

AGENDA
REGULAR BOARD MEETING OF THE
SAN ELIJO JOINT POWERS AUTHORITY
JUNE 17, 2025 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. NEW HIRES, AWARDS AND RECOGNITION

Recognition of Recent Achievement –

Miguel Becerra – Associate of Science (AS) degree major in Air Conditioning, Heating, and Refrigeration (ACR)

6. * **CONSENT CALENDAR**
7. * [APPROVAL OF MINUTES FOR MAY 20, 2025 MEETING](#)
8. * [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS – MAY 2025](#)
9. * [WASTEWATER TREATMENT REPORT – APRIL 2025](#)
10. * [RECYCLED WATER REPORT – APRIL 2025](#)
11. * [REPORTABLE MEETINGS](#)
12. * [SAN ELIJO JOINT POWERS AUTHORITY CONTRACT FOR PROCUREMENT OF UNIFORM SERVICES AND SAFETY RELATED SUPPLIES FOR FISCAL YEARS 2025-26 THROUGH 2027-28](#)
13. * [EXTENSION OF INFORMATION TECHNOLOGY \(IT\) SERVICES AGREEMENT WITH THE CITY OF ENCINITAS](#)

14. * [RESTRUCTURING THE SALE OF RECLAIMED WATER TO THE CITY OF DEL MAR
AND 22ND DISTRICT AGRICULTURAL ASSOCIATION](#)

15. * 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

16. [ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2025-26
BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF TREASURER](#)

1. Adopt Resolution No. 2025-03, Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2025-26; Discuss and take action as appropriate.
2. Adopt Resolution No. 2025-04, Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Kevin Lang as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

Staff Reference: Director of Finance and Administration

17. [CAPITAL PROGRAM UPDATE](#)

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

Staff Reference: Director of Infrastructure and Sustainability

18. [WANKET RESERVOIR ASSIGNMENT AND ASSUMPTION AGREEMENT](#)

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

Staff Reference: General Manager

19. NOTICE OF EMERGENCY SITUATION AND AWARD OF CONSTRUCTION CONTRACT FOR REPAIRS TO RECYCLED WATER PIPELINE ON THE SAN ELIJO WATER CAMPUS (SUBJECT TO TWO-THIRDS VOTE OF THE SAN ELIJO JOINT POWERS AUTHORITY BOARD) *

1. Review and Confirm this Emergency Condition pursuant to San Elijo Joint Power Authority's Resolution 2022-05 "Purchasing Policies and Procedures" and Public Contract Code 22050, and ratify the General Manager's execution of an emergency repair agreement with Burtech Pipeline for repairs to buried recycled water pipeline at the San Elijo Water Campus; and
2. Discuss and take action as appropriate.

20. GENERAL MANAGER'S REPORT

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

21. GENERAL COUNSEL'S REPORT

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

22. 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.

23. 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".

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957 (b)(1), Title: General Manager

24. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE GENERAL MANAGER MERIT BONUS

The General Manager's employment agreement allows for consideration and award of a merit bonus payable in June of each year. Staff recommendation is to discuss and take action as appropriate.

Staff Reference: General Manager

25. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Tuesday, August 19, 2025 at 8:30 a.m. A reminder that the San Elijo Joint Powers Authority Board will not be meeting in July 2025.

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 2025 SEJPA Board meetings schedule, adopted following the January 2025 SEJPA Board Meeting, 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, Encinitas, California
- City of Encinitas, 505 South Vulcan Avenue, Encinitas, California
- City of Solana Beach, 635 South Highway 101, Solana Beach, California

The original agenda was published on Thursday, June 12, 2025, at least 72 hours prior to the meeting, in accordance with Government Code Section 54954.2(a). This revised agenda is being submitted following the SEJPA Board Meeting on June 17, 2025 to reflect the inclusion of Agenda Item Number 19* (as approved by a two-thirds vote of the San Elijo Joint Powers Authority Board) in accordance with Section 54954.2(b) emergency provisions of the Brown Act.

Date: June 17, 2025

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

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

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON MAY 20, 2025
AT THE SAN ELIJO WATER CAMPUS

Kristi Becker, Chair

Luke Shaffer, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Tuesday, May 20, 2025, at 8:30 a.m., at the San Elijo Water Campus.

1. CALL TO ORDER

Board Chair Becker called the meeting to order at 8:30 a.m.

2. ROLL CALL

Directors Present:

Board Chair

Kristi Becker

Vice Chair

Luke Shaffer (arrived 8:31 a.m.)

Board Member

David Zito

Board Member

Jim O'Hara

Others Present:

General Manager

Michael Thornton

Director of Operations

Christopher Trees

Director of Infrastructure and Sustainability

Thomas Falk

Director of Finance and Administration

Kevin Lang

Senior Project Manager

Michael Konicke

Accounting Technician I

Maria Cruz

Financial Analyst

Erica Zito

SEJPA Counsel:

Snell and Wilmer

Adriana Ochoa

City of Encinitas:

Senior Engineer

Daniel Nutter

City of Solana Beach:

City Manager

Alyssa Muto

City Engineer

Dan Goldberg

Santa Fe Irrigation District:

Director, Division #2

Dana Frieauf

Director, Division #1

Kenneth Westphal

Director of Administrative Services

Seth Gates

3. PLEDGE OF ALLEGIANCE

Board Chair Becker led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

Public comment was made by Kenneth Westphal, Division #1 Director of the Santa Fe Irrigation District regarding proposed increases to SEJPA's recycled water rates following the Recycled Water Cost of Service Workshop at the March 18, 2025 Board Meeting.

5. AWARDS AND RECOGNITION

Joshua McTaggart – Water Distribution Operator – Grade II

6. CONSENT CALENDAR

Agenda Item No. 7	Approval of Minutes for the April 15, 2025 Board Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report – April 2025
Agenda Item No. 9	Wastewater Treatment Report – March 2025
Agenda Item No. 10	Recycled Water Report – March 2025
Agenda Item No. 11	Reportable Meetings
Agenda Item No. 12	San Elijo Joint Powers Authority Contract for Procurement of Liquid Calcium Nitrate for Fiscal Year 2025-26
Agenda Item No. 13	Construction Phase Contract Amendments for the Biosolids Dewatering Facility Improvement Project
Agenda Item No. 14	San Elijo Joint Powers Authority Fiscal Year 2025-26 Recommended Budget Update

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

Motion carried with the following vote of approval:

AYES:	Becker, Shaffer, O'Hara, Zito
NOES:	None
ABSENT:	None
ABSTAIN:	None

16. ACCEPT THE MOONLIGHT BEACH PUMP STATION MODIFICATIONS CONSTRUCTION PROJECT

Director of Infrastructure and Sustainability Thomas Falk presented highlights from the completed Moonlight Beach Pump Station Modifications Project. He reported that the project was completed without any wastewater spills, injuries, or contractor claims. New pumps, motors, and variable frequency drives (VFDs) were installed to improve operational range and efficiency. SEJPA staff also programmed and commissioned a new PLC.

Mr. Falk emphasized the strengthened community partnerships through sponsorship of two SDSU engineering student groups, who selected the project for their Senior Capstone Project. He concluded the presentation by noting that the project was completed under budget.

Moved by Board Chair Becker and seconded by Vice-Chairperson Shaffer to:

1. Authorize the General Manager to Accept the Moonlight Beach Pump Station Modifications Project on behalf of the SEJPA and record the project Notice of Completion; and
2. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

AYES:	Becker, Shaffer, O'Hara , Zito
NOES:	None
ABSENT:	None
ABSTAIN:	None

17. RECYCLED WATER COST OF SERVICE WORKSHOP

General Manager Michael Thornton introduced the presentation, thanking SEJPA's recycled water customers for their participation and feedback following the first workshop. The floor was then opened for a request to address the Board by Santa Fe Irrigation Board Member Kenneth Westphal.

Director of Finance and Administration Kevin Lang reported that this was the second in a series of workshops focused on identifying alternatives to support the upcoming Recycled Water Cost of Service Study, which will be conducted by Carollo Engineers. He noted that the workshop incorporated valuable feedback from the Board and customers.

Building on the first workshop, Mr. Lang discussed key factors influencing recycled water rates, including the expiration of incentive revenues in September 2025 and high inflation, which has increased capital and operating costs, reducing the effectiveness of previous rate increases.

At the March 2025 Board Meeting, the Board directed SEJPA staff to explore the following: updated rate alternatives, market expansion opportunities, market comparisons, recycled water reserve fund components, and reserve utilization. Two initial rate proposals for FY 2026–2029 were presented at that meeting, but feedback from the Board, customers, and community members raised concerns about high rates and the short implementation timeline starting July 2025.

In response, Mr. Lang presented three revised rate structures designed to meet the revenue needs of the recycled water program while maintaining the required debt service coverage ratio. The below rate structures each include a previously-approved 3.9% increase in July 2025, with a second increase in January 2026 as annual rate adjustments would shift to January.

- **Alternative One:** 3.9%, 10%, 10%, 8%, 8% annual increases
- **Alternative Two:** 3.9%, 7.8%, 12%, 6.5%, 6.0% annual increases
- **Alternative Three:** 3.9%, 7.8%, 9.8%, 7.8%, 6.9% annual increases

These alternatives were shared with recycled water purveyors, who expressed support for the phased-in approach.

Mr. Lang also reported that the Recycled Water Reserve Fund, established in 2021, had a balance of \$4.2 million as of June 30, 2024. The fund supports current and future operational, capital, and debt service needs.

Information was presented on potential new recycled water customer connections converting potable water use to recycled water. Addressing market comparisons, Mr. Lang noted SEJPA's current recycled water rate of \$4.39 per HCF is the second lowest in the region. Even with proposed increases—particularly under Alternative Two—SEJPA's rates would remain competitive and a cost-effective alternative to potable water.

He concluded by presenting a preliminary Recycled Water Cost of Service Schedule, which will be refined based on further feedback from the Board and recycled water partners.

It is therefore recommended that the Board of Directors:

1. Advise staff on which rates to include in the cost-of-service study report; and
2. Discuss and take action as appropriate.

Although no formal vote was taken, the Board ultimately approved all three presented rate structures for inclusion in the cost-of-service study.

18. GENERAL MANAGER'S REPORT

None.

19. GENERAL COUNSEL'S REPORT

General Counsel Adriana Ochoa reported on her findings from attending the California Association of Sanitation Agencies (CASA) Attorneys Committee meeting. Mrs. Ochoa noted that proposed legislation was discussed, and she will monitor and report back to the Board on any legislation that could have an impact on San Elijo Joint Powers Authority and its partner agencies. Mrs. Ochoa also reported that one of her partners will be presenting at the next CASA meeting on the impact of tariffs on public works projects.

20. BOARD MEMBER COMMENTS

None.

21. CLOSED SESSION

None.

22. ADJOURNMENT

The meeting adjourned at 9:52 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, June 17, 2025 at 8:30 a.m.

SAN ELIJO JOINT POWERS AUTHORITY **PAYMENT OF WARRANTS** **For the Month of MAY 2025**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45138	1903 Solutions, LLC	Licenses	Advanced anti-phishing	\$ 1,144.15
45139	Ahrens Mechanical	Services - Contractors	Emergency repairs to gas pipeline	123,471.49
45140	Albireo Energy LLC	Services - Maintenance	Fire sprinkler system repair	432.19
45141	At&T	Utilities - Internet	Internet service - Apr	2,175.16
45142	At&T	Utilities - Telephone	Phone service - Apr	767.76
45143	Brax Process and Pump Equip.	Repair Parts Expense	Drum filter pump parts	711.15
45144	California State Lands Commiss	Fees - Permits	Easement renewal	1,293.56
45145	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride solution	11,963.86
45146	Canyon Springs Enterprises	Services - Contractors	Stormwater Capture and Reuse - Mar	42,512.50
45147	CWEA	Dues & Memberships	Membership renewal - M. Haney	239.00
45148	Dixieline Lumber Company	Shop Tools and Equip.	Various supplies	151.48
45149	Dudek & Associates	Services - Engineering	Stormwater capture reuse and site water quality improvements	6,131.96
45150	EDCO Waste & Recycling Service	Utilities - Trash	Trash Service - Apr	503.15
45151	Encina Wastewater Authority	Services - Laboratory	Heterotrophic plate count analysis	170.46
45152	City of Encinitas	Service - IT Support	Admin network and Zoom - Apr	6,692.98
45153	ERA	Supplies - Lab	Various lab supplies	2,734.58
45154	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	1,500.00
45155	Excel Landscape, Inc.	Services - Landscape	Grounds maintenance service - Apr	4,382.00
45156	Global Power Group Inc.	Services - Maintenance	As needed generator repair service - Olivenhain Pump Station	1,212.50
45157	Grainger, Inc.	Supplies - Safety	Various supplies	493.03
45158	Hardy Diagnostics	Supplies - Lab	Various lab supplies	1,442.86
45159	Idexx Distribution, Inc.	Supplies - Lab	Various lab supplies	3,283.53
45160	Lawson Products Inc.	Supplies - Shop & Field, Safety	Various supplies	219.98
45161	LiftOff, LLC	Licenses	License - M365 Copilot	150.00
45162	Liquid Environmental Solution	Services - Grit & Screenings, Grease & Scum	Roll off box and pumping service	2,095.00
45163	McMaster-Carr Supply Co.	Repair Parts Expense, Supplies - Office	Various supplies	5,117.03
45164	Midas Shop	Vehicle Maintenance	Oil change - Recycled Water truck	85.97
45165	Brandon Anthony Moss	Dues & Memberships	Employee reimbursement - CWEA membership & Lab Analyst renewal	267.00
45166	Nth Generation	Licenses	Palo Alto and global protect license renewals	1,845.31
45167	Oasis Palm Nursery, Inc.	Services - Maintenance	Spring service - Palm maintenance	600.00
45168	Olivenhain Municipal Water Dis	Services - Landscape	Wanket reservoir 1/3 maintenance - Q3	267.00
45169	OneSource Distributors, Inc.	Repair Parts Expense	Heavy duty safety switch	3,618.18
45170	Robert Half International, Inc	Services - Temp	Temporary staffing service	5,344.05
45171	RSF Security Systems	Services - Alarm	Olivenhain Pump Station alarm panel control installation	2,828.00
45172	Rush Truck Center, Otay Mesa	Vehicle Maintenance	Biosolids tractor repair	1,353.08
45173	SDG&E	Services - Contractors	Biosolids dewatering project	8,695.00
45174	San Dieguito Water District	Utilities - Water	Water	873.91
45175	T.S. Industrial Supply	Shop Tools and Equip.	Marking paint	933.61
45176	Unifirst Corporation	Services - Uniforms	Uniform services	429.07
45177	USA Bluebook	Supplies - Lab	Various lab supplies	1,647.52
45178	Vaughn Irrigation Services, In	Repair Parts Expense	Backflow rebuild parts	708.74
45179	Volt Management Corp	Services - Temp	Internship program and temp service	1,431.99

**SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS
For the Month of MAY 2025**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45180	Benefits Coordinators Corp.	Dental/Vision	Vision - May	466.90
45181	VWR International, Inc.	Supplies - Lab	Various lab supplies	1,158.29
45182	WageWorks	Payroll Processing Fees	Admin fee - Apr	170.75
45183	Abila	Licenses	Accounting software support and subscription	394.32
45184	Adam Kaye	Services - Professional	Public communications	600.00
45185	Aflac	EE Deduction Benefits Payable	Aflac - May	1,075.74
45186	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling and reuse - Apr	17,358.46
45187	Aguilar Plant Care, Inc	Services - Maintenance	Palm treatment	2,875.00
45188	Allied Storage Containers	Equipment Rental/Lease	20' and 40' storage containers - May	359.89
45189	Babcock Laboratories, Inc	Services - Laboratory	Annual water suitability test	580.00
45190	Scott Best	Subsistence - Travel/Rm & Bd	Employee reimbursement - Mileage	41.30
45191	Black & Veatch	Services - Engineering	Dewatering facilities upgrades and Facility plan update	25,185.92
45192	Brax Process and Pump Equip.	Repair Parts Expense	Various repair supplies	3,788.33
45193	Brenntag Pacific, Inc	Supplies - Chem - Odor	Sodium hydroxide	1,315.93
45194	CA. Office Cleaning, Inc.	Services - Janitorial	Office and window cleaning	3,291.00
45195	CASA	Dues & Memberships	Agency membership renewal	15,175.00
45196	City National Bank	AWT Loan	Loan agreement - #11-020 - #27	74,076.57
45197	Clean Water SoCal	Prepaid - Other	Annual membership dues FY 25/26	9,122.50
45198	Columbia Analytical Instr. Inc	Supplies - Lab	Test standard	596.69
45199	Dixieline Lumber Company	Supplies - Shop & Field, Shop Tools and Equip.	Various supplies	1,167.92
45200	eMaint Enterprises, LLC	Licenses	Software for maintenance management - FY 25/26	1,521.83
45201	Emerson LLP	Repair Parts Expense	Various supplies	4,126.91
45202	City of Encinitas	Board Expense	Board meeting reimbursements	960.00
45203	City of Encinitas	Service - IT Support	Admin network and Zoom - May	6,692.98
45204	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	357.50
45205	J.R. Filanc Construction Co.	Services - Contractors	Wanket Tank Refurbishment - Mar	204,579.17
45206	Evan E Fox	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45207	Hach Company	Services - Maintenance	Annual equipment services	30,874.00
45208	Hardy Diagnostics	Supplies - Lab	Various lab supplies	603.32
45209	Helix Environmental Planning	Services - Professional	Environmental consulting - SW Capture and Reuse	1,613.14
45210	Michael Henke	Dues & Memberships	Employee reimbursement - CWEA certificate renewals	232.00
45211	McMaster-Carr Supply Co.	Repair Parts Expense, Supplies - Safety	Various supplies	3,421.78
45212	Joshua C McTaggart	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
45213	Cosby Oil Company, Inc	Fuel	Fuel - Apr	750.32
45214	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Procurement of Sodium Hypochlorite	11,350.48
45215	Olivenhain Municipal Water Dis	Services - Professional, Rent	Rincon NSDWRC support services & Pipeline rental payment	10,491.53
45216	OneSource Distributors, Inc.	Capital Outlay	MF VFD's	25,401.72
45217	Otis Elevator Company	Services - Maintenance	Elevator maintenance	1,696.62
45218	Robert Half International, Inc	Services - Temp	Temporary staffing service	4,640.44
45219	Rusty Wallis, Inc.	Supplies - Shop & Field	Water softener, tank service, and salt bags	557.13
45220	Santa Fe Irrigation District	Utilities - Water	Water	403.64
45221	Santa Fe Irrigation District	SFID Distribution Pipeline	SFID Distribution Pipeline payment	3,159.09

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS

For the Month of MAY 2025

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45222	Schott Roofing, Inc	Services - Maintenance	Cardiff Pump Station roof repair	4,920.00
45223	San Dieguito Water District	Utilities - Water	Water	2,497.89
45224	Snell & Wilmer L.L.P	Services - Legal	General counsel services through Mar 2025	4,673.20
45225	Terminix Processing Center	Services - Maintenance	Pest control	500.13
45226	Tesco Controls	Services - Professional	SCADA support services	1,066.25
45227	Unifirst Corporation	Services - Uniforms	Uniform service	189.61
45228	Underground Service Alert/SC	Services - Alarm	Dig alert and safe excavation board	109.96
45229	Verizon Wireless	Utilities - Telephone	Cell phone service and equipment	2,345.67
45230	Volt Management Corp	Services - Temp	Internship program and temp service	1,580.46
45231	Webster Bank, N.A.	2023 RW Loan Payable	2023 Recycled water loan - payment #4	387,847.60
45232	A-B-CPR & First Aid Training	Training - Safety	CPR, AED and first aid training	1,652.00
45233	Ardurra Group, Inc	Services - Engineering	Wanket tank refurbish support - Mar	8,540.00
45234	AT&T	Utilities - Telephone	Phone service - 04/13/25 - 05/12/25	769.58
45235	Boot World, Inc.	Uniforms - Boots	Safety boots - W. Mutscheller & W. Friedly	448.02
45236	Brax Process and Pump Equip.	Services - Contractors	Effluent pump #2 rebuild	46,657.47
45237	Brenntag Pacific, Inc	Supplies - Chemicals	Citric Acid	3,777.72
45238	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride	12,152.24
45239	Caltrol, Inc.	Repair Parts Expense	AWP MF Valves	1,133.30
45240	Canyon Springs Enterprises	Services - Contractors	Stormwater Capture and Reuse - Apr	149,957.50
45241	County of San Diego	Fees - Permits	DEH2002-HUPFP-129180	2,780.00
45242	Maria Ines Cruz	Subsistence - Meals, Other Personnel Cost	Employee reimbursement - Team lunch & Health and wellness	130.11
45243	CWEA	Dues & Memberships	Membership renewal - V. Buskirk	239.00
45244	Dudek & Associates	Services - Engineering	Construction of M.B.P.S - Mar	3,212.50
45245	EDCO Waste & Recycling Service	Utilities - Trash	May	503.15
45246	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	215.50
45247	Didra Felix	Dues & Memberships, Seminar/Education	Employee reimbursement - CWEA membership & Lab Analyst test	245.00
45248	gafcon	Services - Contractors, Professional	Labor compliance for SW Capture & Wanket Tank - Apr	1,600.76
45249	Global Power Group Inc.	Services - Maintenance	Generator rental - Olivenhain P.S.	8,169.05
45250	Grainger, Inc.	Repair Parts Expense, Supplies - Safety	Various supplies	5,399.07
45251	Hardy Diagnostics	Supplies - Lab	Various lab supplies	1,135.68
45252	Britney Hazzard	Subsistence - Meals	Employee reimbursement - Team lunch	377.85
45253	America Y. Hernandez Guillen	Dues & Memberships	Employee reimbursement - CWEA Membership	21.00
45254	John Lisee Pumps, Inc.	Capital Outlay	RAS Pump #4 parts and repair	17,080.87
45255	Kevin R. Lang	Subsistence - Meals	Employee reimbursement - CPA CPE and team lunch	240.32
45256	Liquid Environmental Solution	Services - Grit & Screenings, Grease & Scum	Roll off box and pumping service	10,120.00
45257	Marine Taxonomic Services, LTD	Services - Contractors	Intensive WQ monitoring/plume tracking Q2	2,870.00
45258	McMaster-Carr Supply Co.	Repair Parts Expense	Various supplies	267.10
45259	Cosby Oil Company, Inc	Fuel	Fuel - May	1,167.56
45260	City of Oceanside	Prop 1 Rd 1 Proj 6	Project Completion Payout - Prop 1 Rd 1 Project 6 Grant Funds to LPP	1,450,000.00
45261	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Sodium Hypochlorite	10,942.16
45262	PE Instruments	Services - Maintenance	Programing and calibration of Rosemount sensor	584.32
45263	Peerless Materials Co., LLC	Supplies - Shop & Field	Various supplies	679.04

