff conducted a Capital Program Workshop to review the purpose and objectives of both the Stormwater Capture and Reuse Project and the Biological Treatment Improvement Project. The workshop also provided an overview of identified near-term projects to clarify the importance of these projects and update the estimated funding required to complete them. Following the workshop, the Board directed staff to confer with member agencies on funding options for the Biological Treatment project. Ensuing discussions served to gather information on member agencies' capital capacity as inputs into the beginning

stages of The Plan and for SEJPA to provide early estimates and project descriptions to member agencies for their planning purposes.

DISCUSSION

The November 2024 Biological Treatment Capital Project Update is intended to provide the Board an opportunity to review and discuss staff's findings on potential funding strategies and to make a decision with respect to the timing of the Biological Treatment project in advance of the forthcoming the Plan.

Staff met with staff from both member agencies to discuss options for closing the funding shortfall driven primarily by the Biological Treatment Project. For simplicity, the decision tree was refined to (Option 1) proceed immediately with construction of the Biological Treatment project (concurrent with the implementation of remaining miscellaneous projects) and secure an estimated \$7 million to close identified funding gap or (Option 2) postpone the construction of the Biological Treatment project until after the completion of the Plan and continue development of miscellaneous near-term projects. Option 1 prioritizes capturing grant funding and leveraging project momentum, while placing less emphasis on near-term funding impacts to member agencies. Option 2 prioritizes completing the Plan, understanding the prioritization and cost of identified projects from the Plan, and collaboratively working with member agencies to align the capital needs of SEJPA with member agencies' funding capacity.

Initial findings from these meetings were as follows:

Option 1 – Fund and Construct Biological Treatment Project Immediately

Option 1 requires the funding of approximately \$7 million via cash from member agency sewer reserves or the securing of bond or private placement debt.

Benefits:

- Maintains Biological Treatment project eligibility for Title XVI grant (est. \$2.6 - \$3.0 million)
- Continues project momentum and leverages costs previously incurred towards design
- Allows SEJPA to benefit from facility improvements at earliest possible timing

Drawbacks:

- Member agencies have expressed that cash requirements at this level would put pressure on the wastewater funding programs over and above previously communicated needs
- Likely require debt issuance of approximately \$7 million to proceed
- Put prioritization of Biological Treatment project ahead of the completion of the Plan, which may identify other critical infrastructure needs
- Borrowing debt now for the Biological Treatment project in advance of the Plan completion will likely require a secondary loan upon completion of the Facility Plan – member agencies expressed reservations about multiple rounds of capital project financing in short succession

Staff Disposition: Neither SEJPA staff nor member agency staff recommend Option 1.

Option 2 – Postpone the Biological Treatment Improvement Project

This option postpones the Biological Treatment project until after the completion of the Plan.

Benefits:

- Allows time for the completion of the Plan which will serve as the guiding document for the prioritization of SEJPA's future capital needs, such that decisions are not made in advance of the Plan results
- Does not require funding of \$7.0 million from member agencies via cash or debt
- Allows for a more comprehensive capital financial plan development to align with member agencies' rate studies, capital requirements, and potential debt funding
- Preserves SEJPA and member agency debt capacity until a single post-Plan debt request is identified to fund prioritized projects. This may provide a better debt market response over multiple debt requirements within the span of several years.
- Allows SEJPA staff time to complete in-progress projects and complete other miscellaneous projects through pay-go cash contributions prior to and until the Plan is completed.

Drawbacks:

- Likely requires SEJPA to relinquish federal grant funding assigned to the Biological Treatment Improvement project due to impending deadline for construction completion
- Momentum and incurred project costs on the project will be deferred, but not entirely lost as the project is expected to remain a high priority for SEJPA through the Plan recommendations and future initiatives to pursue Potable Reuse.

Staff Disposition: Option 2 is the recommendation of both SEJPA and member agency staff.

Capital project priorities and their associated financial impacts identified in the Plan are expected to require funding beyond current capital cost assessment projections from member agencies. Deferring the Biological Treatment Improvement Project until the Plan is complete would enable a strategic approach to evaluate and incorporate SEJPA's capital needs into member agencies' future rate planning. Additionally, deferring the Biological Treatment Improvement Project would allow SEJPA to focus on immediate priorities and funding, incorporate findings from the 2025 Facility Plan, and coordinate with member agencies for a unified long-term financial strategy.

FISCAL IMPACT

Pursuing the construction of the Biological Treatment Project in 2025 (Option 1) will require an immediate cash contribution, either from member agencies' reserves or from debt issuance. The estimated funding shortfall is \$7 million.

Postponing the Biological Treatment Improvement Project until after the completion of the Plan will have no immediate additional fiscal impact to SEJPA. Further funding recommendations will be presented as part of the capital planning process following the Plan.

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate, including the option to postpone the Biological Treatment Improvement Project to allow for the completion of the 2025 Facility Plan.

Respectfully submitted,

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

Michael Thornton, P.E.
General Manger