

AGENDA
REGULAR BOARD MEETING OF THE
SAN ELIJO JOINT POWERS AUTHORITY
MARCH 18, 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
6. * **CONSENT CALENDAR**
7. * [APPROVAL OF MINUTES FOR FEBRUARY 18,2025 MEETING](#)
8. * [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS – FEBRUARY 2025](#)
9. * [WASTEWATER TREATMENT REPORT – JANUARY 2025](#)
10. * [RECYCLED WATER REPORT – JANUARY 2025](#)
11. * [REPORTABLE MEETINGS](#)
12. * [NOTICE OF EMERGENCY SITUATION AND AWARD OF CONSTRUCTION CONTRACT FOR REPAIRS TO NATURAL GAS PIPE ON SAN ELIJO WATER CAMPUS](#)
13. * ITEMS REMOVED FROM CONSENT CALENDAR

Items on the Consent Calendar are routine matters and there will be no discussion unless an item is removed from the Consent Calendar. Items removed by a "Request to Speak" form from the public will be handled immediately following adoption of the Consent Calendar. Items removed by a Board Member will be handled as directed by the Board.

REGULAR AGENDA

14. [CAPITAL PROGRAM UPDATE](#)

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

Staff Reference: Director of Infrastructure and Sustainability

15. [RECYCLED WATER COST OF SERVICE WORKSHOP](#)

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Staff Reference: Director of Finance and Administration

16. [GENERAL MANAGER'S REPORT](#)

None.

17. [GENERAL COUNSEL'S REPORT](#)

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

18. [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.

19. [CLOSED SESSION](#)

None.

20. [ADJOURNMENT](#)

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Tuesday, April 15, 2025 at 8:30 a.m.

NOTICE:

The San Elijo Joint Powers Authority's open and public meetings comply with the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C Section 12132), and the federal rules and regulations adopted in implementation thereof. Any person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public

meeting of the SEJPA Board of Directors, may request such modification or accommodation from Michael T. Thornton, General Manager, (760) 753-6203 ext. 72.

The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board are available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at www.sejpa.org. The 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 notice was posted at least 72 hours prior to the meeting, in accordance with Government Code Section 54954.2(a).

Date: March 13, 2025

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

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

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON FEBRUARY 18, 2025
AT THE SAN ELIJO WATER CAMPUS

Kristi Becker, Chair

Luke Shaffer, Vice Chair

A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, February 18, 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:

Kristi Becker
Jim O'Hara (arrived 8:39 a.m.)
David Zito
Luke Shaffer

Others Present:

General Manager	Michael Thornton
Director of Operations	Christopher Trees
Director of Infrastructure and Sustainability	Tom Falk
Director Finance and Administration	Kevin Lang
Senior Project Manager	Michael Konicke
Accounting Technician I	Maria Cruz

SEJPA Counsel:

Snell & Wilmer Tracie Stender

City of Encinitas:

Senior Engineer Daniel Nutter

City of Solana Beach:

Principal Engineer	Dan Goldberg
Senior Civil Engineer	Justin Jung

3. PLEDGE OF ALLEGIANCE

Board Chair Becker led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

None.

6. CONSENT CALENDAR

Agenda Item No. 7	Approval of Minutes for the January 21, 2025 Board Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report – January 2025
Agenda Item No. 9	Wastewater Treatment Report – December 2024
Agenda Item No. 10	Recycled Water Report – December 2024
Agenda Item No. 11	Reportable Meetings
Agenda Item No. 12	Approve Change Orders and Accept Wanket Recycled Water Pipeline Project

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

Motion carried with the following vote of approval:

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

Note, Board Member O'Hara arrived at 8:39 a.m. after the vote was taken.

14. 2025 ELECTION SEJPA BOARD VICE-CHAIRPERSON

General Manager Michael Thornton introduced the topic of appointing a Vice-Chairperson for the 2026 calendar year. After discussion, the Board of Directors proposed appointing Board Member Luke Shaffer.

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

1. Appoint Vice-Chairperson Shaffer for the 2025 SEJPA Board of Directors; and
2. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

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

Note, Board Member O'Hara arrived at 8:39 a.m. after the vote was taken.