SAN ELIJO JOINT POWERS AUTHORITY **PAYMENT OF WARRANTS** **For the Month of MAY 2025**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
45264	Quality Microscope Service	Services - Maintenance	Microscope service	150.00
45265	RingCentral, Inc	Utilities - Telephone	Phone service	526.87
45266	Robert Half International, Inc	Services - Temp	Temporary staffing service	5,377.56
45267	RSF Security Systems	Services - Alarm	Cellular fire system monitoring	147.00
45268	Santa Fe Irrigation District	Utilities - Water	Water	115.80
45269	Sloan Electric Company	Repair Parts Expense	Filter feed pumps	2,058.03
45270	Southwest Valve & Equip.	Repair Parts Expense	Valve	3,234.42
45271	SS Mechanical	Services - Maintenance	Installation of wear strip weld washer	5,000.00
45272	State of California	Fees - Permits	Agency filing - San Elijo Joint Powers Authority	6.00
45273	Terminix Processing Center	Services - Maintenance	Pest control service	115.11
45274	Tesco Controls	Services - Professional	SCADA support services	1,181.25
45275	Michael Thornton	Subsistence - Travel/Rm & Bd, Other Personnel Cost	Employee reimbursement - Various and Health and wellness	986.48
45276	Trussell Technologies, Inc	Services - Professional	T1 - Operational support from Mar & Apr	1,253.50
45277	USA Bluebook	Supplies - Lab	Various lab supplies	2,281.84
45278	Valley CM, Inc.	Services - Professional	Management and inspection services - Apr	69,565.05
45279	Daniel Verdon	Other Personnel Cost	Employee reimbursement - Health and wellness	81.00
45280	Verizon Wireless	Utilities - Telephone	Telephone	567.86
45281	Volt Management Corp	Services - Temp	Internship program and temp service	805.14
45282	WageWorks	Payroll Processing Fees	Admin fee - May	170.75
On-line 1065	Mission Square	ICMA Retirement	ICMA - 401a	7,777.86
On-line 1066	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	11,435.57
On-line 1067	Public Employees- Retirement	Retirement Plan - PERS	Retirement - Apr Pay Period	25,542.94
On-line 1068	Public Employees- Retirement	Retirement Plan - PERS	Retirement - May Pay Period	25,021.27
On-line 1069	Blue Triton Brands Inc	Supplies - Lab	Kitchen and lab supplies	846.08
On-line 1070	BankCard Center	Vehicle Maintenance	Various supplies	9,580.90
On-line 1071	Mission Square	ICMA Retirement	ICMA - 401 a	7,480.21
On-line 1072	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	11,179.93
On-line 1073	Public Employees- Retirement	Retirement Plan - PERS	Retirement - May Pay Period	25,090.86
On-line 1074	Sun Life Financial	Life Insurance/Disability	Life and disability - Jun	2,768.42
On-line 1075	WM Corporate Services, Inc.	Services - Sediment Disposal	Roll off bins - Apr	450.00
On-line 1077	Home Depot Credit Services	Shop Tools and Equip.	Shop tools	725.16
On-line 1078	Mission Square	ICMA Retirement	ICMA - 401 a	7,571.97
On-line 1079	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	10,419.96
On-line 1080	P.E.R.S.	Medical Insurance - Pers	Health - Jun	53,218.52
On-line 1081	Blue Triton Brands Inc	Supplies - Lab	Kitchen and lab supplies	461.31
On-line 1082	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - Apr	43,127.72
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 05/02/2025	121,522.82
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 05/16/2025	120,356.05
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 05/30/2025	134,208.75
				<u><u>\$ 3,585,602.50</u></u>

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

**For the Month of MAY 2025
As of MAY 31, 2025**

PAYMENT OF WARRANTS

\$ 3,585,602.50

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.



Kevin Lang
Director of Finance and Administration

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

As of MAY 31, 2025

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND <i>(APRIL 2025 YIELD 4.281%)</i>	\$ 7,651,084.62
CALIFORNIA BANK AND TRUST <i>(MAY 2025 YIELD 0.01%)</i>	639,008.73
U.S. Bank <i>(MAY 2025 YIELD 4.40%)</i>	16,199,593.12
PARS <i>(APRIL 2025 YIELD .10%)</i>	1,041,220.87
TOTAL RESOURCES	<u>\$ 25,530,907.34</u>

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 17, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WASTEWATER TREATMENT REPORT – APRIL 2025

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Facility Performance and Evaluation

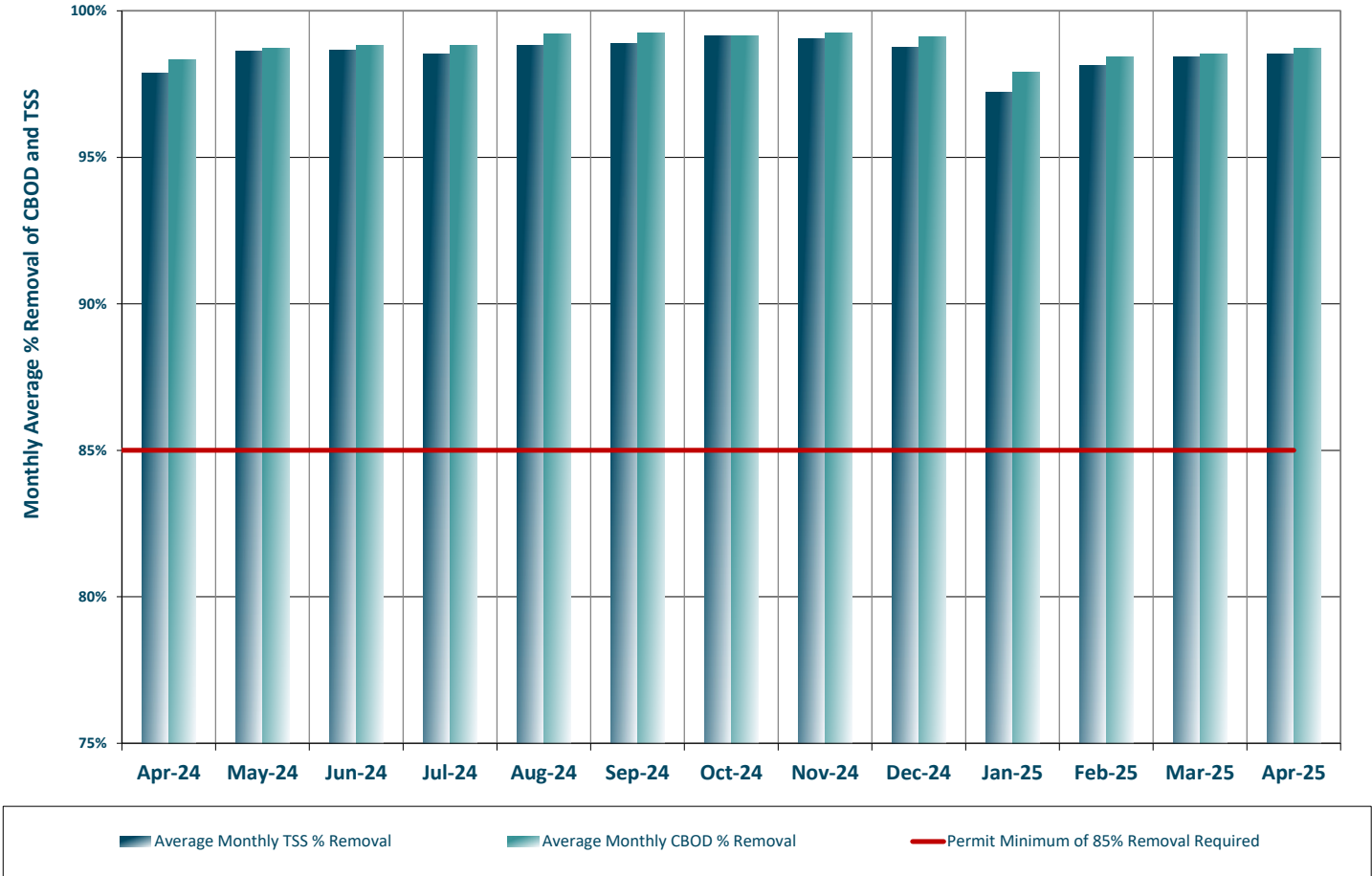
Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of April 2025. The primary indicators of treatment performance include the removal of Total Suspended Solids (TSS) 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 **98.4** and **98.5** percent removal, respectively, during the month of April.

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.

FIGURE 2: TREATED EFFLUENT FLOWS REMOVAL OF TSS

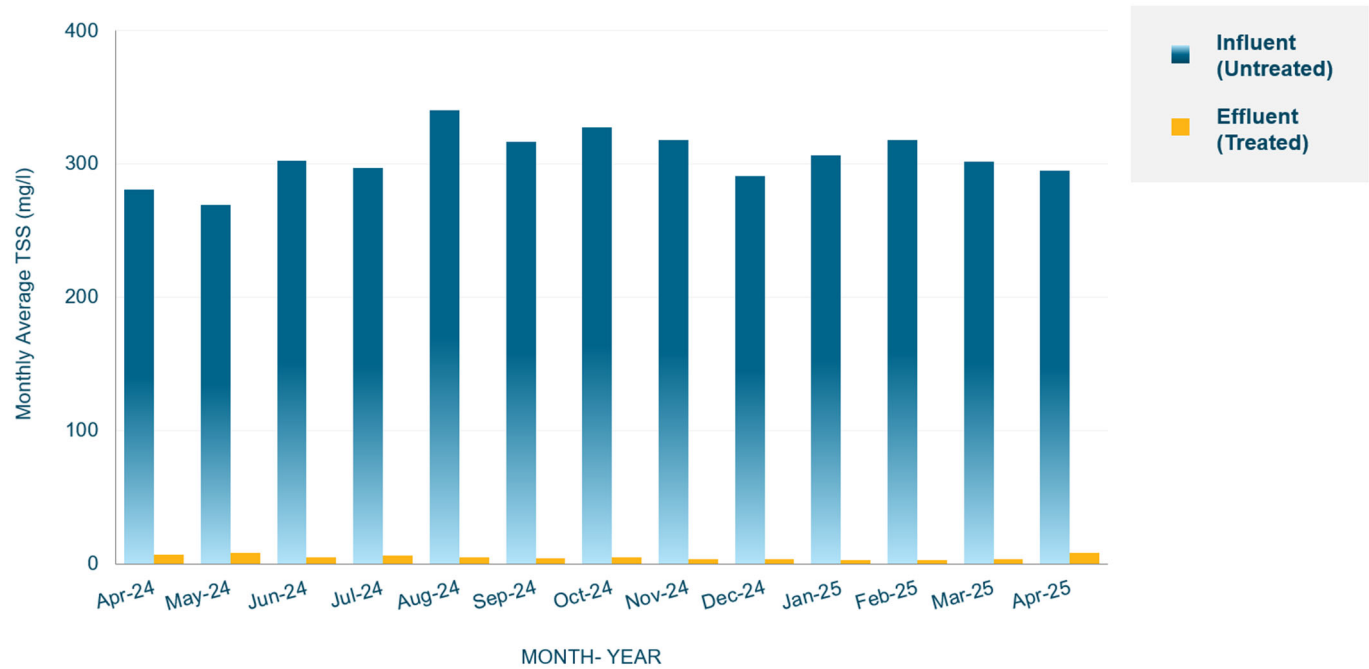
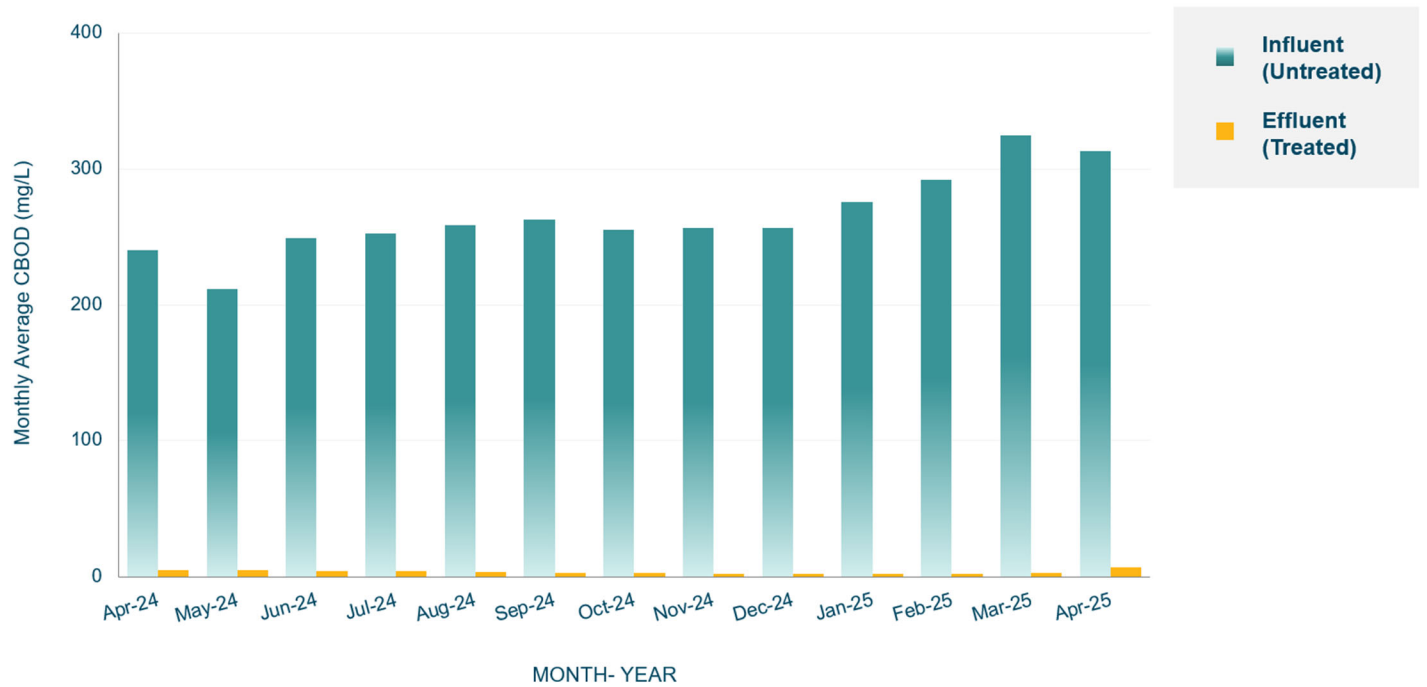


FIGURE 3: TREATED EFFLUENT FLOWS REMOVAL OF CBOD



Member Agency Flows

Table 1(below) summarizes the influent and effluent flows for the month of April. Average daily influent flows were measured for each contributing agency. During this period, approximately 56% of the incoming flow was treated and reused as recycled water, while the remainder was discharged to the ocean.

TABLE 1 – INFLUENT AND EFFLUENT FLOWS IN APRIL

	Influent (mgd)	Recycled Water (mgd)	Effluent (mgd)*
Cardiff Sanitary Division	1.221	0.687	0.534
City of Solana Beach	1.084	0.610	0.474
Rancho Santa Fe SID	0.210	0.118	0.092
City of Del Mar	0.367	0.207	0.160
Total San Elijo Water Campus Flow	2.882	1.622	1.260

* 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 agencies 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
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
Oct-24	1.296	0.160	1.019	0.340	2.815	8,621	591	8,178	2,657	20,046	150	271	125	122	140
Nov-24	1.250	0.184	0.967	0.482	2.883	8,621	591	8,178	2,657	20,046	145	312	118	165	144
Dec-24	1.231	0.182	1.079	0.408	2.900	8,621	593	8,178	2,657	20,048	143	307	132	134	145
Jan-25	1.242	0.187	1.105	0.381	2.915	8,621	593	8,178	2,657	20,048	144	316	135	124	145
Feb-25	1.321	0.186	1.120	0.408	3.035	8,621	593	8,178	2,657	20,048	153	314	137	134	151
Mar-25	1.374	0.214	1.133	0.390	3.111	8,621	593	8,178	2,657	20,048	159	361	139	129	155
Apr-25	1.221	0.210	1.084	0.367	2.882	8,621	593	8,178	2,657	20,048	142	354	133	122	144

CSD: Cardiff Sanitary Division

RSF: Ranch Santa Fe Community Service District

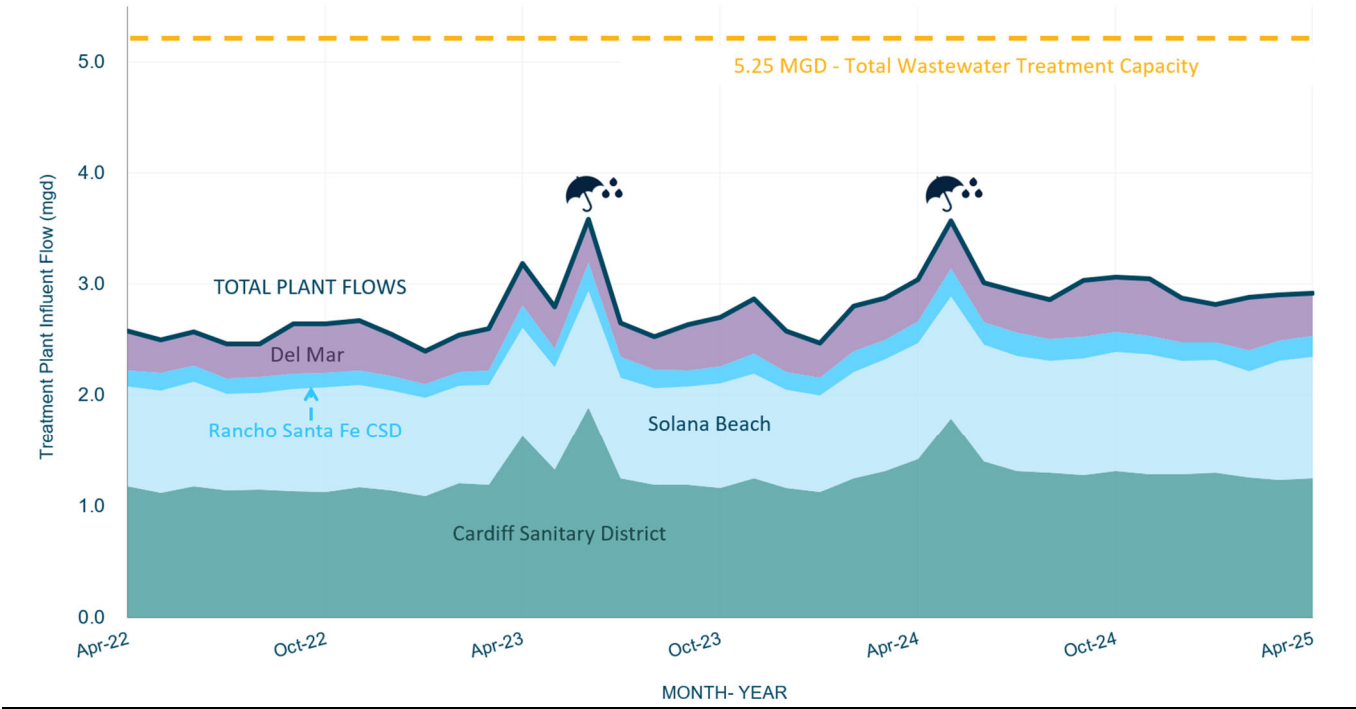
SB: Solana Beach

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 April 2025 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)	7.2
Escondido (Peak flow rate)	18.3

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	593
City of Solana Beach	7,840
San Diego (to Solana Beach)	337
City of Del Mar	2,657
Total EDUs to System	20,048

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

*

AGENDA ITEM NO. 10

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 17, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER REPORT – APRIL 2025

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of April 2025, recycled water demand was 157.8 acre-feet (AF), which was 157.0 AF of recycled water and 0.8 AF of supplemental water. April demand was 32% above budget expectations of 120 AF. Demand for the first ten months of the fiscal year is 19.1% 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 April 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 2: APRIL RECYCLED WATER DEMAND

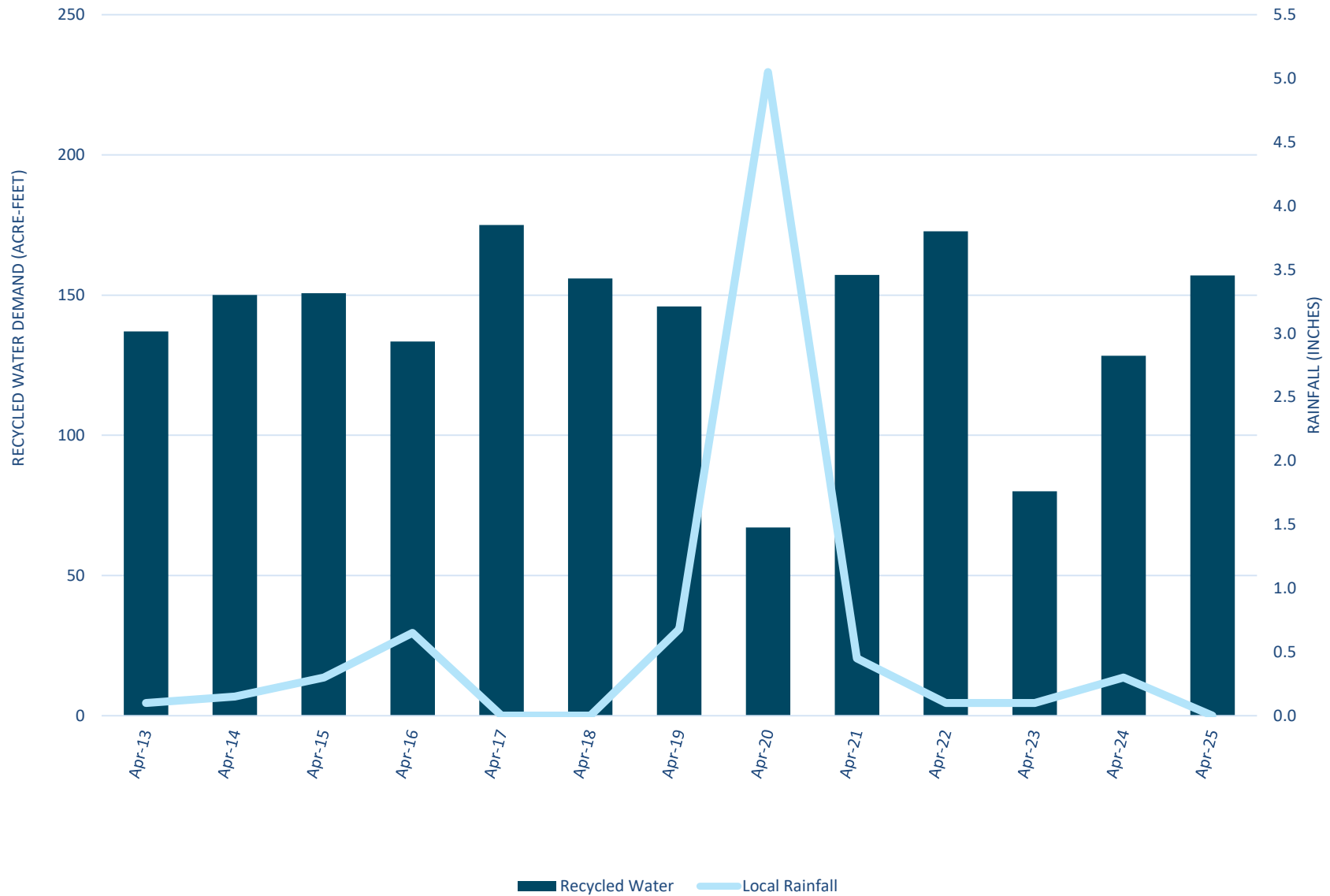
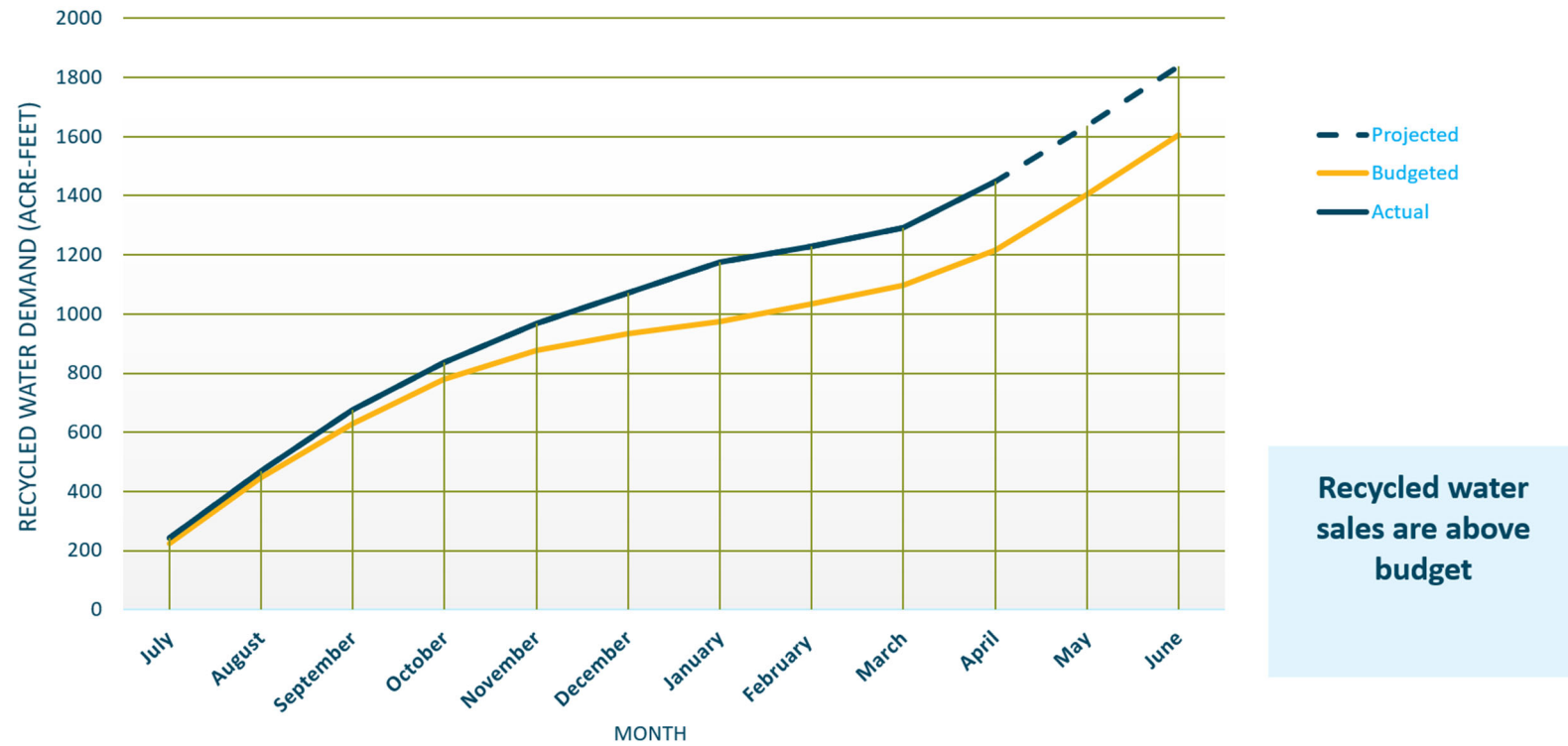


FIGURE 3: FY2024/25 CUMULATIVE DEMAND VS BUDGET



*

AGENDA ITEM NO. 11

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 17, 2025

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 previously reported:

1. Meeting to review Board Meeting Agenda with Chairperson Becker on May 19, 2025.

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

June 17, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY CONTRACT FOR PROCUREMENT
OF UNIFORM SERVICES AND SAFETY RELATED SUPPLIES FOR FISCAL
YEARS 2025-26 THROUGH 2027-28

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with UniFirst Corporation for uniform rental services and safety-related supplies for a three-year base contract amount not-to-exceed \$79,000, with the option for two one-year extensions; and
2. Discuss and take action as appropriate.

BACKGROUND

Since 2009, UniFirst Corporation (UniFirst) has provided reliable uniform rental services to the San Elijo Joint Powers Authority (SEJPA), including uniforms for field technicians and laboratory personnel and safety related supplies. This successful working relationship has spanned more than a decade under four separate agreements.

DISCUSSION

Sourcwell (formerly the National Joint Powers Alliance) is a governmental cooperative procurement organization that facilitates competitively solicited contracts for public agencies across the United States and Canada. Cooperative purchasing through Sourcwell allows public entities to achieve administrative efficiencies and cost savings through collective buying power.

In November 2023, Sourcwell issued a public solicitation for “Uniforms with Related Products and Services.” UniFirst was awarded a contract through this competitive process. In April 2025, UniFirst submitted a cost proposal to SEJPA for continuing to provide uniform services and safety-related supplies, using the newly awarded Sourcwell contract pricing. These prices are fixed for the initial three-year term and the two optional one-year extensions, beginning in Fiscal Year (FY) 2025-26.

Anticipating the need to rebid these services, SEJPA staff consulted legal counsel in 2024. Counsel confirmed that accepting Sourcewell pricing was consistent with SEJPA's purchasing policy and offered both administrative and financial efficiencies. Following a thorough review of the purchasing policy, legal correspondence, Sourcewell procurement documentation, and the agency's contract history with UniFirst, SEJPA's Director of Finance and Administration determined that the proposal met all compliance requirements. Service quality was evaluated as satisfactory, and continued partnership was deemed advantageous.

Staff recommends entering into a new agreement with UniFirst for uniform services and safety supplies, with a three-year base term and two optional one-year extensions, for a total not-to-exceed amount of \$79,000 for the base term. The recommendation is based on favorable pricing, demonstrated service performance, and alignment with SEJPA policies

FINANCIAL IMPACT

The FY 2025-26 Recommended Budget includes funding for uniform services (\$10,988) and safety-related supplies (\$23,837), which are sufficient for the anticipated first year of the UNIFIRST contract estimated at approximately \$26,300. Additional funding for subsequent contract years will be included in future budgets, as necessary.

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into an agreement with UniFirst Corporation for uniform rental services and safety-related supplies for a three-year base contract amount not-to-exceed \$79,000, with the option for two one-year extensions; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment:

1. Technical Services Agreement between San Elijo Joint Powers Authority and UniFirst Corporation for Uniform Rental Services and Safety Related Supplies

Agreement No.: 2025-012 TSA
Account: 10-5416-10-120

**TECHNICAL SERVICES AGREEMENT
BETWEEN SAN ELIJO JOINT POWERS AUTHORITY
AND UNIFIRST CORPORATION
FOR UNIFORM RENTAL SERVICES**

RECITALS

A. This Technical Service Agreement ("**Agreement**") is made and entered into this 1st day of July, 2025, ("**Effective Date**"), by and between the SAN ELIJO JOINT POWERS AUTHORITY ("**SEJPA**") and UNIFIRST CORPORATION, ("**CONTRACTOR**"), an independent contractor organized and existing under the laws of Massachusetts, with a principal place of business in Oceanside, California.

B. CONTRACTOR has submitted to SEJPA a proposal to provide uniform rental services. SEJPA has been determined that it is in the best interests of SEJPA to enter into the Agreement hereinafter contained.

C. In consideration of the mutual promises, conditions and covenants herein contained, the parties hereto agree to the terms and conditions set forth in this Agreement.

AGREEMENT

SECTION 1 SCOPE OF WORK.

A. CONTRACTOR shall provide labor and services to complete the Scope of Work specified in **Attachment A** to this Agreement. CONTRACTOR shall furnish all materials, equipment, supplies and incidentals necessary to perform the work, except those which are expressly designated to be furnished by SEJPA. All work performed and materials supplied in the execution of this Agreement shall comply with applicable laws, standards, codes and regulations governing such materials, items and work. All material is guaranteed to be as specified in the Scope of Work. Any alteration or deviation from the specifications, which involve extra costs, must be approved by SEJPA in advance.

B. CONTRACTOR represents that it is skilled in the technical expertise necessary to provide the services required under this Agreement. CONTRACTOR agrees to perform its work hereunder in a competent manner acceptable to SEJPA and in conformity with the requirements of this Agreement. CONTRACTOR will employ only competent workers to complete the work under this Agreement.

C. CONTRACTOR shall secure and maintain in good standing for the term of this Agreement any and all permits, licenses and certifications required to perform the Scope of Work. CONTRACTOR shall provide proof of any such permits and licensure upon request by SEJPA.

SECTION 2 TIME OF PERFORMANCE.

A. CONTRACTOR shall not begin any of the work specified in this Agreement until authorized by SEJPA in writing to proceed.

B. This Agreement will become effective on the date stated above, and will continue in effect until the earlier of the completion of services provided for in this Agreement, June 30, 2028, or until terminated as provided in this Agreement. **Attachment A** may contain further instruction regarding required timeline of performance.

SECTION 3 COMPENSATION.

A. Compensation for all of the labor, equipment, material and services which CONTRACTOR is obligated to perform under the terms and conditions of this Agreement, including all applicable taxes, shall not exceed Seventy-Nine Thousand Dollars (\$79,000). Prices for provided items are detailed in **Attachment A** and will remain unchanged for the duration of the agreement, as well as any SEJPA-elected extensions. SEJPA shall make payments to CONTRACTOR in response to duly submitted invoices in accordance with this Section.

B. Prepayments will not be made, at any time, during the execution of this Agreement. CONTRACTOR shall submit bi-weekly invoices to SEJPA for payments. Such invoices shall represent the value of the items delivered or services provided during the billing period. Such invoices shall be prepared in such form and supported by documentation as SEJPA may reasonably require including a brief narrative description of the work performed.

C. Payment shall be made by SEJPA to CONTRACTOR within forty-five (45) days of receipt of an approved invoice. The amount of this payment will be less any amounts previously paid on the account.

D. SEJPA shall review each invoice as soon as practicable after receipt for the purpose of determining whether the invoice should be approved as a proper payment request. SEJPA shall return to CONTRACTOR any invoice determined not to be a proper payment request as soon as practicable. The returned payment request shall include a written explanation setting forth the reasons why the payment request is not proper, and a proposed revised invoice amount, if any, that SEJPA believes to be the proper amount.

E. If CONTRACTOR accepts the proposed revised invoice prepared by SEJPA, CONTRACTOR shall provide written notification to SEJPA's designated representative that CONTRACTOR accepts the proposed revised invoice, and the revised invoice shall be deemed received on the same business day CONTRACTOR's written notification is received. SEJPA shall thereafter have 45 days to make payment on the revised invoice.

F. All invoices shall be made in writing and must be delivered via email to apsejpa@sejpa.org. All payments shall be delivered U.S. mail to the address below:

Payment mailing address:
San Elijo Joint Powers Authority
P.O. Box 1077
Cardiff by the Sea, CA 92007
Attention: Accounts Receivable

SECTION 4 TERM AND TERMINATION.

A. The term of this Agreement will continue from the Effective Date until June 30, 2028, or until terminated as provided in this Section 4. At SEJPA's sole discretion, SEJPA may extend the term of this Agreement for up to two (2) additional one-year terms.

B. SEJPA may terminate this Agreement for any reason by providing ten (10) days advance written notice. SEJPA may terminate this Agreement immediately, without advance written notice, in the event of CONTRACTOR's breach or failure to satisfactorily perform the work.

C. CONTRACTOR shall discontinue all work as of the effective date of termination and shall not be entitled to payment for any fees or costs incurred after the effective date of termination unless otherwise agreed by the parties.

SECTION 5 LEGAL RELATIONS.

A. CONTRACTOR is for all purposes an independent contractor. All personnel provided by CONTRACTOR pursuant to this Agreement are to be employed by CONTRACTOR, or its subcontractors, for their account only. Neither CONTRACTOR, its employees or its subcontractors, shall be deemed to have been employees of SEJPA or to have been entitled to any rights or benefits as SEJPA employees. CONTRACTOR certifies that it is free from the control and direction of SEJPA in connection with the performance of the work. CONTRACTOR will supervise the work and control the means for accomplishment of the services and work to be performed hereunder. CONTRACTOR will be responsible for providing required and necessary protective gear for its personnel, including any subcontractor personnel, while on the job site, including safety equipment. No permitted or required approval by SEJPA of personnel, costs, schedules, documents or services of CONTRACTOR shall be construed as making SEJPA responsible for the manner in which CONTRACTOR performs its services. Such approvals are intended to give SEJPA the right to satisfy itself with the quality of work performed by CONTRACTOR. CONTRACTOR further certifies that it is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed under this Agreement. This Agreement is not exclusive, and as such CONTRACTOR certifies that it is free to perform work for others for the term of this Agreement.

B. To the maximum extent allowable by law, CONTRACTOR agrees to indemnify, defend, protect, and hold harmless SEJPA, its Member Agencies (the City of Solana Beach and City of Encinitas), and each of their respective officers, officials, directors, agents, employees, and volunteers (collectively, "Indemnified Parties") from and against any and all liability, claims, demands, damages, loss, charge, civil fines or penalties, liens, actions and causes of

action, including reasonable attorney's fees, costs and expenses (collectively, "Claims"), based upon or arising out of or claimed to have arisen out of the alleged acts, errors, omissions or willful misconduct of CONTRACTOR, its associates, employees, subcontractors or other agents in the performance of this Agreement or out of operations conducted by CONTRACTOR, except to the extent such Claims arise from the sole negligence, active negligence or willful misconduct of Indemnified Parties. CONTRACTOR'S obligations under this section apply regardless of whether or not such claims were caused in part or contributed to by Indemnified Parties. In instances where any of the Indemnified Parties have been shown to have been actively negligent or committed willful misconduct and where active negligence or willful misconduct of Indemnified Parties accounts for only a percentage of the liability involved, the obligation of CONTRACTOR will be for that entire portion or percentage of liability not attributable to the active negligence or willful misconduct of Indemnified Parties. In the event the Indemnified Parties are made a party to any action, lawsuit, or other adversarial proceeding for which CONTRACTOR has a defense obligation pursuant to this section, CONTRACTOR shall provide a defense to the Indemnified Parties. CONTRACTOR's indemnification, hold harmless and defense obligation shall survive the termination of this Agreement.

C. In the event litigation or arbitration is commenced to interpret or enforce this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees in addition to costs and expenses.

SECTION 6 INSURANCE.

A. CONTRACTOR shall procure and maintain during the term of this Agreement all insurance required by federal, state, county and local laws, and such other and additional coverage adequate to protect CONTRACTOR and SEJPA from any liabilities and claims for injuries and damages to persons or property which may arise from, or in connection with, the performance of work hereunder by CONTRACTOR, its agents, representatives, employees or subcontractors. Specifically, CONTRACTOR and each of its subcontractors shall maintain throughout the term of this Agreement the following policies of insurance:

1. A general liability policy of insurance, including coverage for products and completed operations, bodily injury and/or death, personal and advertising injury, and property damage claims which may arise from or in connection with the performance of the work under this Agreement by CONTRACTOR and its subcontractors, and each of their agents, representatives, or employees. General Liability insurance shall be comprehensive in form and shall be on a "per occurrence" basis in a minimum amount of Three Million Dollars (\$3,000,000) per occurrence. Such coverage shall be written on Insurance Services Office ("ISO") Form CG 00 01, or equivalent.

2. An automobile liability policy of insurance to cover claims, injury, death, loss or damage, accidents from the use or operation of any automobiles, trucks and/or other mobile or stationary equipment, whether owned, non-owned or hire. Auto coverage shall be issued with a limit no less than One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

3. Workers' compensation insurance with limits no less than the statutory limits.

B. All policies of insurance required under this Section shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have an A.M. Best Company rating of no less than A- and a financial size category of at least Class VII, unless otherwise acceptable to SEJPA.

C. All policies of insurance required under this Section, except for workers' compensation, shall be endorsed to name SEJPA, its member agencies the City of Solana Beach and City of Encinitas, and their directors, officers, employees and representatives (the "Additional Insureds") as additional insureds under each such policy and an additional insured endorsement at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37, if later revisions are used, shall be provided to SEJPA.

D. CONTRACTOR shall provide duly-authorized and, as applicable, executed original certificates and endorsements for all insurance required pursuant to this Agreement on forms approved by SEJPA in conformity with all requirements of this Agreement prior to commencement of any work hereunder. If any of the required coverages expire during the term of this Agreement, CONTRACTOR shall deliver renewal certificates to SEJPA at least ten (10) days prior to the expiration date.

E. For any claims related to this Agreement, CONTRACTOR's insurance coverage shall be primary insurance as respects the Additional Insureds. Any insurance or self-insurance maintained by the Additional Insureds shall be excess of the CONTRACTOR's (and its subcontractor's) insurance, and shall not contribute to such insurance.

F. Any deductibles or self-insured retentions must be declared in writing and approved by SEJPA. At the option of SEJPA, either: the insurance provider(s) shall reduce or eliminate such deductibles or self-insured retentions as respects SEJPA and its directors, officers, employees, and representatives; or the CONTRACTOR shall provide a financial guarantee satisfactory to SEJPA guaranteeing payment of losses and related investigations, claim administration and defense expenses.

G. CONTRACTOR hereby agrees to waive rights of subrogation against SEJPA and the Additional Insureds which any of CONTRACTOR's insurers may acquire from CONTRACTOR by virtue of the payment of any loss. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

H. CONTRACTOR shall provide thirty (30) days' advance written notice to SEJPA, of any cancellation or material alteration of any insurance policy required herein.

SECTION 7 WARRANTY OF WORK.