15. SAN ELIJO JOINT POWERS AUTHORITY MIDYEAR FINANCIAL REVIEW

Director of Finance and Administration Kevin Lang reported that San Elijo Joint Powers Authority (SEJPA) owns and operates the San Elijo Water Campus, San Elijo Recycled Water Utility and is a co-owner of the San Elijo Ocean Outfall. SEJPA also manages several related service programs to support the cities of Encinitas, Solana Beach, Del Mar, and Escondido, as well as other local government agencies. In summary Mr. Lang reported that for Fiscal Year 2024-25, the total budget is \$16,561,046, comprising \$10,521,442 in operating expenses, \$3,666,000 in capital expenses, and \$2,373,604 in debt service. Mr. Lang also provided a mid-year review of the operating expenses for the 12 programs managed and operated by SEJPA. Total operating expenses across all programs for FY 2024-25 are projected to be \$166,260 (1.6%) under budget. Of the twelve operating programs, eight are currently tracking at or below budget, while four are exceeding budget by 0.5% to 12.1%.

Revenues from the recycled water program are expected to reach \$3,797,465, exceeding budget projections by 2.9%, primarily due to increased irrigation demand driven by dry weather in the first half of the year. As a result of higher water sales, operating expenses—including debt service—are projected to be \$234,321 lower than revenues. This anticipated net operating income will be allocated to the recycled water reserve fund.

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

16. AUTHORIZE CONTRACT CHANGE ORDER NO.1 FOR THE WANKET TANK REFURBISHMENT PROJECT

Thomas Falk, Director of Infrastructure and Sustainability, provided the Board with an update on the status of the Wanket Tank Refurbishment Capital Project. During internal inspections of the tank, SEJPA's contractors identified additional repairs—both required and suggested—that were not previously anticipated during the project's planning phase. The proposed Change Order No. 1 will provide funding to replace the existing wall-to-floor seal to reduce the risk of future leaks, removal of asbestos-containing materials identified in the tank inspection report, and perform recommended concrete spot repairs.

The original construction contract included a \$150,000 allowance for miscellaneous tank repairs. However, the total estimated cost for the newly identified repairs is \$270,000. As a result, a change order will be needed to increase the construction contingency from \$150,000 to \$300,000, which would cover both the required and suggested repairs. After discussing the situation, it was determined that performing these repairs now—while the tank is empty and undergoing maintenance—would be the most cost-effective option. This approach also significantly reduces the likelihood of future seal system failures.

Moved by Board Member Zito and seconded by Vice-Chairperson Shaffer to:

1. Authorize the General Manager to execute Contract Change Order No.1 to increase the Miscellaneous Tank Repair Allowance by \$150,000; 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

18. GENERAL MANAGER'S REPORT

General Manager Michael Thornton reported that he will be absent from the March 18, 2025, SEJPA Board meeting as he will be representing SEJPA at a California Sanitation Risk Management Authority (CSRMA) Executive Board meeting.

General Manager Thornton reported that the Bridges Golf Course, located within the Olivenhain Municipal Water District (OMWD) service area, is interested in converting from potable to recycled water. In 2019, SEJPA collaborated with OMWD and other agencies to evaluate the feasibility of serving the golf course with recycled water from SEJPA facilities. This assessment was part of a broader effort to expand recycled water use, including potential potable reuse. Staff plans to engage with OMWD to assess their interest in advancing this project, and an update on these discussions will be provided at a future Board meeting.

19. GENERAL COUNSEL'S REPORT

General Counsel Tracie Stender reported that Adriana Ochoa was attending the California Association of Sanitation Agencies (CASA) attorney's meeting which she will report on at the March 18 Board meeting.

20. BOARD MEMBER COMMENTS

None.

21. CLOSED SESSION

None.

22. ADJOURNMENT

The meeting adjourned at 9:40 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, March 18, 2025, at 8:30 a.m.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