A. CONTRACTOR guarantees all work pursuant to this Agreement against defective materials and workmanship for period of one (1) year from the date of completion of all work, except where longer warranty periods are specifically stated. Any defective material or

workmanship which may be discovered before completion of all work or within one (1) year thereafter shall be corrected immediately by CONTRACTOR at its own expense notwithstanding that it may have been overlooked in previous inspections and estimates. Any work to correct a defect in workmanship and/or replacement materials shall additionally be guaranteed by CONTRACTOR for a period of one (1) year from the date of completion of such corrective work or replacement of materials.

B. During the one (1) year warranty period, should CONTRACTOR fail to remedy defective material and/or workmanship, or to make replacements within five (5) days after written notice by SEJPA, it is agreed that SEJPA may make such repairs and replacements and the actual cost of the required labor or materials shall be chargeable to and payable by CONTRACTOR.

C. The warranty provided herein shall not be in lieu of, but shall be in addition to, any warranties or other obligations otherwise imposed by this Agreement or by law. The remedies provided herein shall not be exclusive and SEJPA shall be entitled to any and all remedies provided by law. CONTRACTOR's warranty obligation shall survive the termination of this Agreement.

SECTION 8 WORK DURING DISPUTES.

A. CONTRACTOR shall continue to work during any dispute arising from or relating to this Agreement, including disputes about payment, and will neither rescind this Agreement nor stop the progress of the work, but may submit such controversy for informal resolution or for determination in accordance with applicable law. In the event any litigation is commenced with respect to this Agreement, such litigation shall not serve to suspend CONTRACTOR'S obligation to continue performance of the work hereunder.

SECTION 9 WORKING HOURS.

A. All on site work is to be performed Monday through Friday between the hours of 6:30 a.m. and 4:30 p.m. Pacific Time. In the event these working hours conflict with a local ordinance affecting Cardiff-by-the-Sea, CONTRACTOR shall perform site work in compliance with such ordinance. At the start of each workday visit CONTRACTOR will sign-in all personnel on site for/or during that workday at the Reception Desk of the Administration Building. CONTRACTOR will also notify SEJPA's designated representative of any change in its work schedule. Any change in the defined working times must have prior written approval from SEJPA's General Manager or his designee.

SECTION 10 ASSIGNMENTS/SUBCONTRACTORS.

A. In entering into this Agreement to supply goods, services or material CONTRACTOR or subcontractor offers and agrees to assign to SEJPA all rights, titles and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 [commencing with section 16700] of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or material pursuant to this Agreement. This assignment shall be made and become effective at

the time SEJPA tenders final payment to CONTRACTOR, without further acknowledgement by the parties.

CONTRACTOR shall not otherwise assign or subcontract any of the work covered by this Agreement, and shall not assign this Agreement, except with the prior written approval of SEJPA.

SECTION 11 CONTRACTOR'S PROJECT MANAGER

CONTRACTOR's designated project managers, Justin Petite, Branch Manager, and Larry McKenzie, Route Service Manager, shall be empowered to act for CONTRACTOR for all matters relating to this Agreement.

SECTION 12 SEJPA REPRESENTATIVE

SEJPA's designated representative, Kevin Lang, will administer this Agreement.

SECTION 13 MISCELLANEOUS.

A. Notice. Any notices required to be given under this Agreement by either party to the other may be effected by email, or by personal delivery in writing or by mail, first class, registered or certified, postage prepaid with return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each party may change the address by giving written notice in accordance with this paragraph. Emailed notices will be deemed communicated via same-day if sent before 5:00 p.m. Pacific Time. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of the day of receipt or the fifth (5th) day after mailing, whichever occurs first.

To SEJPA: San Elijo Joint Powers Authority
Attention: Kevin Lang
2695 Manchester Avenue
Cardiff-By-The-Sea, CA 92007
langk@sejpa.org

To CONSULTANT: UniFirst Corporation
Attention: Justin Petite
3801 Ocean Ranch, Bld #105
Oceanside, CA 92056
Justin_Petite@unifirst.com

B. All work performed and materials supplied in the execution of this Agreement shall comply with applicable laws and regulations relating to hazardous situations. The "Hazard Communication Standard" requires that individuals (employees) working in an area where hazardous substances are being used must be informed of any potential dangers associated with working in that area. (29 C.F.R. § 1919.1220.) It is the responsibility of CONTRACTORS working at SEJPA to read and acknowledge receipt of the information packet prior to the start of

any scheduled work. Furthermore, CONTRACTOR shall make available all applicable information regarding hazardous substances and conditions to all CONTRACTOR employees and subcontractors.

C. In performing the work specified in this Agreement, CONTRACTOR agrees to comply with all laws, rules, regulations, ordinances, directives and orders, whether federal, state or local, and any and all of SEJPA policies and procedures, departmental rules and other directives applicable to the services to be performed that are provided to CONTRACTOR. Any changes to SEJPA policies and procedures that relate to CONTRACTOR will be provided to CONTRACTOR in writing. CONTRACTOR agrees to review such policies, procedures, rules and directives the contents of which CONTRACTOR will be deemed to have knowledge.

D. If this Agreement involves an expenditure of public funds in excess of ten thousand dollars (\$10,000), the Agreement is subject to examination and audit of the State Auditor, at the request of SEJPA or as a part of any audit of SEJPA, for a period of three (3) years after final payment under the Agreement. CONTRACTOR shall cooperate with SEJPA regarding any such audit at no extra cost to SEJPA.

E. This Agreement and any attachments hereto represent the entire understanding of SEJPA and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing and signed by both parties.

F. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart. A faxed, .pdf, or other electronic copy of the fully executed original version of this Agreement shall have the same legal effect as an executed original for all purposes. Electronic signatures shall have the same legal effect as an original signature.

G. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement shall forthwith be physically amended to make such insertion.

H. Each term, condition, covenant, or provision of this Agreement shall be viewed as separate and distinct, and in the event that any term, covenant, or provision be held by a court of competent jurisdiction to be invalid, the remaining provisions shall continue in full force and effect.

I. A waiver by either party of a breach of any provision of this Agreement shall not constitute a general waiver or prejudice the other party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement.

J. The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings arising out of or concerning this Agreement shall be in the state and federal courts located in the State of California, County of San Diego. SEJPA and CONTRACTOR agree not

to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. SEJPA and CONTRACTOR hereby submit to personal jurisdiction in the State of California for the enforcement of any action arising out of or relating to this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding arising out of or relating to the enforcement of this Agreement, whether on grounds of inconvenient forum or otherwise.

K. Each individual signing below on behalf of an entity represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of that entity.

L. CONTRACTOR certifies that CONTRACTOR shall not submit a false claim in violation of the False Claims Act, section 12650 *et seq.* of the Government Code.

M. SEJPA shall make freely available to CONTRACTOR for examination all non-privileged directly pertinent books, documents, papers and records of SEJPA involving transactions related to this Agreement. CONTRACTOR understands that information provided to SEJPA pursuant to this contract may become a public record and subject to disclosure pursuant to the California Public Records Act.

N. SEJPA and CONTRACTOR do covenant that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

BY SIGNING BELOW THE PARTIES VOLUNTARILY ENTER INTO THIS AGREEMENT AND ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS SET FORTH HEREIN AND AGREE TO BE BOUND THEREBY.

SAN ELIJO JOINT POWERS AUTHORITY: UNIFIRST CORPORATION:

Michael T. Thornton, P.E.

General Manager

Date

Signature

Title

Date


BRANCH MANAGER
5/30/2025

Attachment A

UniFirst Corporation

JUSTIN PETITTE

3801 OCEAN RANCH BLVD. STE. 105

OCEANSIDE, CA 92056

Cost Comparison for:

SAN ELIJO JOINT POWER

VIP Cost Analysis Program

Date: 4/7/25

★	* Reduction in Total Cost of Ownership:				32%	
★	* Your Potential Total Annual Savings:				\$12,226.79	
★	* Your Potential 60-Month Savings:				\$61,133.94	
#	Rental Item Descriptions	Qty.	Current \$.ea	Current Total	UniFirst \$.ea	UniFirst Total
1	0101 LSSHT-CHINO 100% COTTON WORKSH	94	\$ 0.27	\$25.66	\$0.24	\$22.56
2	0201 SSSHT-CHINO 100% COTTON WORKSH	91	\$0.23	\$21.02	\$0.22	\$20.02
3	1001 PNT-100%COTTON PLAIN FRONT	56	\$0.33	\$18.23	\$0.30	\$16.80
4	10AI PNT65-35 W/CARGO PKT	128	\$0.33	\$41.79	\$0.28	\$35.84
5	2524 LAB COAT-POLY/COTTON BLEND	8	\$0.21	\$1.68	\$0.17	\$1.36
6	2625 LAB COAT-WOMENS W/O BELT	15	\$0.20	\$2.99	\$0.21	\$3.15
7	76GA MAT-3X5 GREAT IMP 2.0	5	\$1.40	\$7.00	\$1.35	\$6.75
8	76GC MAT-3X10 GREAT IMP 2.0	1	\$2.79	\$2.79	\$2.70	\$2.70
9	8715 AIR FRESHENR-(EA)TWIST ORANGE	2	\$1.58	\$3.16	\$1.75	\$3.50
10	DEFE CHARGE FIXED	1	\$11.30	\$11.30	\$3.89	\$3.89
11	GARMENT MAINTENANCE PROTECTION (GMP)	404	\$0.07	\$27.98	\$0.06	\$24.24
12	GARMENT LOSS PROTECTION (GLP)	404	\$0.08	\$31.72	\$0.07	\$28.28
20		0	\$0.00	\$0.00	\$0.00	\$0.00
21		0	\$0.00	\$0.00	\$0.00	\$0.00
★	Total weekly savings:	\$26.23		\$195.32		\$169.09
#	Rental Item Descriptions	Qty.	Current \$.ea	Current Total	UniFirst \$.ea	UniFirst Total
1	BLACK NITRILE GLOVES	10	\$14.69	\$146.90	\$9.99	\$99.90
2	ORANGE NITRILE GLOVES	10	\$28.44	\$284.40	\$16.99	\$169.90
3	BLUE NITRILE GLOVES	10	\$11.33	\$113.30	\$6.59	\$65.90
6				\$0.00		\$0.00
★	Total weekly savings:	\$208.90		\$544.60		\$335.70
★	Combined weekly savings:	\$235.13		\$739.92		\$504.79

**Pricing valid for 30 days from date listed. Our calculated cost is a good faith estimate and may vary if any products have been overlooked or quantities miscounted. Please allow a 5% +/- variance in your review.

Sales Representative:

JUSTIN PETITTE

760-295-6273 EXT #2

justin_petitte@unifirst.com

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 17, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: EXTENSION OF INFORMATION TECHNOLOGY (IT) SERVICES
AGREEMENT WITH THE CITY OF ENCINITAS

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into Amendment No. 2 to the Agreement for IT Services between the City of Encinitas and San Elijo Joint Powers Authority (SEJPA) for an annual amount not-to-exceed \$82,320; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) has partnered with the City of Encinitas (City) for information technology (IT) and data hosting services since January 2014—a relationship that now spans over 11 years. Throughout this period, the City has consistently delivered high-quality service and IT operations that have met or exceeded expectations.

This partnership provides SEJPA with a reliable and secure IT system, robust cybersecurity protection, and both onsite and remote support. The City was originally selected based on its experienced staff, comprehensive service offerings, and well-established IT infrastructure, which provides continuity, disaster recovery capabilities, and long-term value to SEJPA, its Member Agencies, and other organizations it serves.

DISCUSSION

The current agreement for IT services is set to expire on June 30, 2025. Both SEJPA and the City have expressed interest in continuing the partnership. Outsourcing IT services to the City remains a cost-effective solution for SEJPA, eliminating the need to employ a full-time IT staff member while allowing access to a wide range of technical expertise and IT resources.

The scope of services to be continued under the agreement includes:

- Local Area Network (LAN) and Wide Area Network (WAN) administration
- Microsoft Office 365 administration

- Audio-visual equipment support
- Hardware configuration
- Cybersecurity tools, including antivirus software, email and file filtering, firewall administration, patch and vulnerability management, and incident detection
- 24/7 Security Operations Center monitoring and support
- Business systems disaster recovery (excluding cybersecurity incident recovery)
- Secure monthly cloud hosting
- Disaster Recovery as a Service (DRaaS)
- Dedicated IT support staff

The proposed amendment (Amendment No. 2) would extend the agreement through June 30, 2026, initiating the first of five optional one-year extensions available under the original terms. Each extension includes an annual escalation based on either 3% or the Consumer Price Index (CPI), whichever is greater. While termination of the agreement is not anticipated, the contract includes provisions for either party to terminate the agreement with 90 days' written notice.

FINANCIAL IMPACT

The financial impact of the agreement amendment is not to exceed \$82,320, which includes \$6,860 per month in IT services. Adequate funds are available in the FY 2025-26 Recommended Budget for the 12-month term of the amendment and additional funding for further extensions will be included in future budgets.

It is therefore, recommended that the Board of Directors:

1. Authorize the General Manager to enter into Amendment No. 2 to the Agreement for IT Services between the City of Encinitas and San Elijo Joint Powers Authority (SEJPA) for an annual amount not-to-exceed \$82,320; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachments:

1. Amendment No. 1 to the Agreement for IT Managed Services between the City of Encinitas and San Elijo Joint Powers Authority (SEJPA)
2. Amendment No. 2 to the Agreement for IT Managed Services between the City of Encinitas and San Elijo Joint Powers Authority (SEJPA)
3. Agreement for IT Managed Services by and between City of Encinitas and San Elijo Joint Powers Authority (SEJPA)

**AMENDMENT #1 TO THE AGREEMENT FOR IT MANAGED SERVICES BETWEEN THE
CITY OF ENCINITAS AND SAN ELIJO JOINT POWERS AUTHORITY (SEJPA)**

This Amendment 1 (the "Amendment") is made and entered into as of the date of execution of this document (the "Effective Date"), by and between the City of Encinitas, CA ("City") and San Elijo Joint Powers Authority ("Client").

WHEREAS, Client and City are parties to an agreement dated December 20, 2019 ("Agreement"); and

WHEREAS, Client and City desire to amend the Agreement.

NOW THEREFORE, in consideration of the mutual promises hereinafter contained, Client and the City agree as follows:

- Modify the Agreement Effective Date: The Agreement effective date will be January 4, 2024, through June 30, 2025, renewable every year on July 1 for five (5) optional one (1) year terms, in accordance with the renewable terms in the Agreement.
- Fees and Payment Schedule: The current payment schedule is in effect through January 3, 2024. Starting on January 4, 2024, through June 30, 2025, Client will pay the City \$6,653 per month. Thereafter, a three percent (3%) or Consumer Price Index (CPI) increase will be applied, whichever is greater, to the Client monthly payment on July 1 for every renewal period. This cost does not include any other related expenses outside the Scope of Services.
- Scope of Services:

The Scope of Services includes:

- Local Area Network (LAN) and Wide Area Network (WAN) administration
- Administration of Microsoft Office 365 (email and applications)
- Audio-Visual equipment support
- Hardware configuration
- Cybersecurity tools, including anti-virus, email and file filtering (XDR), firewall administration, patch and vulnerability management and incident detection
- 24/7 Security Operations Center monitoring and support
- Business systems disaster recovery (excluding cybersecurity incident recovery)
- Secure cloud hosting monthly service charge
- Secure disaster recovery as a service (DRaaS)
- Information Technology (IT) Support Staff

The Scope of Services does not include:

- Purchase of hardware
- Microsoft subscriptions
- Individual software licenses (e.g. Zoom, Duo)
- Internet monthly service charges
- Phone monthly service charges
- SCADA – hardware, network security, cybersecurity and disaster recovery
- Cybersecurity incident recovery

- Cybersecurity insurance
- Cybersecurity liability coverage

The Client is required to obtain and maintain cybersecurity liability insurance and cybersecurity incident response retainer. The City is not liable for any costs associated with any cybersecurity breaches.


- Special Projects: These are one-time costs that will be billed upon completion:
 - Virtual server upgrade - \$3,863
 - Phone upgrade (VOIP) - \$500

The new contract cost, effective January 4, 2024, through June 30, 2025 will be \$119,754 plus one-time costs of \$4,363, for a total cost of \$124,117.


All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the dates set forth below.

San Elijo Joint Powers Authority

By: DocuSigned by:

Name: Mike Thornton
Title: General Manager
Date: 1/25/2024

City of Encinitas, CA

By: DocuSigned by:

Name: Pamela Antil
Title: City Manager
Date: 1/26/2024

**AMENDMENT # 2 TO THE
AGREEMENT FOR IT MANAGED SERVICES BETWEEN
THE CITY OF ENCINITAS AND SAN ELIJO JOINT POWERS AUTHORITY (SEJPA)**

This Amendment #2 to the IT Managed Services Agreement is made and entered into as of the date of execution by the City of Encinitas, a municipal corporation, hereinafter referred to as ("City"), and "San Elijo Joint Powers Authority hereinafter referred to as ("Client").

RECITALS

A. The City of Encinitas and Client entered an Agreement for a term that began on January 3, 2020 and expires on June 30, 2025.

B. City of Encinitas and Client executed Amendment #1 on January 26, 2024 to modify the Agreement effective date and increase the monthly fee by 3% to \$6,653 for the period January 4, 2024 through June 30, 2025 for a total fee of \$124,117.

C. The parties wish to extend the term of the Agreement by the first of five (5) additional one-year periods to June 30, 2026.

D. The parties wish to amend the Fees and Payments Schedule to increase the monthly fee from \$6,653 to \$6,860 per the current San Diego County CPI rate of 3.1% for an annual amount of \$82,320.

NOW, THEREFORE, in consideration of the mutual benefits to be derived thereupon, the parties agree to amend the Agreement as follows:

- A. The Agreement between the City of Encinitas and Client is extended for the first of five (5) additional one-year terms and will now expire on June 30, 2026.
- B. The current payment schedule is in effect through June 30, 2025. Starting on July 1, 2025, through June 30, 2026, Client will pay the City \$6,860 per month. This cost does not include any other related expenses outside the Scope of Services.
- Effective July 1st, 2025 Payment for Services to be increased by 3.1% from \$6,653 per month to \$6,860 for a total not-to-exceed amount of \$82,320 for Fiscal Year 2026.

Except as otherwise provided above, all the provisions of the Agreement between the City of Encinitas and Consultant effective on January 3, 2020, shall remain in full force and effect.

EXECUTION OF AGREEMENT

The persons executing this amendment on behalf of the Parties hereto warrant that they are duly authorized to execute this amendment on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

San Elijo Joint Powers Authority

By _____

Name

Date _____

Title

City of Encinitas

By _____

Name

Date _____

Title City Manager

APPROVED AS TO FORM FOR CITY:

Tarquin Preziosi
City Attorney

NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract must be signed by (a) the Chairperson of the Board, President or Vice-President and (b) the Secretary any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer.

No. 13 - Attachment 3

CITY OF ENCINITAS

Agreement for IT Managed Services

by and between

City of Encinitas

and

San Elijo Joint Powers Authority (SEJPA)

AGREEMENT

This service agreement ("Agreement") is entered into between the City of Encinitas ("Service Provider" or "City") and the San Elijo Joint Powers Authority ("Client" or "SEJPA"). This Agreement is entered into as a separate agreement from the City's agreement with SEJPA as a Member Agency. The sole purpose of this Agreement is to provide IT services to the Client, as described herein. This Agreement and its provisions are stand alone and shall not change, alter, vary or revise any provisions of any existing agreements between the City and SEJPA, nor shall any provisions of any existing agreements between Member Agency and SEJPA be implied or otherwise incorporated into this Agreement.

Term of Agreement

This Agreement between Client, and Service Provider, is effective upon January 3, 2020, and shall be for an Initial Term of one (1) year, unless terminated by either party in accordance with the termination provisions contained herein. This Service Agreement has five (5) optional one (1) year terms that begin on the day immediately following the end of each Term, unless either party gives a ninety (90) day written notice of its intent not to renew this Agreement prior to the term end date.

- a) This Agreement may be terminated at any time by either the Service Provider or the Client with or without cause upon ninety (90) days written notice.
- b) If either party terminates this Agreement, Service Provider will assist Client in the orderly termination of services, including timely transfer of the services to another designated provider. Client agrees to pay Service Provider the actual costs of rendering such assistance as this is not part of the monthly service fee.

Fees and Payment Schedule

Fees for managed IT services are for a not-to-exceed total of \$92,700 in the first year, with a 3% annual increase for each successive year. This cost does not include any other related expenses outside the Scope of Services. Service Provider may revise the costs as deemed appropriate by amending this agreement.

Fees will be paid at a rate of \$7,725 per month and will become due and payable on the first day of each month. Services may be suspended and Service Provider may immediately terminate the Agreement with a five (5) day notice if payment is not received within 45 days following the date due and payable.

- a) Fees are not refundable.
- b) The Service Provider will periodically review the fees and adjust as required. Service Provider shall deliver to Client written notice of any fee increase within sixty (60) days of each Agreement renewal date. If Client does not provide written notice to Service Provider within thirty (30) days, the fee increase shall become effective as of the next annual renewal date.

Scope of Services

Scope of services includes hosted data center infrastructure, network administration, non-SCADA cybersecurity, telecommunications, business systems disaster recovery, internet connectivity, and audio-visual equipment support. Services not in scope are applications support, physical security, SCADA hardware, SCADA network security, SCADA cybersecurity, SCADA disaster recovery, and SCADA related radio/telemetry infrastructure. Scope of services is covered

by the monthly fee under the terms of this agreement. It is also understood that any and all Services requested by Client and/or deemed necessary by Service Provider that fall outside of the scope of services will be considered projects, and will be quoted and billed as separate, individual services through the change order process.

All hardware must be covered under a currently active outside vendor support contract; and all software must be genuine, currently licensed and vendor supported. Should any hardware or systems fail to meet these provisions, the Client understands and acknowledges that it shall be solely responsible and liable for any cybersecurity breaches or system outages related to unsupported hardware or software.

The Client is required to obtain and maintain cyber-liability insurance.

Remote and On-Site Helpdesk support of Client's IT networks will be provided to the Client by Service Provider between the normal working hours of 7:30 AM – 5:30 PM consistent with Service Provider's existing 9/80 operational schedule. This means that, in general, coverage will not be available every other Friday, weekends or on scheduled holidays. Service calls or email placed outside normal working hours, hours between 7:30 AM – 5:30 PM, will be addressed on the following Service Provider business day. After hours calls or other communications to Service Provider are not within the Scope of Services and Service Provider has no obligation to respond.

Business Day shall mean Monday through Friday excluding the following Service Provider holidays:

- Martin Luther King
- Presidents Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve Day through New Year's Day (*new City holiday closure schedule*)
- Holidays observed which fall on Saturday shall be observed on the preceding Friday
- Holidays observed which fall on Sunday shall be observed on the following Monday
- Days deemed by City Council as holidays where City Hall is closed

All service requests/issues shall be logged by emailing the Service Provider helpdesk (helpdesk@encinitasca.gov) or by calling support at (760) 633-2898. Emailing Helpdesk is preferred. A helpdesk work order will be generated for each service request received. Client may call in or email to check the status of open requests.

Client will be given advanced notice of any service or application impacting events and will be given the opportunity to address concerns with the Service Provider before any systems are taken offline during maintenance windows.

Modification of Scope

The Scope of Service under this Agreement can only be changed through an executed written Change Order.

Service Provider or Client shall request changes to the Scope of Services by documenting the following in writing:

- a. The nature of the proposed change;
- b. The specific reason for the proposed change;
- c. The cost of the proposed change and the revised total cost of this Agreement;
- d. The name, title, and signature of both Service Provider and Client representative

Neither the Service Provider nor Client is under any obligation to accept a proposed Change Order, unless the Service Provider determines it is required for network or cyber security integrity. The parties remain required to proceed under the terms of this Agreement. Upon acceptance of a Change Order it shall become part of this Agreement. No Change Order is valid until it is fully executed by both parties. No oral request or oral authorization for modification of services shall be binding on either party.

Waiver of Liability, Indemnification and Limitation of Liability

INDEPENDENT RELATIONSHIP: For purposes of this Agreement, it is agreed and understood that Service Provider's relationship to Client under this Agreement is that of an independent public agency. Neither party will be deemed to be a partner, agent, employee or joint venture of the other party. Service Provider and its employees, agents and contractors will not represent or imply that they are employees, agents, partners or joint ventures of Client. Client and its employees and agents will not represent or imply that they are employees, agents, partners or joint ventures of Service Provider. All persons performing Service Provider's obligations under this agreement will be considered to be solely the employees or agents of Service Provider, and Service Provider will be responsible for ensuring there is payment of any and all salaries, wages, payroll taxes, insurance and other items payable to or on behalf of such personnel, and for maintaining worker's compensation insurance on such personnel.

NO ASSUMPTION AND WAIVER OF LIABILITY: By entering into the Agreement, under no circumstances does Service Provider assume any liability or responsibility for the computer systems, equipment, hardware, software, failures, faults or any other electronic systems of Client. Any failures or faults of such systems shall remain the sole responsibility of Client. Service Provider specifically disclaims and Client specifically waives and releases Service Provider from any claims, including without limitation, loss or corruption of data, any indirect, incidental special or consequential damages, expenses, costs, penalties, costs of regulatory action, fines, lost profits, lost savings or earnings, lost or corrupted data, or other liability arising out of, or related to, the services provided by the Service Provider, whether such liability is asserted on the basis of contract, tort, statute or otherwise, even if the Service Provider has been warned of the possibility of such damages.

THE SERVICE PROVIDER DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE.

HOLD HARMLESS: Client shall hold harmless, defend and indemnify Service Provider and its officers, officials, employees and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation or regulatory enforcement) of every nature (including passive or active negligence of Service Provider) arising out of or in connection with Service Provider's performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the gross negligence or willful misconduct of the Service Provider.

No defense or indemnity rights contained in any agreement between SEJPA and Service Provider as a Member Agency of SEJPA shall be applied to the services provided or performed by Service Provider in this Agreement, including, but not limited to rights held by another Member Agency.

LIMITATION OF LIABILITY: Notwithstanding any other provision of this Agreement or liability found, in recognition of the relative risks and benefits of Agreement to both the Client and the Service Provider, the risks have been allocated such that the Client agrees to limit the liability of the Service Provider to the Client for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of the Service Provider to the Client shall be limited to three (3) times the fixed monthly service fee paid by Client for services rendered under this Agreement. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising from this Agreement.

FORCE MAJEURE. If the performance of any part of this Agreement by either party is prevented, hindered, delayed or otherwise made impracticable by reason of an Act of God, including, any flood, earthquake, riot, fire, judicial or governmental action, acts of terrorism or war, labor disputes, or any other causes beyond the control of such party, that party shall be excused from such to the extent that it is prevented, hindered or delayed by such causes.

Resolution of Disputes

In the event of any dispute or disagreement between the parties, whether with respect to the interpretation of any provision of the Agreement, or with respect to the performance of either party hereto, the Parties shall meet at a working staff level for the purpose of endeavoring to resolve such dispute or negotiate a resolution. If a resolution to such dispute does not occur during such meeting or within fourteen (14) business days thereafter, the parties agree to elevate the dispute to a meeting of the City's IT Manager and Client's General Manager. If a resolution to such dispute does not occur during such meeting or within fourteen (14) business days thereafter, the Encinitas City Manager will make a final determination. Once such final determination is made, Service Provider or Client shall further elevate the dispute to their respective governing boards before Service Provider or Client pursue any other remedy available pursuant to this Agreement or at law, subject to any required notice and claims presentation requirements of the California Government Claims Act or other provisions of law.

General Provisions

a. Governing Law

The Service Provider and Client shall comply with all applicable federal and state laws, ordinances and codes. This Agreement shall be governed by and construed in accordance with the laws of the State of California and any and all disputes or legal actions shall be initiated and venued in San Diego County, North County Division.

b. Provisions Regarding Subcontractors

Contract or sub-contract IT services must be coordinated with the Service Provider in writing to ensure that segregation of duties and appropriate security permissions are applied.

c. Non-Solicitation

Client agrees that neither party will solicit or offer employment to the respective employee(s) or sub-contractor(s), whether directly or indirectly, during their employment, except with prior written approval in each case.

d. Notices

All notices or communications required or permitted as a part of this Agreement shall be in writing.

Any such notices shall be directed to:

City of Encinitas Information Technology
505 South Vulcan Ave
Encinitas, CA 92024
Attn: IT Manager

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

Entire Agreement

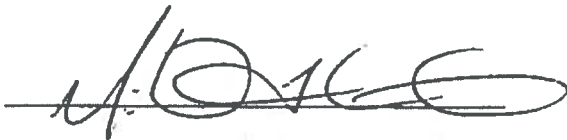
This Agreement constitutes the entire understanding of the parties with respect to the matter contained herein. There are no promises, covenants or undertakings other than those expressly set forth herein. This Agreement may not be amended except by writing signed by authorized representatives of Service Provider and Client. If any of the provisions of the Agreement(s) are declared to be invalid, such provisions shall be severed from the Agreement(s) and the other provisions hereof shall remain in full force and effect.

Acceptance of Terms

Client acknowledges that the person signing this Agreement on its behalf is authorized to do so and may bind the Client to all the terms and conditions contained herein, and represents and warrants that such person is acting within the scope of his or her authority as an officer, director or duly authorized agent or employee of Client.

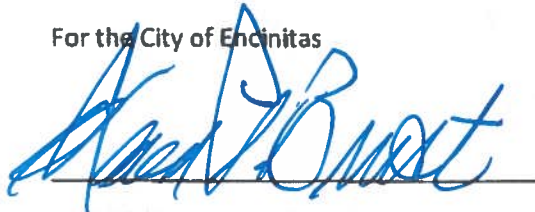
The signature of both parties shall evidence acceptance of the terms of this Agreement:

For the San Elijo Joint Powers Authority



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

For the City of Encinitas



Karen P. Brust / City Manager

Date:

12/9/2019

Date:

12/20/19

Approved As To Form:


Encinitas City Attorney Date

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 18, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RESTRUCTURING THE SALE OF RECLAIMED WATER TO THE CITY OF DEL
MAR AND 22ND DISTRICT AGRICULTURAL ASSOCIATION

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute an Agreement with the City of Del Mar Regarding Delivery of Reclaimed Water and Delegation of Responsibilities Under the Water Recycling Act of 1991 (Attachment 1);
2. Authorize the General Manager to execute the Fourth Amendment for Reclaimed Water Sales Agreement with the City of Del Mar and the 22nd District Agricultural Association (Attachment 2); and
3. Discuss and take action as appropriate.

BACKGROUND

On November 5, 1997, the San Elijo Joint Powers Authority (SEJPA) entered into two agreements related to the sale of reclaimed water within the City of Del Mar (City). The first agreement established SEJPA as the wholesale reclaimed water provider and the City as the retail agency. The second agreement included the 22nd District Agricultural Association (District) and set the retail terms for the City to resell reclaimed water to the District.

These agreements were necessary because SEJPA serves as the recycled water wholesaler with its distribution infrastructure—including pipelines, valves, and other appurtenances— located within the City's jurisdiction. Under this arrangement, the City serves as the retail agency, acting as an intermediary by collecting payments from the District for its reclaimed water use and remitting those payments to SEJPA. The District is the primary end user of reclaimed water within the City.

Over time, the agreements have been amended to reflect changes in usage patterns and pricing structures:

- **2014 (First Amendments):**
Increased reclaimed water rates and reduced the minimum annual purchase volume from 150 acre-feet (AF) to 120 AF due to water conservation efforts by the District.

These amendments also replaced the prior 85% index-based pricing with a cost-of-service model.

- **2020 (Second Amendments):**

Further reduced the minimum annual purchase volume to 85 AF to align with actual usage by the District. The agreement term was extended to June 30, 2023, with provisions for automatic annual renewal unless amended or terminated.

- **2023 (Third Amendments):**

Temporarily adjusted the minimum purchase volume to 170 AF to cover the combined usage for Fiscal Years 2021–2022 and 2022–2023. Beginning July 1, 2023, the annual minimum volume reverted to 85 AF.

These agreements continue to support the delivery and use of reclaimed water in the City, helping to conserve potable water resources, promote sustainable water management, and reduce the discharge of treated wastewater into the Pacific Ocean.

DISCUSSION

Since 1997, the City has acted as a retail agency for the delivery of reclaimed water from SEJPA to the 22nd District Agricultural Association, serving as an intermediary for invoicing and payment transactions. While this structure met the needs of the original agreement, the City has expressed that the administrative burden associated with this role is significant and provides no direct operational or economic benefit.

In response, SEJPA has worked collaboratively with the City and the District, along with legal counsel for each agency, to restructure the agreements to simplify reclaimed water delivery and clarify responsibilities. Under the proposed framework, SEJPA will assume direct responsibility for providing reclaimed water to the District and managing all related agreements, billing, and coordination. The City will continue as a SEJPA customer for its own reclaimed water needs but will no longer serve as a pass-through agency for the District.

To support this transition, SEJPA will reduce the District's minimum annual purchase volume from 85 AF to 75 AF, reflecting recent usage trends while maintaining cost-recovery principles.

A new agreement between SEJPA and the City has been prepared to delegate responsibilities in accordance with the Water Recycling Act of 1991. In addition, a Fourth Amendment to the Reclaimed Water Sales Agreement has been developed to formally remove the City from future participation in reclaimed water sales to the District. If approved, these changes will take effect on July 1, 2025, and will replace the original structure established in 1997.

This restructuring is expected to improve administrative efficiency, strengthen interagency coordination, and continue support.

FINANCIAL IMPACT

As operations at the District's property (Del Mar Fairgrounds) continue to evolve, their demand for recycled water has declined. The proposed terms in Amendment No. 4 align the minimum purchase volume with actual usage by reducing the annual minimum from 85 acre-feet (AF) to 75 AF. This revised minimum represents approximately 88% of the District's anticipated actual usage of nearly 85 AF and is considered a reasonable accommodation that reflects the long-standing and cooperative partnership between SEJPA and the District.

Increased usage by other SEJPA recycled water customers is anticipated to offset this change, resulting in a stable or slightly increasing overall recycled water sales volume. As a result, the net revenue impact to SEJPA is expected to be neutral.

The additional administrative effort associated with reading a single meter and directly billing the District is expected to have a minimal impact. Furthermore, the agreement allows SEJPA to invoice the District for costs related to meter calibration, maintenance, and replacement, ensuring full cost recovery for these services.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to execute an Agreement with the City of Del Mar Regarding Delivery of Reclaimed Water and Delegation of Responsibilities Under the Water Recycling Act of 1991 (Attachment 1);
2. Authorize the General Manager to execute the Fourth Amendment for Reclaimed Water Sales Agreement with the City of Del Mar and the 22nd District Agricultural Association (Attachment 2); and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachments:

1. Agreement with the City of Del Mar Regarding Delivery of Reclaimed Water and Delegation of Responsibilities Under the Water Recycling Act of 1991
2. Fourth Amendment to Reclaimed Water Sales Agreement between the San Elijo Joint Powers Authority, City of Del Mar, and the 22nd District Agricultural Association

**AGREEMENT BETWEEN SAN ELIJO JOINT POWERS AUTHORITY
AND CITY OF DEL MAR REGARDING DELIVERY OF RECLAIMED
WATER AND DELEGATION OF RESPONSIBILITIES
UNDER THE WATER RECYCLING ACT OF 1991**

This Agreement (“**AGREEMENT**”) is made and entered into on this 1st day of July, 2025, by and between the San Elijo Joint Powers Authority, a Joint Powers Authority (“**SEJPA**”), and the City of Del Mar, a chartered municipal corporation (“**CITY**”). The SEJPA and City may herein be collectively referred to as the “Parties” or individually, as a “Party.”

RECITALS

WHEREAS, the SEJPA is a producer of recycled or reclaimed water in accordance with the requirements of Order No. 2000-10, Master Recycled Water Permit for the production and purveyance of Recycled Water for San Elijo Joint Powers Authority, San Dieguito Water District, Santa Fe Irrigation District, and City of Del Mar, as adopted by the California Regional Water Quality Control Board, San Diego Region on March 8, 2000, which incorporates Title 22 of the California Code of Regulations, and amendments thereto; and

WHEREAS, on November 5, 1997, the SEJPA, the CITY and the 22nd District Agricultural Association, a California State Institution located within the CITY’s service area (the “**DISTRICT**”), entered into that certain Reclaimed Water Sales Agreement and three subsequent amendments thereto, which established the terms and conditions under which the SEJPA produces, and the SEJPA and the CITY deliver, reclaimed water to the DISTRICT (collectively referred to herein as, the “**RW Contract**”); and

WHEREAS, the SEJPA, CITY and the DISTRICT wish to execute a Fourth Amendment to the RW Contract in order to further reduce the annual minimum purchase volume and adjust the cost of reclaimed water being charged to the DISTRICT, and to remove the CITY as a party to the RW Contract, but continue certain terms for the provision of reclaimed water by SEJPA to the DISTRICT, whereupon SEJPA shall become responsible for all rights and obligations previously held by CITY under the RW Contract, as amended; and

WHEREAS, the CITY is responsible for the purveyance of potable and reclaimed water within its service area in accordance with the Water Recycling Act of 1991 (Water Code §§ 13575 *et seq.*) (the “**Act**”); and

WHEREAS, the Act encourages retail water suppliers and reclaimed water producers and wholesalers to enter into contracts to facilitate the service of reclaimed water in the most efficient and cost-effective manner; and

WHEREAS, the Act allows a retail water supplier (here, the CITY) to delegate to a reclaimed water producer or wholesaler (here, the SEJPA) its authority to provide reclaimed water to a customer in the retail water supplier’s jurisdiction via a written agreement; and

WHEREAS, the SEJPA has the ability to provide reclaimed water to the DISTRICT, a customer in the CITY’s jurisdiction; and

WHEREAS, the CITY consents to the SEJPA's provision of reclaimed water service to the DISTRICT and hereby delegates to SEJPA all authority and responsibilities under the Act to provide reclaimed water to the DISTRICT; and

WHEREAS, the Parties, recognizing that the use of reclaimed water is a positive and achievable future means of helping to meet the growing water demands within the CITY and Southern California, and in furtherance of the Statewide goals, findings and declarations set forth in California Water Code Section 13576, and the Act generally, have determined that it is in their mutual best interests for the SEJPA to deliver reclaimed water directly to the DISTRICT pursuant to the terms of the RW Contract.

NOW, THEREFORE, in consideration of the above Recitals and the covenants contained herein, the Parties agree as follows:

AGREEMENT

SECTION 1. CONSENT AND DELEGATION OF AUTHORITY

The CITY hereby consents to the SEJPA's delivery of reclaimed water directly to the DISTRICT, as set forth more fully herein, and delegates to the SEJPA all authority and responsibility to provide reclaimed water to the DISTRICT, a customer in the CITY's jurisdiction, as contemplated by Section 13580.5(a)(2) of the Water Code, and the SEJPA hereby accepts this delegation and responsibility.

SECTION 2. NOTICE

Notices required or permitted under this AGREEMENT shall be sufficiently given if provided in writing via both email and personal service, or by both email and deposit in the United States mail, postage prepaid, certified, return receipt requested, addressed to the Parties at the following addresses:

CITY: City of Del Mar
Attention: City Manager
1050 Camino del Mar
Del Mar, CA 92014
Email: ajones@delmar.ca.us

SEJPA: San Elijo Joint Powers Authority
Attention: General Manager
2695 Manchester Avenue
Cardiff by the Sea, CA 92007
Email: thornton@sejpa.org

It shall be the sole responsibility of each Party to this AGREEMENT to promptly notify the other Party of any change of title and/or address of that Party as long as this AGREEMENT remains in effect.

The Parties agree that the attorney for a party listed above shall have the authority to deliver notices to the other Party on such Party's behalf.

If notice is personally served on a Party in compliance with this Section, it shall be deemed delivered, given and received on the date of service. If notice is mailed to a Party in compliance with this Section, it shall be deemed delivered, given and received upon the earlier of: (i) four (4) calendar days from the date of deposit in the United States mail, or (ii) the date of receipt as indicated on the return receipt.

SECTION 3. AMENDMENTS

This AGREEMENT may not be amended, changed or modified except by a writing duly executed by both Parties hereto.

SECTION 4. ASSIGNMENT

Neither this AGREEMENT nor any interest, right or obligation herein described, nor any monies due or to become due hereunder, shall be assigned, pledged, transferred or otherwise disposed of without the prior written consent of both Parties to this AGREEMENT, which consent shall not be unreasonably withheld.

SECTION 5. EFFECTIVE DATE

This AGREEMENT shall become effective upon the date first written above.

SECTION 6. TERM AND TERMINATION OF AGREEMENT

This AGREEMENT shall terminate upon the mutual written agreement of both Parties.

SECTION 7. BINDING EFFECT

This AGREEMENT shall be binding upon the Parties according to its terms and shall also bind their respective successors in interest and permitted assigns.

SECTION 8. INDEMNIFICATION

Each Party agrees to indemnify, protect and hold the other Party and its directors, agents, officers and employees, harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including to the others' directors, agents, officers or employees, which arise from or are connected with and are cause or claimed to be caused by the acts or omissions of the other, and its directors, agents, officers and employees performing under this AGREEMENT, and all expenses of investigations and defending against the same; provided, however, that each Party's duty to indemnify and hold harmless shall not apply to those incidents or claims arising from the sole negligence or willful misconduct of the other Party, its directors, agents, officers and/or employees. To the extent that more than one Party is determined to have been negligent or at fault, the Parties agree that each Party shall bear its own portion or percentage of liability and to indemnify and hold harmless the other Party from that share.

This indemnity Section is not intended by the Parties to waive any legal rights for defenses and immunities and other legal safeguards and protections from liability which are granted to public agencies and their employees under the California Tort Claims Act. The Parties' indemnification, defense and hold harmless obligations pursuant to this AGREEMENT shall survive the expiration or termination of the AGREEMENT.

SECTION 9. RESERVATION OF RIGHTS; NO VESTED RIGHTS

It is hereby expressly understood and agreed that the CITY by execution of this AGREEMENT and the exercise of the rights granted to it by this AGREEMENT shall not acquire any vested right to reclaimed water, and shall not acquire any vested right, title, or interest in or to the SEJPA's wastewater treatment facilities, reclaimed water distribution system, or any other SEJPA facilities, other than as expressly authorized under Section 10 of this AGREEMENT. The SEJPA expressly reserves all of its rights except as expressly provided otherwise herein.

SECTION 10. UNRELATED SUPPLY OF RECLAIMED WATER BY SEJPA TO CITY

The Parties acknowledge that CITY has a separate reclaimed water meter unrelated to the DISTRICT. To the extent CITY withdraws reclaimed water from SEJPA's system, CITY shall pay for the volume of reclaimed water received per hundred cubic feet. SEJPA shall directly invoice the CITY monthly for any withdrawal of reclaimed water, retrofit loan payments (as applicable), domestic water used for blending, and any supplemental water delivered to the CITY's meter. The price of reclaimed water charged (including fixed or meter fees, if any) by the SEJPA to the CITY shall be determined by SEJPA based on a cost-of-service analysis prepared by SEJPA or its retained expert consultants and approved at an open and public meeting. The CITY shall pay SEJPA's invoice within forty-five (45) days after receipt of the invoice.

SECTION 11. ATTORNEYS' FEES

If any arbitration proceeding or action at law is brought to enforce or interpret the provisions of this AGREEMENT, the prevailing Party shall be entitled to a reasonable attorneys' fees and expert witnesses' fees, which may be set by the Court in the same action brought for that purpose, in addition to any other relief to which a Party may be entitled.

SECTION 12. APPLICABLE LAW

This AGREEMENT is entered into in the State of California and California law shall apply to the interpretation and construction of all of its provisions.

SECTION 13. JURISDICTION, FORUM AND VENUE

The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this AGREEMENT shall be in the State and Federal courts located in the State of California, County of San Diego. The Parties agree not to bring any action or proceeding arising out of or relating to this AGREEMENT in any other jurisdiction, forum or venue. The Parties hereby submit to personal jurisdiction in the State of California for the enforcement of this AGREEMENT and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this AGREEMENT, whether on the grounds of inconvenient forum or otherwise.

SECTION 14. SEVERABILITY

If any non-material provision of this AGREEMENT, or any portion of any such provision, is held to be unenforceable or invalid, the remaining provisions and portions shall nevertheless be carried into effect.

SECTION 15. REMEDIES

All rights and remedies of the Parties are separate and cumulative, and no one of them, whether exercised or not, shall be deemed to be to the exclusion of or to limit or prejudice any other legal or equitable rights or remedies which the Parties may have, except as otherwise expressly limited herein. Subject to the limitations or remedies imposed elsewhere in this AGREEMENT, the Parties shall not be deemed to have waived any of their rights or remedies hereunder, unless such waiver is in writing and signed by the Party to be bound. No delay or omission on the part of any Party in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar or waiver of any right or remedy on any future occasion. No waiver or any rights under this AGREEMENT shall be binding unless it is in writing signed by the Party waiving such rights.

SECTION 16. NO THIRD-PARTY BENEFICIARY

Unless otherwise expressly stated herein, this AGREEMENT creates rights and duties only between the Parties, and no third-party is or shall be deemed to be or shall have any rights as a third-party beneficiary nor shall any third-party have the right to enforce any provisions of this AGREEMENT.

SECTION 17. COUNTERPARTS

This AGREEMENT may be executed electronically and/or in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any Party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

SECTION 18. FACSIMILE OR ELECTRONIC TRANSMISSION OF SIGNATURES

Upon execution of this AGREEMENT by each Party, a photocopied, facsimile and/or electronic transmission of each Party's signatures may be delivered to the other Party and used in place of original signatures on this AGREEMENT with the same force and effect as if the countersigned originals of this AGREEMENT had been delivered by each Party to the other Party. The Parties acknowledge and agree that they intend to and shall each be bound by such signatures on the photocopied, facsimile and/or electronic transmission of this AGREEMENT. The Parties further acknowledge and agree that they are aware that each Party will rely on their respective signatures on the photocopied, facsimile and/or electronic transmission of this AGREEMENT and hereby waive any and all defenses to enforcement of the terms of this AGREEMENT based on the form of signature.

SECTION 19. COOPERATION OF THE PARTIES

In any case where the approval or consent of a Party hereto is required, requested or otherwise to be given under this AGREEMENT, such Party shall not unreasonably delay or withhold its approval or consent.

SECTION 20. CONSTRUING THE CONTRACT

In the event of a dispute under this AGREEMENT, no Party shall be deemed to be the Party who caused the uncertainty to exist, and the prescriptions of Civil Code Section 1654 shall not be applicable to such a dispute under this AGREEMENT.

SECTION 21. ENTIRE AGREEMENT

This AGREEMENT constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof superseding all negotiations, prior discussions and preliminary agreements and understandings, written or oral.

SECTION 22. TERMINATION OF RECYCLED WATER CONTRACT

The Parties agree that this AGREEMENT hereby supersedes and terminates the Agreement for Sale of Reclaimed Water to the City of Del Mar by the San Elijo Joint Powers Authority dated November 5, 1997, as amended.

SECTION 23. INTEGRATION OF RECITALS

The Parties hereby incorporate the Recitals set forth above as though they are set forth in full herein.

IN WITNESS WHEREOF the Parties hereto have caused this AGREEMENT to be executed on as of the date first written above.

SAN ELIJO JOINT POWERS AUTHORITY

CITY OF DEL MAR

By: _____
Michael Thornton, General Manager

By: _____
Ashley Jones, City Manager

**FOURTH AMENDMENT TO RECLAIMED WATER SALES AGREEMENT
BETWEEN SAN ELIJO JOINT POWERS AUTHORITY, CITY OF DEL MAR AND
22ND DISTRICT AGRICULTURAL ASSOCIATION**

This Fourth Amendment ("**Fourth Amendment**") to the Reclaimed Water Sales Agreement ("**Agreement**"), is made and entered into on this 1st day of July, 2025 (the "**Effective Date**"), between the San Elijo Joint Powers Authority, a Joint Powers Authority ("**SEJPA**"), the City of Del Mar, a chartered municipal corporation ("**CITY**"), and the 22nd District Agricultural Association, a California State Institution ("**DISTRICT**"). The parties may herein be collectively referred to as the "Parties," or individually as a "Party."

RECITALS

WHEREAS, on November 5, 1997, the Parties entered into the Agreement, which established the terms and conditions under which SEJPA produces, and SEJPA and the CITY deliver, reclaimed water to the DISTRICT; and

WHEREAS, on December 15, 2015, the Parties executed a First Amendment to the Agreement, modifying Section 4 of the Agreement to reduce the annual minimum purchase volume, and modifying Section 8 of the Agreement to change the pricing structure to utilize cost of services pricing principles and adjust the cost of reclaimed water to the DISTRICT; and

WHEREAS, on December 1, 2020, the Parties executed a Second Amendment to the Agreement to further reduce the annual minimum purchase volume and adjust the cost of reclaimed water being charged to the DISTRICT; and

WHEREAS, on January 23, 2023, the Parties executed a Third Amendment to the Agreement to adjust the annual minimum purchase volumes the CITY and DISTRICT are required to purchase; and

WHEREAS, as set forth in the agreement between SEJPA and the CITY related to the provision of water to the DISTRICT (attached as **Exhibit "1"** to this Fourth Amendment), the CITY has duly consented to SEJPA's direct provision of reclaimed water service to the DISTRICT and has delegated to SEJPA authority under the Water Recycling Act of 1991 (California Water Code §§ 13575 *et seq.*) to provide reclaimed water to the DISTRICT directly, with no rights or obligations of the CITY whatsoever; and

WHEREAS, the Parties now wish to execute this Fourth Amendment to the Agreement in order to reduce further the annual minimum purchase volume and adjust the cost of reclaimed water being charged to the DISTRICT, and to remove the CITY as a party to that Agreement.

NOW, THEREFORE, in consideration of the above recitals, the mutual obligations and agreements contained in this Fourth Amendment, and for other good and valuable consideration, the Parties agree as follows:

AGREEMENT

1. The Parties agree that the CITY shall no longer be a Party to the Agreement, as amended, as of the Effective Date of this Fourth Amendment, and that all rights and obligations of the CITY under the Agreement, as amended, shall be extinguished upon the Effective Date of this Fourth Amendment. Notwithstanding the foregoing, the CITY shall remain subject to all provisions of the

Agreement and subsequent amendments related to liabilities and indemnity obligations arising out of, relating to or as set forth in the Agreement that occurred before the execution of this Fourth Amendment. Any future amendment, revision, or change to the Agreement shall not require participation, approval, or execution by the CITY.

2. The provisions of this Fourth Amendment shall apply to the sale of reclaimed water by SEJPA directly to the DISTRICT, commencing July 1, 2025 through June 30, 2030, and shall continue thereafter from year to year on the same terms and conditions as provided in this Fourth Amendment unless the Agreement is terminated in accordance with Section 14 of the Agreement, or the Agreement is otherwise amended by the Parties.

3. Commencing on the Effective Date, SEJPA shall supply the DISTRICT with, and the DISTRICT shall accept and purchase from SEJPA, no less than seventy-five (75) acre feet (AF) of reclaimed water annually at the applicable water rate set forth in this Fourth Amendment.

4. In the event the DISTRICT fails to accept the minimum of seventy-five (75) AF of reclaimed water in any fiscal year, for any reason other than SEJPA's failure to supply such quantity and/or quality of reclaimed water as provided for in the Agreement, as amended, the DISTRICT agrees to pay to SEJPA an amount equal to the difference between the AF accepted by the DISTRICT and the minimum 75 AF of reclaimed water at the applicable reclaimed water rate set forth in this Fourth Amendment, by no later than forty-five (45) calendar days after the end of the applicable fiscal year.

5. SEJPA shall be solely responsible for the installation, operation and maintenance of the reclaimed water flow meter, and meter box. SEJPA shall be solely responsible for maintaining, calibrating, and reading the reclaimed water flow meter on a regular basis, and reporting the reclaimed water delivered to the DISTRICT. DISTRICT shall pay SEJPA a monthly meter fee for these services; which shall be included in SEJPA's monthly invoice. The monthly meter fee shall be determined by SEJPA based on a cost-of-service analysis prepared by SEJPA, or its retained expert consultants, and approved at an open and public meeting.

6. Section 9 of the Agreement (Terms of Payment) is amended in its entirety to read as follows:

"SEJPA shall directly invoice the District monthly for reclaimed water, retrofit loan payments (as applicable), domestic water used for blending and any supplemental water delivered to the District's meter at the price established in this Fourth Amendment or any future amendment. The District shall pay SEJPA's invoice within forty-five (45) days after receipt of the invoice."

7. Section 8 of the Agreement (Price of Reclaimed Water) is amended in its entirety to read as follows:

"For the period spanning July 1, 2025 through June 30, 2026, and each Fiscal Year thereafter, until or unless otherwise amended by the Parties or terminated by either SEJPA or the District with no less than one (1) years' written notice, the price of reclaimed water charged by the SEJPA to the District shall be determined by SEJPA based on a cost-of-service analysis prepared by SEJPA or its retained expert consultants and approved at an open and public meeting."

8. For Fiscal Year 2024-2025 Only: In the event the DISTRICT fails to accept the minimum eighty-five (85) AF of reclaimed water by June 30, 2025, as currently required by the Third Amendment, the DISTRICT and SEJPA agree that the difference in the amount of reclaimed water between what the DISTRICT accepted and the required minimum 85 AF of reclaimed water (the **"Rollover Amount"**) shall be rolled forward into the Fiscal Year 2025-2026 obligation. In the event this provision is triggered, the DISTRICT agrees to pay to SEJPA an amount equal to the minimum seventy-five (75) AF of reclaimed water required for Fiscal Year 2025-2026 plus the Rollover Amount pursuant to the same terms set forth in Paragraph 4 of this Fourth Amendment. For illustrative purposes only: if the DISTRICT accepts only 82 AF of reclaimed water by June 30, 2025, then the DISTRICT must accept a minimum 75 AF of reclaimed water plus (+) the Rollover Amount (3 AF) in Fiscal Year 2025-2026, for a total minimum of 78 AF of reclaimed water for Fiscal Year 2025-2026. In this example, if the DISTRICT fails to accept 78 AF of reclaimed water in Fiscal Year 2025-2026, then the DISTRICT must pay SEJPA an amount equal to the difference between the AF accepted by the DISTRICT and the minimum 78 AF of reclaimed water at the applicable reclaimed water rate set forth in this Fourth Amendment by no later than forty-five (45) days after the end of Fiscal Year 2025-2026 (e.g., by no later than July 30, 2026).

9. Except as expressly provided in this Fourth Amendment, in all other respects the Agreement, First Amendment, Second Amendment, and Third Amendment are hereby republished in their entirety and remain in full force and effect. If any provision of the Agreement, as amended, directly conflicts with a provision of this Fourth Amendment, the terms of this Fourth Amendment shall control.

IN WITNESS WHEREOF, the Parties have caused this Fourth Amendment to be executed on the Effective Date first mentioned above.

SAN ELIJO JOINT POWERS AUTHORITY

CITY OF DEL MAR

By: _____
Michael Thornton, General Manager

By: _____
Ashley Jones, City Manager

**22ND DISTRICT AGRICULTURAL
ASSOCIATION**

By: _____
Carlene Moore, CEO

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 17, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY
FISCAL YEAR 2025-26 BUDGET, INVESTMENT POLICY, AND
APPOINTMENT OF TREASURER

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2025-03, Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2025-26;
2. Adopt Resolution No. 2025-04, Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Kevin Lang as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

BACKGROUND

In April 2025, staff presented the Fiscal Year (FY) 2025–26 Recommended Budget to the Board of Directors for review and public comment. During the development stages of the budget, staff engaged with representatives from both Member Agencies and consulted with partner government agencies that utilize San Elijo Joint Powers Authority (SEJPA) services to discuss the proposed budget.

In May 2025, staff informed the Board of Directors that no proposed changes to the Recommended Budget had been received from Member Agencies, participating government agencies, or the public. Following the May 20, 2025, SEJPA Board Meeting—which included a second Recycled Water Cost of Service Workshop—staff revised the proposed wholesale recycled water rate increase. The initial recommendation presented in April included a 12% rate increase. Based on feedback from the Board, customers, and internal staff discussions, this has been adjusted to a phased increase: a 3.9% rate increase effective July 1, 2025, followed by an additional 7.8% increase effective January 1, 2026. As a result of this change, budgeted recycled water revenue has been revised from \$3,515,309 to \$3,399,250, representing a reduction of \$116,059. In addition, staff identified and corrected minor clerical errors within the budget document.

DISCUSSION - FY 2025-26 Budget

The FY 2025–26 San Elijo Joint Powers Authority (SEJPA) Budget has been developed in accordance with the SEJPA Joint Powers Agreement and existing service agreements with partner government agencies. The budget outlines the expenditures required to deliver core services, including wastewater treatment, waste disposal, water recycling, laboratory services, ocean outfall management, and pump station operations. No new programs are proposed for this fiscal year.

The total FY 2025–26 Budget is \$17,521,525, comprising \$11,204,651 in operating expenses, \$3,941,368 in capital appropriations, and \$2,375,506 in debt service payments. Below please find a table detailing operating expenses by program, representing an increase of \$683,207 from FY 2024-25's adopted budget.

Operating Expenses

Table 1 – Operating Expenses

Program	Adopted Budget 2025-26	Budget Change
Wastewater Treatment	\$ 4,551,366	\$ 244,373
Laboratory Services	1,156,952	106,214
Ocean Outfall	1,156,141	85,835
Cardiff Sanitary Division Pump Stations	443,583	38,029
Encinitas Sanitary Division Pump Station	203,637	18,190
City of Encinitas Urban and Stormwater Services	66,466	4,662
City of Solana Beach Pump Stations	558,839	46,040
City of Solana Beach Generator Maintenance Services	17,483	(73)
City of Del Mar Pump Station	104,780	28,799
22nd District Agricultural Association (Del Mar Fairgrounds)	192,020	19,649
Leucadia WD Technical Support Services	29,324	1,115
	\$ 8,480,591	\$ 592,833
Recycled Water	2,724,060	90,374
Total Operating Expenses	\$ 11,204,651	\$ 683,207

Capital Appropriations

The FY 2025–26 Capital Improvement Program (CIP) appropriation totals \$3,941,368. Of this amount, \$2,110,368 is allocated for wastewater capital needs and \$1,456,000 is designated for planned improvements to the recycled water utility. The remaining appropriations are allocated to program-specific capital projects. More detail on our capital initiatives can be found in the FY 2025-26 Budget Book.

Capital appropriations are allocated based on ownership share or leased capacity associated with the asset being constructed or improved. The following table summarizes the FY 2025–26 capital appropriations by program area.

Table 2 – Capital Appropriations

Capital Project	Encinitas	Solana Beach	Del Mar	Rancho Santa Fe CSD	Escondido	Recycled Water	Total
Wastewater Capital Projects (2026)	\$ 884,383	\$ 884,383	\$ 241,120	\$ 100,483	\$ -	\$ -	\$ 2,110,368
Laboratory Remodel	52,381	52,381	14,286	5,952	-	-	125,000
Outfall Ballast Reserve	4,412	4,412	1,176	490	39,510	-	50,000
Escondido Vault Rehabilitation	8,824	8,824	2,353	980	79,020	-	100,000
Moonlight Beach Pump Station	45,000	-	-	-	-	-	45,000
Olivenhain Pump Station Upgrade	55,000	-	-	-	-	-	55,000
Recycled Water Projects	-	-	-	-	-	1,456,000	1,456,000
Total	\$ 1,050,000	\$ 950,000	\$ 258,935	\$ 107,905	\$ 118,530	\$ 1,456,000	\$ 3,941,368

Debt Service

SEJPA has a number of long-term debt agreements that support the capital needs of the JPA. Debt Service for FY 2025-26 is \$2,375,506, which includes \$1,391,463 for Wastewater and \$984,043 for Recycled Water. Below is a table listing the debt services, representing an increase of \$1,902 from FY 2024-25's adopted budget. In addition to the debt service costs, the expected revenue credit to Del Mar is capped at \$60,000 for credits against infrastructure costs incurred on SEJPA's behalf in prior years.

Table 3 – Debt Service Payments

Expense	Budget FY 2025-26	Budget Change (\$)
Wastewater - 2017 Revenue Bonds	\$ 1,338,075	\$ (500)
Wastewater - San Diego Gas & Electric	53,388	-
Recycled Water - Advanced Water Purification	148,154	-
Recycled Water - SFID Pipeline Loan	46,500	(480)
Recycled Water - Solana Beach Pipeline Loan	10,350	2,340
Recycled Water - 2023 Recycled Water Loan	779,039	542
Total	\$ 2,375,506	\$ 1,902
Del Mar Wastewater Infrastructure Credit	\$ 60,000	-

Revenue

Revenue to support operations is collected on a programmatic basis. For FY 2025–26, SEJPA’s total projected revenue is \$16,280,138, as detailed in the table below, representing an increase of \$917,512 from FY 2024-25’s adopted budget.

Table 4 - Revenue

Revenue Source	Budget 2025-26	Budget Change
City of Encinitas	\$ 4,938,041	\$ 313,122
City of Solana Beach	4,070,609	468,927
City of Del Mar	1,245,700	156,456
22nd District Agricultural Association	192,020	19,649
Rancho Santa Fe CSD	516,613	75,898
City of Escondido	1,130,552	69,477
Laboratory Services	136,100	23,700
Recycled Water	3,399,250	(292,517)
T-Mobile Cell Site Lease	34,730	1,012
Other Revenue	67,331	21,446
Interest on Wastewater Operations	26,402	(36,698)
Interest on Water Reclamation	522,790	97,040
Total Revenue Sources	<u>\$ 16,280,138</u>	<u>\$ 917,512</u>

The FY 2025-26 Budget is now ready for Board consideration for adoption as presented in the attached Resolution No. 2025-03. A copy of the FY 2025-26 Budget Document is available on the SEJPA website at <https://www.sejpa.org/about-us/financials>.

Investment Policy

State law requires that the Investment Policy be reviewed and adopted annually. SEJPA investment policy allows for investment in the State Local Agency Investment Fund (LAIF), the San Diego County Investment Pool, and Money Market Funds to provide diversified investment options. The Money Market Funds allow investment in short-term, dollar-denominated securities that are issued by diversified management companies and registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) in accordance with Government Code 53601(I)(2) and subject to the criteria and restrictions set forth in Government Code 53601(I)(4) and (5). No changes to the investment policy are being recommended at this time.

Additionally, state law requires the annual appointment of a SEJPA Treasurer. Christopher Trees, Director of Operations, is the current SEJPA Treasurer, appointed following the departure of the prior Director of Finance and Administration. As that position has now been filled, the General Manager recommends appointing Kevin Lang as SEJPA Treasurer.

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2025-03, Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2025-26;
2. Adopt Resolution No. 2025-04, Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Kevin Lang as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Kevin Lang, CPA
Director of Finance and Administration

Attachments:

1. Resolution No. 2025-03, "Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2025-26"
2. Resolution No. 2025-04, "Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of SEJPA Treasurer"

RESOLUTION NO. 2025-03

**RESOLUTION APPROVING THE SAN ELIJO JOINT POWERS AUTHORITY
OPERATING AND CAPITAL IMPROVEMENT BUDGETS
FOR FISCAL YEAR 2025-26**

WHEREAS, the San Elijo Joint Powers Authority (SEJPA) General Manager has submitted for the consideration of the SEJPA Board of Directors proposed SEJPA Operating and Capital Projects Budgets for Fiscal Year 2025-26;

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

1. The Board of Directors has reviewed the Recommended Operating Budgets and Capital Projects Budget, and the funds included herein for the period of July 1, 2025 through June 30, 2026 and hereby finds that such budgets, as reviewed, are sound plans for the financing of required SEJPA operations and capital improvements during Fiscal Year 2025-26. Such budgets are hereby adopted.

San Elijo JPA Operations and Maintenance Fund	\$ 9,872,054
San Elijo JPA Water Reclamation Operating Fund	3,708,103
San Elijo JPA Capital Projects Fund	<u>3,941,368</u>
Total	<u>\$ 17,521,525</u>

2. The Board of Directors authorizes carrying forward unexpended capital project appropriations and encumbered operating funds for the Fiscal Year 2025-26.
3. The Board of Directors authorizes the SEJPA Treasurer to deposit any surplus FY 2025-26 budgeted funds, meaning appropriated funds that are not expended or otherwise encumbered by June 30, 2026, into the SEJPA PARS Public Agencies Post-Employments Benefits Trust Program.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the San Elijo Joint Powers Authority, California, held on this 17th day of June, 2025 by the following vote:

Ayes:

Noes:

Abstained

Absent:

ATTEST:

Signature: _____

Kristi Becker, Chairperson

SEJPA Board of Directors

Signature: _____

Michael T. Thornton, P.E.

Secretary of the Board

RESOLUTION NO. 2025-04

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

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

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

1. SEJPA Treasurer has prepared an Investment Policy and Guidelines, attached hereto as Exhibit A, and incorporated herein by reference as if set forth in full. In order to comply with prudent financial management practices, these guidelines are reviewed and approved on an annual basis in conjunction with the annual budget adoption.
2. The policy is intended to provide guidelines for the prudent investment of SEJPA's temporary idle cash and outline the policies for maximizing the efficiency of SEJPA's cash management system.
3. The investment goal is to enhance the economic condition of SEJPA while ensuring the safety of funds invested.
4. The assignment of Kevin Lang as SEJPA Treasurer for the 2025-26 fiscal year.
5. The Board of Directors of the San Elijo Joint Powers Authority does hereby approve the Investment Policy and Guidelines attached hereto as Exhibit A.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the San Elijo Joint Powers Authority, California, held on this 17th day of June, 2025 by the following vote:

Ayes:

Noes:

Abstained:

Absent:

ATTEST:

Signature: _____
Kristi Becker, Chairperson
SEJPA Board of Directors

Signature: _____
Michael T. Thornton, P.E.
Secretary of the Board

**EXHIBIT A
TO
RESOLUTION NO. 2025-04**

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

1. PURPOSE

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

2. OBJECTIVE

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

3. POLICY

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

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

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

and length of time to maturity. SEJPA attempts to obtain the highest yield possible, provided that the basic criteria of safety and liquidity have been met.

4. INVESTMENT INSTRUMENTS

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

- A) Local Agency Investment Fund (LAIF). Investment of funds in the California LAIF which allows the State Treasurer to invest through the Pooled Money Investment Account. Investment in the LAIF shall not exceed the limit established by the State Treasurer. As of June 17, 2025, this limit is \$100 million, but may change from time to time.
- B) County of San Diego County Treasury. Investment of funds in the Treasury of the County of San Diego that allows the County Treasurer to invest through the Pooled Money Investment Account.
- C) Money Market Fund. Investment of funds in the Money Market Fund which allows investment in short-term dollar-denominated securities that are issued by diversified management companies and registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) in accordance with Government Code 53601(l)(2) and subject to the criteria and restrictions set forth in Government Code 53601(l)(4) and (5).

5. SAFEKEEPING

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

6. INVESTMENT REPORTS

- A) SEJPA Treasurer shall submit a monthly investment report to SEJPA's General Manager and the Board of Directors containing the following information:
 - Financial institution
 - Type of investment
 - Amount of deposit
 - Rate of interest
- B) SEJPA Treasurer shall annually render a Statement of Investment Policy to the Board of Directors. In accordance with Government Code Section 53646, this investment policy shall be reviewed and adopted annually at a public meeting, and a copy shall be submitted to the State Treasurer's Office if SEJPA participates in the LAIF program.

7. INVESTMENT OF BOND FUNDS

In accordance with Government Code Section 53601, monies held by a trustee or fiscal agent and pledged to the payment or security of bonds, may be invested in accordance with the statutory provisions governing the issuance of those bonds, ordinance, resolution, or indenture of trust.

* * * End of Policy * * *

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 17, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Infrastructure and Sustainability

SUBJECT: CAPITAL PROGRAM UPDATE

RECOMMENDATION

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

BACKGROUND

SEJPA implements capital projects at the San Elijo Water Campus and remote facilities in accordance with agency policies and its adopted budget. Projects are aligned with SEJPA's mission to protect the environment and public health. The Capital Program supports this mission through responsible management of SEJPA and member agency assets to promote reliable, sustainable operations and value-added services to the community and customers.

SEJPA is nearing completion of the \$21 million 3-Year Capital Plan (2023–2025) and is updating the 2025 Facility Plan that will prioritize capital needs over the next decade (2026-2035). Ongoing capital projects are funded through wastewater customer agency contributions, recycled water revenues, and external sources, including state and federal grants. SEJPA's budgeting and financial practices allocate capital expenditures to the appropriate program based on asset ownership or leased capacity. As projects are developed and moved to implementation, the Board appropriates funding based on available budget and authorizes contracts in accordance with SEJPA's Purchasing Policies and Procedures.

DISCUSSION

The 3-Year Capital Plan (2023–2025) delivery schedule and estimated cost are summarized in Figure 17-1. Following, Table 17-1 highlights notable progress over the past quarter (April – June 2025) and anticipated major activities in the next 3 to 6 months. One capital project was completed over the past quarter and three ongoing capital projects will be completing construction over the next six months.

FIGURE 17-1: 3-YEAR CAPITAL PLAN SCHEDULE AND COST SUMMARY

Project Name Capital Cost		...2022	2023				2024				2025			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase 3 Capital Projects \$12.1 Million														
Biosolids Dewatering Facility Improvements and MS-2 Replacement														
Phase 4 Capital Projects \$8.8 Million														
Wanket Reservoir Refurbishment														
Wanket Connecting Pipeline														
Stormwater Capture & Reuse														
Moonlight Beach Pump Station Modifications														

Legend:

Planning

Pre-Design

Design

Bidding/Award

Construction

TBD

Revised

TABLE 17-2: 3-YEAR CAPITAL PLAN (2023 – 2025), PROJECT STATUS SUMMARY

Project Name (Status)	Progress as of June 2025
Phase 3 Capital Projects	
Biosolids Dewatering Facility Improvements and MS-2 Replacement (Construction)	<ul style="list-style-type: none"> ✓ Process equipment installation complete ✓ Dewatering Building Motor Control Center (MCC) delivered and installed; Electrical wiring nearly complete; Main process equipment electrical testing in progress ✓ Commissioning to start in June ✓ Anticipated Completion Date: July 2025
Phase 4 Capital Projects	
Wanket Reservoir Refurbishment (Construction)	<ul style="list-style-type: none"> ✓ Awarded in July 2024; Notice to Proceed in September 2024 ✓ Tank refurbishment work complete ✓ Materials and equipment procurement in progress ✓ Trenching and underground installations in progress ✓ Anticipated Completion Date: September 2025
Stormwater Capture, Reuse and Site WQ Improvements (Construction)	<ul style="list-style-type: none"> ✓ Awarded in January 2025 ✓ Materials and equipment procurement in progress ✓ Trenching and underground installations in progress ✓ Anticipated Completion Date: August 2025
Moonlight Beach Pump Station Modifications	✓ Complete, April 2025
Wanket Recycled Water Pipeline	✓ Complete, May 2025

Fiscal Year 2025-26 Capital Program Priorities: SEJPA is developing design and preparing to implement the following priority projects in FY 25-26.

Aeration Basin (A-Basin) Safety Improvements: This project will provide safe access into the aeration basin for routine equipment inspections, maintenance, and cleaning. The scope includes modifications to handrail for unobstructed entrance, ladder restraints, and fall protection.

Headworks Channel Cover Upgrades: The coverplates over the channels of the old headworks are unstable and prone to slipping or tipping creating a fall hazard and uneven walking surfaces presents potential trip hazards. SEJPA has restricted access to this plant area to prevent staff exposure to potential safety hazards. The scope will raise the channel wall height to match new, adjoining headworks structure and install a new coverplate system to provide stable and clear access path through this facility.

SCADA System Upgrades: The Supervisory Control and Data Acquisition (SCADA) system is essential for SEJPA's real-time control and operation of the San Elijo Water Campus, remote pump stations, the recycled water distribution system, and ocean outfall management. This upgrade project will enhance treatment process reliability, address physical vulnerabilities, and strengthen cybersecurity. Programming enhancements will improve functionality, uptime reliability, and operational efficiency.

Effluent Pump Station Rehabilitation: The effluent pump station is critical for conveying flows through the San Elijo Water Campus and the ocean outfall system. After nearly 50 years in service, it is due for rehabilitation. This project will rebuild or replace worn pumps and deteriorated mechanical components, upgrade obsolete motor controls, and integrate instrumentation and automation into the modern SCADA system.

Return Activated Sludge (RAS) Pump Station Upgrades: The RAS pump station is a core process of the biological treatment system, operating continuously, 24-hours per day. These assets have been in place for 34 years and the pumps and motor controls are reaching the end of service life. This project will replace or rebuild the pumps and motors, modify mechanical systems to accommodate new equipment, and upgrade electrical components to ensure long-term reliability.

2025 Facility Plan Status: SEJPA launched the 2025 Facility Plan project in August 2024. As part of this effort, SEJPA staff and the consultant team conducted condition assessments of remote pump station sites and the San Elijo Water Campus. Ongoing activities include technical studies evaluating treatment plant hydraulics, resource recovery, energy optimization, treatment capacity, and asset management. These technical studies will define facility "needs" that will be organized into defined capital projects and prioritized in the 2025 Facility Plan.

FINANCIAL IMPACT

There is no financial impact associated with this staff report.

RECOMMENDATION

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "T. Falk", is positioned above a horizontal line.

Thomas (Tom) C. Falk, P.E., PMP
Director of Infrastructure and Sustainability

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 17, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WANKET RESERVOIR ASSIGNMENT AND ASSUMPTION AGREEMENT

RECOMMENDATION

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

BACKGROUND

On September 26, 1974, San Dieguito Water District and Olivenhain Municipal Water District entered into an agreement (Reservoir Agreement) to build, operate, and maintain the J.C. Wanket Reservoir, an approximately 3 million gallon tank (the "Reservoir"), providing for joint use of the water storage reservoir. In addition, San Dieguito and Olivenhain jointly own the real property (the "Property") on which the Reservoir is located, within a parcel congruent to the Encinitas Ranch Golf Course.

Pursuant to the Reservoir Agreement, San Dieguito was entitled to one-third of the capacity in the Reservoir and was obligated to pay for one-third of the maintenance costs of the Reservoir. While Olivenhain operated and used the Reservoir from 1975 until 2008, San Dieguito never used its capacity in the Reservoir and due to water conservation efforts, neither entity used the Reservoir for water storage since 2008 and the tank has been offline for more than 15 years.

In 2022, SEJPA acquired San Dieguito's one-third ownership of the existing water storage tank and secured access rights to the Property through an Assignment and Assumption Agreement and a License Agreement, respectively¹. These agreements afford SEJPA the right to construct improvements on the site including disconnecting the tank from Olivenhain's potable water system and connecting to SEJPA's recycled water system, rehabilitating the tank, and operating the Reservoir as a recycled water storage tank.

SEJPA completed the connecting pipeline in February 2025 and is currently constructing improvements to the Reservoir in preparation for operating it as a recycled water storage tank later this year. This conversion aligns with SEJPA's long-term recycled water reliability and distribution goals.

¹ Reference SEJPA Board Report #17, June 2022

DISCUSSION

Under the current agreements, Olivenhain retains ownership and asset liability for two-thirds of the Reservoir capacity although their recycled water distribution system does not physically connect to that site. However, Olivenhain has expressed interest in transferring their ownership share to SEJPA through an agreement similar to the Assignment and Assumption Agreement previously executed with San Dieguito. This proposed action presents mutual benefits and operational efficiencies for both agencies.

1. ***Simplified Governance and Operations:*** Full ownership eliminates the complexity of shared governance, coordination of maintenance activities, cost allocation, and liability distribution, ensuring streamlined decision-making and execution of future improvements.
2. ***Administrative Efficiency:*** Removing joint ownership alleviates the burden of ongoing coordination, including:
 - Annual invoicing for operations and maintenance (O&M) and capital contributions
 - Insurance coordination and joint liability management
 - Legal and administrative oversight of the joint use agreement
3. ***Asset Relief for OMWD:*** SEJPA's assumption of full rights to the Reservoir allows Olivenhain to divest a stranded asset and avoid future obligations related to:
 - Capital upgrades and liability for asset ownership
 - Insurance coverage and associated risk management
 - Operational and maintenance costs
4. ***Asset Optimization and Regional Benefit:*** SEJPA's plan to convert the Reservoir to recycled water ensures the tank is repurposed effectively to serve regional recycled water needs, leveraging existing infrastructure to avoid the time, cost, and impacts of constructing a new facility. This is a sustainable and cost-efficient alternative to new development.

This assignment represents a prudent, mutually beneficial arrangement that advances SEJPA's recycled water program while reducing administrative and financial obligations for both agencies. With the Board's concurrence, the General Manager will finalize terms and conditions for the Assignment and Assumption Agreement with Olivenhain (and attested to by San Dieguito), allowing SEJPA to assume full ownership and operational responsibility for the recycled water storage tank. The resulting agreement will be brought back to the Board prior to execution.

FINANCIAL IMPACT

Although the Assignment and Assumption Agreement is still in development, as conceived, will include terms that relieve Olivenhain of future costs while not imposing any immediate purchase price or fee to SEJPA. Previously executed agreements established SEJPA's rights and obligations for the tank refurbishment and retrofit costs, operational costs, and San Dieguito's one-third share of maintenance and future capital costs. By assuming full ownership of the Reservoir, SEJPA will assume full financial responsibility for maintenance and capital improvements into the future. Funding for tank rehabilitation improvement costs is already included in SEJPA's existing capital improvement program. Costs associated with the Reservoir capital project(s) and ongoing operations and maintenance will be borne by the Recycled Water Program.

RECOMMENDATION

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Thornton", with a stylized, flowing script.

Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 17, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: NOTICE OF EMERGENCY SITUATION AND AWARD OF CONSTRUCTION CONTRACT FOR REPAIRS TO RECYCLED WATER PIPELINE ON THE SAN ELIJO WATER CAMPUS (SUBJECT TO TWO-THIRDS VOTE OF THE SAN ELIJO JOINT POWERS AUTHORITY BOARD)*

RECOMMENDATION

It is recommended that the Board of Directors:

1. Review and Confirm this Emergency Condition pursuant to San Elijo Joint Power Authority's Resolution 2022-01 "Purchasing Policies and Procedures" and Public Contract Code 22050, and ratify the General Manager's execution of an emergency repair agreement with Burtech Pipeline for repairs to buried recycled water pipeline at the San Elijo Water Campus; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Water Campus (Campus) produces recycled water for irrigation and industrial use in Encinitas, Solana Beach, Del Mar, and Rancho Santa Fe. Recycled water is a critical part of California's integrated water resource management and supports statewide water reliability and conservation goals.

On June 14, 2025, at 1:37 a.m., staff responded to alarms and observed water surfacing through the asphalt driveway at the Campus due to a corrosion-related pipeline failure. Staff isolated the leak and closed the affected area for safety.

Burtech Pipeline was contacted at approximately 3:00 a.m. and mobilized a crew and equipment, arriving at 8:00 a.m. Excavation began at 8:30 a.m. with construction management support from Valley CM.

When situations such as this arise, immediate attention and action is necessary for the protection of personnel and property. Such work is commonly completed under the Emergency Work provisions of SEJPA's Resolution 2022-01 "Purchasing Policies and Procedures", Part 3.1.d which states:

The General Manager is authorized to purchase and enter into contracts for urgent maintenance and for necessary equipment, services and supplies in the case of an emergency, without giving notice for bids and in any necessary amount. Urgent sewer maintenance or repair work is work that is required as a result of a physical condition which threatens public health or safety or the environment and requires immediate remedial action to mitigate said threat. Following the exercise of this authority, the General Manager or designee shall follow the procedures required by Section 22050 of the Public Contract Code.

Section 22050 of the Public Contract Code (PCC) stipulates requirements for reporting the action to the governing Board

22050, Paragraph (c)(1) ...[following action by General Manager under authority delegated in SEJPA's Procurement Policy]...the governing body shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless ...[General Manager as delegated authority]...has terminated that action prior to the governing body reviewing the emergency action and making a determination pursuant to this subdivision. If the governing body meets weekly, it may, after the initial review, review the emergency action in accordance with this paragraph every 14 days.

DISCUSSION

Immediate action was required to protect public safety, maintain a safe working environment, and minimize service interruptions. Under SEJPA's Resolution 2022-01 and PCC 22050, the General Manager authorized emergency repairs without competitive bidding. This authority allows for urgent maintenance and repair contracts as necessary to address conditions that threaten public health, safety, or the environment.

Burtech completed excavation, dewatering, pipeline removal, and repairs by the morning of June 15, 2025. The trench was backfilled, compacted, and temporarily paved with a cold asphalt patch. Final driveway paving will be completed by another contractor through an existing competitively bid contract. Once all work is complete, SEJPA will reconcile time and materials charges with Burtech and close out the emergency declaration.

FINANCIAL IMPACT


The cost of the emergency repairs will be funded through the Recycled Water Program's operating reserves. The recommended contract with Burtech Pipeline for this work is for an amount not to exceed \$60,000.

RECOMMENDATION

It is recommended that the Board of Directors:

1. Review and Confirm this Emergency Condition pursuant to San Elijo Joint Power Authority's Resolution 2022-01 "Purchasing Policies and Procedures" and Public Contract Code 22050 and ratify the General Manager's execution of emergency repair agreement with Burtech Pipeline for repairs to buried recycled water pipeline at the San Elijo Water Campus.
2. Discuss and take action as appropriate.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Thornton', with a long horizontal flourish extending to the right.

Michael T. Thornton, P.E.
General Manager

Attachment:

1. Agreement for Emergency Repair Services – Burtech Pipeline (Contract No. 2025-014 TSA) June 16, 2025

Agreement No.: 2025-014-TSA
Account: 10-5430-10-150

**TECHNICAL SERVICES AGREEMENT
BETWEEN SAN ELIJO JOINT POWERS AUTHORITY
AND BURTECH PIPELINE
FOR RECYCLED WATER PIPELINE EMERGENCY REPAIRS**

RECITALS

- A. This Technical Service Agreement ("**Agreement**") is made and entered into this 14th day of June, 2025 ("**Effective Date**"), by and between the SAN ELIJO JOINT POWERS AUTHORITY ("**SEJPA**") and BURTECH PIPELINE, ("**CONTRACTOR**"), an independent contractor, with a principal place of business at 1325 Pipeline Drive, Vista, CA 92081.
- B. CONTRACTOR has submitted to SEJPA a proposal to provide emergency repair services for the Recycled Water Pipeline within San Elijo Water Campus located at 2695 Manchester Avenue, Cardiff-by-the-Sea, CA 92007. SEJPA has been determined that it is in the best interests of SEJPA to enter into the Agreement hereinafter contained.
- C. In consideration of the mutual promises, conditions and covenants herein contained, the parties hereto agree to the terms and conditions set forth in this Agreement.

AGREEMENT

SECTION 1 SCOPE OF WORK

- A. CONTRACTOR shall provide labor and services to complete the Scope of Work specified in **Attachment A** to this Agreement. CONTRACTOR shall furnish all materials, equipment, supplies and incidentals necessary to perform the work, except those which are expressly designated to be furnished by SEJPA. All work performed and materials supplied in the execution of this Agreement shall comply with applicable laws, standards, codes and regulations governing such materials, items and work. All material is guaranteed to be as specified in the Scope of Work. Any alteration or deviation from the specifications, which involve extra costs, must be approved by SEJPA in advance.
- B. CONTRACTOR represents that it is skilled in the technical expertise necessary to provide the services required under this Agreement. CONTRACTOR shall be licensed under the classification of Class A as the date of this Agreement and shall maintain such license until final completion and acceptance of the work specified in the Agreement. CONTRACTOR agrees to perform its work hereunder in a competent manner acceptable to SEJPA and in conformity with the requirements of this Agreement. CONTRACTOR will employ only competent workers to complete the work under this Agreement.
- C. CONTRACTOR shall secure and maintain in good standing for the term of this Agreement any and all permits, licenses and certifications required to perform the Scope of Work. CONTRACTOR shall provide proof of any such permits and licensure upon request by SEJPA.

SECTION 2 TIME OF PERFORMANCE

A. CONTRACTOR agrees to complete said work by June 18, 2025 to the entire satisfaction of SEJPA before final payment is made. Time is of the essence. The time for performance of any work under this Agreement may be extended, or suspended, in the reasonable discretion of SEJPA, based on unavoidable disruption of work due to strikes, lockouts, government acts, epidemics/pandemics, acts of God and other similar conditions shown by CONTRACTOR to be beyond the control of CONTRACTOR.

SECTION 3 COMPENSATION

A. Compensation for all of the labor, equipment, material and services which CONTRACTOR is obligated to perform under the terms and conditions of this Agreement, including all applicable taxes, shall not exceed Sixty Thousand dollars (\$60,000), charged on time and materials basis in accordance with rates defined in Attachment A; CONTRACTOR shall notify SEJPA if efforts are projected to exceed this amount. SEJPA shall make payments to CONTRACTOR in response to duly submitted invoices in accordance with this Section.

B. Prepayments will not be made, at any time, during the execution of this Agreement. CONTRACTOR shall submit monthly invoices to SEJPA for payments. Such invoices shall represent the value of the items delivered or services provided during the billing period. Such invoices shall be prepared in such form and supported by documentation as SEJPA may reasonably require including a brief narrative description of the work performed.

C. Payment shall be made by SEJPA to CONTRACTOR within forty-five (45) days of receipt of an approved invoice. The amount of this payment will be less any amounts previously paid on the account.

D. SEJPA shall review each invoice as soon as practicable after receipt for the purpose of determining whether the invoice should be approved as a proper payment request. SEJPA shall return to CONTRACTOR any invoice determined not to be a proper payment request as soon as practicable. The returned payment request shall include a written explanation setting forth the reasons why the payment request is not proper, and a proposed revised invoice amount, if any, that SEJPA believes to be the proper amount.

E. If CONTRACTOR accepts the proposed revised invoice prepared by SEJPA, CONTRACTOR shall provide written notification to SEJPA's designated representative that CONTRACTOR accepts the proposed revised invoice, and the revised invoice shall be deemed received on the same business day CONTRACTOR's written notification is received. SEJPA shall thereafter have 45 days to make payment on the revised invoice.

F. All invoices shall be made in writing and must be delivered via email to apsejpa@sejpa.org. All payments shall be delivered U.S. mail to the address below:

Payment mailing address:

San Elijo Joint Powers Authority, Attention: Accounts Payable

P.O. Box 1077

Cardiff by the Sea, CA 92007

SECTION 4 TERM AND TERMINATION

A. The Agreement period will continue until CONTRACTOR's completion of the Scope of Work attached hereto as "**Attachment A**" and expiration of the warranty of work. CONTRACTOR's indemnification, hold harmless and defense obligation shall survive the termination of expiration of this Agreement.

B. SEJPA may cancel this Agreement at any time with no less than ten (10) days' prior written notice. CONTRACTOR shall discontinue all affected work on the indicated date of termination.

C. The time for performance of any work under this Agreement may be extended, at SEJPA's discretion, based on unavoidable disruption of work due to strikes, lockouts, government acts, pandemics/epidemics, acts of God and other similar conditions shown by CONTRACTOR to be beyond the control of CONTRACTOR.

SECTION 5 LEGAL RELATIONS

A. CONTRACTOR is for all purposes an independent contractor. All personnel provided by CONTRACTOR pursuant to this Agreement are to be employed by CONTRACTOR, or its subcontractors, for their account only. Neither CONTRACTOR, its employees nor subcontractors, shall be deemed to have been employees of SEJPA or to have been entitled to any rights or benefits as SEJPA employees. CONTRACTOR certifies that it is free from the control and direction of SEJPA in connection with the performance of the work. CONTRACTOR will supervise the work and control the means for accomplishment of the services and work to be performed hereunder. CONTRACTOR will be responsible for providing required and necessary protective gear for its personnel, including any subcontractor personnel, while on the job site, including safety equipment. No permitted or required approval by SEJPA of personnel, costs, schedules, documents or services of CONTRACTOR shall be construed as making SEJPA responsible for the manner in which CONTRACTOR performs its services. Such approvals are intended to give SEJPA the right to satisfy itself with the quality of work performed by CONTRACTOR. CONTRACTOR further certifies that it is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed under this Agreement. This Agreement is not exclusive, and as such CONTRACTOR certifies that it is free to perform work for others for the duration of this Agreement.

B. CONTRACTOR agrees to indemnify, defend, protect, and hold SEJPA, its Member Agencies (the City of Solana Beach and the City of Encinitas), and each of their respective officers, officials, directors, agents, employees, and volunteers (collectively, "Indemnified Parties") harmless from and against any and all liability, claims, demands, damages, loss, charge, civil fines or penalties, liens, actions and causes of action, including reasonable attorney's fees, costs and expenses (collectively, "Claims"), arising out of the negligent acts, errors, omissions or willful misconduct of CONTRACTOR, its associates, employees, subcontractors or other agents in the performance of this Agreement or out of operations conducted by CONTRACTOR. CONTRACTOR shall not be required to defend, indemnify or hold harmless Indemnified Parties for Claims to the extent attributable to the sole negligence, active negligence or willful misconduct

of Indemnified Parties. The indemnification, hold harmless and defense obligations set forth herein shall survive the termination or expiration of this Agreement.

SECTION 6 INSURANCE.

A. CONTRACTOR shall procure and maintain during the term of this Agreement all insurance required by federal, state, county and local laws, and such other and additional coverage adequate to protect CONTRACTOR and SEJPA from any liabilities and claims for injuries and damages to persons or property which may arise from, or in connection with, the performance of work hereunder by CONTRACTOR, its agents, representatives, employees or subcontractors. Specifically, CONTRACTOR and each of its subcontractors shall maintain throughout the term of this Agreement the following policies of insurance:

1. A general liability policy of insurance, including coverage for products and completed operations, bodily injury and/or death, personal and advertising injury, and property damage claims which may arise from or in connection with the performance of the work under this Agreement by CONTRACTOR and its subcontractors, and each of their agents, representatives, or employees. General Liability insurance shall be comprehensive in form and shall be on a "per occurrence" basis in a minimum amount of Three Million Dollars (\$3,000,000) per occurrence. Such coverage shall be written on Insurance Services Office ("ISO") Form CG 00 01, or equivalent.

2. An automobile liability policy of insurance to cover claims, injury, death, loss or damage, accidents from the use or operation of any automobiles, trucks and/or other mobile or stationary equipment, whether owned, non-owned or hire. Auto coverage shall be issued with a limit no less than One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

3. Workers' compensation insurance with limits no less than the statutory limits.

B. All policies of insurance required under this Section shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have an A.M. Best Company rating of no less than A- and a financial size category of at least Class VII, unless otherwise acceptable to SEJPA.

C. All policies of insurance required under this Section, except for workers' compensation, shall be endorsed to name SEJPA, its member agencies the City of Solana Beach and City of Encinitas, and their directors, officers, employees and representatives (the "Additional Insureds") as additional insureds under each such policy and an additional insured endorsement at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37, if later revisions are used, shall be provided to SEJPA.

D. CONTRACTOR shall provide duly-authorized and, as applicable, executed original certificates and endorsements for all insurance required pursuant to this Agreement on forms approved by SEJPA in conformity with all requirements of this Agreement prior to commencement

of any work hereunder. If any of the required coverages expire during the term of this Agreement, CONTRACTOR shall deliver renewal certificates to SEJPA at least ten (10) days prior to the expiration date.

E. For any claims related to this Agreement, CONTRACTOR's insurance coverage shall be primary insurance as respects the Additional Insureds. Any insurance or self-insurance maintained by the Additional Insureds shall be excess of the CONTRACTOR's (and its subcontractor's) insurance, and shall not contribute to such insurance.

F. Any deductibles or self-insured retentions must be declared in writing and approved by SEJPA. At the option of SEJPA, either: the insurance provider(s) shall reduce or eliminate such deductibles or self-insured retentions as respects SEJPA and its directors, officers, employees, and representatives; or the CONTRACTOR shall provide a financial guarantee satisfactory to SEJPA guaranteeing payment of losses and related investigations, claim administration and defense expenses.

G. CONTRACTOR hereby agrees to waive rights of subrogation against SEJPA and the Additional Insureds which any of CONTRACTOR's insurers may acquire from CONTRACTOR by virtue of the payment of any loss. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

H. CONTRACTOR shall provide thirty (30) days' advance written notice to SEJPA, of any cancellation or material alteration of any insurance policy required herein.

SECTION 7 ASSIGNMENTS/SUBCONTRACTS

CONTRACTOR shall not sublet or assign any of the work covered by this Agreement, except with the prior written approval of SEJPA and in strict compliance with the terms, provisions and conditions of this Agreement.

SECTION 8 CONTRACTOR'S PROJECT MANAGER

CONTRACTOR's designated project manager, Adam Pescatore, shall be empowered to act for CONTRACTOR for all matters relating to this Agreement.

SECTION 9 SEJPA REPRESENTATIVE

SEJPA's designated representative, Tom Falk, PE, Director of Infrastructure and Sustainability, will administer this Agreement.

SECTION 10 FREEDOM OF INFORMATION

SEJPA shall make freely available to CONTRACTOR for examination all non-privileged directly pertinent books, documents, papers and records of SEJPA involving transactions related to this Agreement. CONTRACTOR understands that information provided to SEJPA pursuant to this contract may become a public record and subject to disclosure pursuant to the California Public Records Act.

SECTION 11 PREVAILING WAGE LAWS

A. CONTRACTOR shall comply with the requirements of this SECTION 12 with respect to any installation, repair, maintenance or other work constituting a public works under California Labor Code sections 1720 et seq. and 1770 et seq., and California Code of Regulations, title 8, section 16000 et seq. (collectively, "Prevailing Wage Laws").

B. CONTRACTOR must be, and must require its subcontractors to, be registered with the California Department of Industrial Relations ("DIR") pursuant to Labor Code section 1725.5, prior to execution of this Agreement. No contractor or subcontractor may be listed on a bid proposal for a public works project, or may be awarded a contract for public work on a public works project, unless it registers with and pays an annual fee to the DIR. CONTRACTOR shall submit proof of current registration, and shall require subcontractors to submit proof of current registration, to SEJPA prior to commencing work on the project. For more information on how to become registered with the DIR, please go to <https://www.dir.ca.gov/Public-Works/Contractor-Registration.html>. [Option to remove this paragraph if the work is less than \$15,000. This registration requirement does not apply to work performed on a public works project for maintenance of fifteen thousand dollars (\$15,000) or less.]

C. CONTRACTOR agrees to comply with and require its subcontractors to comply with the requirements of Prevailing Wage Laws and any additional applicable California Labor Code provisions related to such work including without limitation payroll recordkeeping requirements. CONTRACTOR and its subcontractors shall pay not less than the prevailing rate of per diem wages as determined by the Director of the DIR for all services described in this Agreement and as required by law. The general prevailing wage determinations can be found on the DIR website at: <http://www.dir.ca.gov>. Copies of the prevailing rate of per diem wages may be accessed at SEJPA's administrative office, and shall be made available upon request. CONTRACTOR shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the services described in this Agreement available to interested parties upon request, and shall post and maintain copies at CONTRACTOR'S principal place of business and at all site(s) where services are performed. Penalties for violation of Prevailing Wage Laws may be assessed in accordance with such laws. For example, CONTRACTOR shall forfeit, as a penalty to SEJPA, Two Hundred Dollars (\$200) for each calendar day, or portion thereof, for each workman paid less than stipulated prevailing rates for services performed under this Agreement by him, or any subcontractor under him, in violation of Prevailing Wage Laws. CONTRACTOR shall defend, indemnify and hold the Indemnified Parties harmless from any claims, liabilities, costs, penalties or interest arising out of the failure or alleged failure of CONTRACTOR or its subcontractors to comply with Prevailing Wage Laws.

D. CONTRACTOR and each of its subcontractors shall keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by CONTRACTOR or subcontractor in connection with the services performed pursuant to this Agreement. Each payroll shall be certified and available for inspection as prescribed by Labor Code section 1776. CONTRACTOR shall keep SEJPA informed as to the location of the records and shall be responsible for the compliance with

these requirements by all subcontractors. CONTRACTOR shall inform SEJPA of the location of the payroll records, including the street address, city and county and shall, within five (5) working days, provide a notice of any change of location and address. Penalties for noncompliance include a forfeiture of One Hundred Dollars (\$100) per calendar day, or portion thereof, for each worker until strict compliance is effectuated, which may be deducted from any moneys due CONTRACTOR.

E. Eight (8) hours of work shall constitute a legal day's work. CONTRACTOR and any subcontractors shall forfeit, as a penalty to SEJPA, Twenty-Five Dollars (\$25) for each worker employed in the execution of services pursuant to this Agreement by CONTRACTOR or any of its subcontractors for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any calendar week in violation of the provisions of the California Labor Code, in particular, sections 1810 to 1815, thereof, inclusive, except services performed by employees of CONTRACTOR and its subcontractors in excess of eight (8) hours per day at not less than one and one-half (1 ½) times the basic rate of pay, as provided in California Labor Code section 1815.

F. CONTRACTOR shall require any subcontractors performing services under this Agreement to comply with all of the above.

SECTION 12 NOTICE

Any notices required to be given under this Agreement by either party to the other must be effected by email, or by personal delivery in writing or by mail, first class, registered or certified, postage prepaid with return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each party may change the address by giving written notice in accordance with this paragraph. Emailed notices will be deemed communicated via same-day if sent before 5:00 PST. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of the day of receipt or the fifth (5th) day after mailing, whichever occurs first.

To SEJPA: San Eljo Joint Powers Authority
Attention: Tom Falk
2695 Manchester Avenue
Cardiff-By-The-Sea, CA 92007
falkt@sejpa.org

To CONTRACTOR: Burtech Pipeline
Attention: Adam Pescatore
1325 Pipeline Drive
Vista, CA 92081

SECTION 13 WORKING HOURS

All on site work is to be performed Monday through Friday between the hours of 7:30 a.m. and 5:30 p.m. or as otherwise agreed to by SEJPA. In the event these working hours conflict with an ordinance of the City of Encinitas, CONTRACTOR shall perform site work in compliance with such ordinance. CONTRACTOR will also notify SEJPA's designated Project Manager or the Project Manager's assigned alternate of their daily schedule. Any change in the defined working times must have prior written approval from SEJPA's General Manager or his designated representative.

SECTION 14 WARRANTY OF WORK

A. CONTRACTOR guarantees all work pursuant to this Agreement against defective materials or workmanship for period of one (1) year from the date of completion of all work, except where longer warranty periods are specifically stated. Any defective material or workmanship which may be discovered before completion all work or within one (1) year thereafter shall be corrected immediately by CONTRACTOR at its own expense notwithstanding that it may have been overlooked in previous inspections and estimates. Any work to correct a defect in workmanship and/or replacement materials shall additionally be guaranteed by CONTRACTOR for a period of one (1) year from the date of completion of such corrective work or replacement of materials.

- B. Failure to inspect the work at any stage shall not relieve CONTRACTOR from any obligation to perform sound and reliable work as herein described. It is CONTRACTOR'S ultimate responsibility to complete all work as required by this Agreement.
- C. During the one (1) year warranty period, should CONTRACTOR fail to remedy defective material and/or workmanship, or to make replacements within five (5) days after written notice by SEJPA, it is agreed that SEJPA may make such repairs and replacements and the actual cost of the required labor or materials shall be chargeable to and payable by CONTRACTOR.
- D. The warranty provided herein shall not be in lieu of, but shall be in addition to, any warranties or other obligations otherwise imposed by this Agreement or by law. The remedies provided herein shall not be exclusive and SEJPA shall be entitled to any and all remedies provided by law.

SECTION 15 WORK DURING DISPUTES

In the event of a dispute between the parties as to the performance of the work, the interpretation of this Agreement, or payment or nonpayment for work performed, the parties shall attempt to resolve the dispute. If the dispute is not resolved, CONTRACTOR agrees to continue the work diligently to completion and will neither rescind this Agreement nor stop the progress of the work, but may submit such controversy for determination in accordance with applicable law. In the event any litigation is commenced with respect to this Agreement, such litigation shall not serve to suspend CONTRACTOR'S obligation to continue performance of the work hereunder.

SECTION 16 MISCELLANEOUS

A. If CONTRACTOR is required by law to be licensed and regulated by a State License Board, or any other regulatory body, CONTRACTOR hereby warrants that it has complied with any such licensing and regulatory authorities. CONTRACTOR shall provide proof of such licensure upon request by SEJPA.

B. All work performed and materials supplied in the execution of this Agreement shall comply with applicable laws, standards, codes and regulations governing such materials, items and work. All material is guaranteed to be as specified in the Scope of Work. Any alteration or deviation from the Scope of Work, which involve extra costs, may be executed by CONTRACTOR only after approval of SEJPA by written order, which will specifically state the change in the Scope of Work and the additional charges to be incurred. Unless otherwise directed by SEJPA, CONTRACTOR shall not be entitled to compensation for work requiring an approved written order if CONTRACTOR fails to obtain such an order prior to the execution of that work.

C. The "Hazard Communication Standard" requires that individuals (employees) working in an area where hazardous substances are being used must be informed of any potential dangers associated with working in that area. (29 C.F.R. § 1919.1220.) It is the responsibility of CONTRACTORS working at San Eljo Joint Powers Authority to read and acknowledge receipt of the information packet prior to the start of any scheduled work. Furthermore, CONTRACTOR shall make available all applicable information regarding hazardous substances and conditions to all CONTRACTOR employees and subcontractors.

D. CONTRACTOR will perform all work under this Agreement in good faith and in the best interests of SEJPA. CONTRACTOR shall be solely and completely responsible for the safety of all CONTRACTOR personnel, including personnel of any subcontractors, during performance of the work. In performing the work specified in this Agreement, CONTRACTOR agrees to comply with all laws, rules, regulations, ordinances, directives and orders, whether federal, state or local, and any and all of SEJPA policies and procedures, departmental rules and other directives applicable to the services to be performed, including, but not limited to, SEJPA's Contractor Safety Policies and Procedures. Any changes to SEJPA policies and procedures that relate to CONTRACTOR will be provided to CONTRACTOR in writing. CONTRACTOR agrees to review such policies, procedures, rules and directives the contents of which CONTRACTOR will be deemed to have knowledge.

E. If this Agreement involves an expenditure of public funds in excess of ten thousand dollars (\$10,000), the Agreement is subject to examination and audit of the State Auditor, at the request of SEJPA or as a part of any audit of SEJPA, for a period of three (3) years after final payment under the Agreement. CONTRACTOR shall cooperate with SEJPA regarding any such audit at no extra cost to SEJPA.

F. This Agreement represents the entire understanding of SEJPA and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing and signed by both parties.

G. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. A faxed, .pdf, or other electronic copy of the fully executed original version of this Agreement shall have the same legal effect as an executed original for all purposes. Electronic signatures shall have the same legal effect as an original signature.

H. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement shall forthwith be physically amended to make such insertion.


I. In signing this Agreement, CONTRACTOR certifies that CONTRACTOR shall not submit a false claim in violation of the False Claims Act, section 12650 et seq. of the Government Code.

J. This Agreement shall be construed and enforced under and in accordance with the laws of the State of California. Venue to any action or proceeding arising out of this Agreement shall be in San Diego County, California.

K. In the event litigation or arbitration is commenced to interpret or enforce this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees in addition to costs and expenses.

L. SEJPA and CONTRACTOR do covenant that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

BY SIGNING BELOW THE PARTIES VOLUNTARILY ENTER INTO THIS
AGREEMENT AND ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND
THE TERMS SET FORTH HEREIN AND AGREE TO BE BOUND THEREBY.
SAN ELIJO JOINT POWERS AUTHORITY: BURTECH PIPELINE:



Michael T. Thornton, P.E.

General Manager

06/16/2025

Date



Signature

President

Title

6/16/2025

Date

718202

Contractor's License No.

1/31/2026

License Expiration Date

Attachment A

Scope of Work

PROJECT LOCATION:

San Elijo Water Campus, 2695 Manchester Ave, Cardiff by the Sea, CA. 92007

PROJECT SCOPE: Emergency repair scope to be completed under force account.

1. Erect and maintain safety procedures for work within Water Campus site for affected work areas.
2. Remove asphalt, excavate, confer with SEJPA to determine repair solution for leaking 12" ductile iron recycled water pipeline (within San Elijo Water Campus property) at location identified by SEJPA. Piping, fittings, valves and appurtenances shall conform to applicable local standards and codes, as applicable.
3. Excavated material shall be hauled within the San Elijo Water Campus site and deposited in manner and location directed by SEJPA.
4. Complete repair as directed by SEJPA; pressure test; and support SEJPA in putting pipeline back in service.
5. Backfill with clean, compacted material to grade.
6. Install temporary paving patch; SEJPA will complete final paving at later date.

TIME & MATERIAL DETAILS: *Costs to be tracked on time and materials basis (in accordance with owner-approved force account records) and as described in Burtech rate sheet (enclosed); equipment rates per current CalTrans rates.*

Attachment A: Rate Sheet



GENERAL ENGINEERING CONTRACTOR

Burtech Pipeline Emergency Work Compensation Rate Schedule

Title/Classification	Standard Rate (\$)/Hour	Overtime Rate (\$)/Hour	Doubletime Rate (\$)/Hour
Superintendent	135.00	202.50	272.00
Foreman	120.00	180.00	240.00
Equipment Operator	118.00	177.00	236.00
Truck Driver	108.00	162.00	216.00
Laborer/Pipelayer	90.00	135.00	180.00
Carpenter	94.00	141.00	188.00
Mechanic	115.00	172.50	230.00
Project Manager	162.00	243.00	324.00
Project Staff Engineer	120.00	NA	NA
SWPPP/QSP	115.00	NA	NA
Office Admin	90.00	NA	NA

1. These rates are specified as Burtech's established rates for calculating labor cost without allowance for overhead & profit. A 20% markup will be added to these costs for overhead & profit.
2. For owned equipment, Caltrans Equipment rental rates in effect at the time the work is being performed will be used. A 15% markup will be added to these costs for overhead & profit.
3. For rented equipment, the cost will be the rental invoice plus consumables (fuel, grease, etc.) A 15% markup will be added to these costs for overhead & profit.
4. Materials & Dump Fees will be the amount of the invoice. A 15% markup will be added to these costs for overhead & profit.
5. Subcontractor costs will be the amount invoiced. A 10% mark up will be added to the invoice for overhead & profit.