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

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
44813	Abila	Licenses	Accounting software support and subscription	\$ 365.13
44814	Adam Kaye	Services - Professional	Public communications	150.00
44815	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling and reuse - Jan	18,039.20
44816	Ardurra Group, Inc	Services - Engineering	Wanket tank refurbish support - Dec	5,197.88
44817	AT&T	Utilities - Internet	Internet service - Jan	1,965.14
44818	AT&T	Utilities - Telephone	Phone service - Jan	765.48
44819	bkm OfficeWorks, LLC	Capital Outlay	Office furniture	4,306.31
44820	Boot World, Inc.	Uniforms - Boots	Safety boots - V. Buskirk	225.00
44821	Brax Process and Pump Equip.	Repair Parts Expense	Various supplies	1,160.78
44822	CA. Office Cleaning, Inc.	Services - Janitorial	Office and window cleaning	3,291.00
44823	California Boiler	Services - Maintenance	Boiler service	2,756.25
44824	CDM Smith	Services - Engineering	Services for Wanket Tank, Moonlight P.S. and R.W. Pipeline	72,375.55
44825	CWEA	Dues & Memberships	Certificate renewal - C. Larsen and J. Perez	360.00
44826	Dixieline Lumber Company	Supplies - Shop & Field, Safety	Various supplies	982.30
44827	EDCO Waste & Recycling Service	Utilities - Trash	Jan	503.15
44828	Enthalpy Analytical, LLC	Services - Laboratory	Sampling	732.00
44829	Environmental Sampling Supply,	Supplies - Lab	Various lab supplies	75.24
44830	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	3,913.50
44831	Eurofins EAG Materials Science	Services - Laboratory	Lab service	425.00
44832	Excel Landscape, Inc.	Services - Landscape	Grounds maintenance service - Jan	4,382.00
44833	Grainger, Inc.	Repair Parts Expense	Valve	355.64
44834	Halogen Systems, Inc.	Repair Parts Expense	Various supplies	3,018.88
44835	The Hardwood & Hardware Co.	Supplies - Office	Various lab supplies	90.27
44836	Hardy Diagnostics	Supplies - Lab	Various lab supplies	1,046.82
44837	Idexx Distribution, Inc.	Supplies - Lab	Various lab supplies	981.72
44838	Lawson Products Inc.	Supplies - Shop & Field	Various supplies	61.96
44839	Liquid Environmental Solution	Services - Grease & Scum	Pumping service	405.00
44840	McMaster-Carr Supply Co.	Repair Parts Expense, Shop Tools and Equip.	Various supplies	2,068.65
44841	Cosby Oil Company, Inc	Fuel	Fuel - Jan	748.92
44842	NSI Solutions, Inc.	Supplies - Lab	Test standard	203.00
44843	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Procurement of Sodium Hypochlorite	22,719.32
44844	Olivenhain Municipal Water Dis	Services - Landscape, Maintenance, Rent	Pipeline rent pmt - Jan/Wanket reservoir/Weigan Zona Gale	11,781.25
44845	Otis Elevator Company	Services - Maintenance	Elevator maintenance from Jan - Feb 2025	426.82
44846	Pacific Pipeline Supply	Repair Parts Expense	Various supplies	1,061.11
44847	Polydyne Inc.	Supplies - Chem - Polymer	Clarifloc WE-007	12,697.07

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

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
44848	Radwell International, Inc.	Repair Parts Expense	Fan guard and flow meter repair	1,649.08
44849	Concepcion Yani Reyes-Heyer	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
44850	Rockwell Solutions	Repair Parts Expense	Various supplies	10,985.30
44851	RSF Security Systems	Services - Alarm	Cellular fire system monitoring	98.00
44852	Rusty Wallis, Inc.	Services - Maintenance	Water softener, tank service and salt bags	438.60
44853	San Dieguito Water District	Utilities - Water	Water	1,903.59
44854	Southwest Valve & Equip.	Repair Parts Expense	Various supplies	3,716.52
44855	Unifirst Corporation	Services - Uniforms, Supplies - Safety	Uniform service and gloves	675.49
44856	Underground Service Alert/SC	Services - Alarm	Dig alert and safe excavation board	113.66
44857	USA Bluebook	Repair Parts Expense, Supplies - Lab	Various lab supplies	1,347.07
44858	Volt Management Corp	Services - Temp	Internship program and temp service	6,120.39
44859	Benefits Coordinators Corp.	Dental/Vision	Vision - Feb	498.40
44860	WageWorks	Payroll Processing Fees	Admin fee - Jan	191.75
44861	Aflac	EE Deduction Benefits Payable	Aflac - Feb	720.28
44862	Aguilar Plant Care, Inc	Services - Maintenance	Palm treatment	2,875.00
44863	Allied Storage Containers	Equipment Rental/Lease	20' and 40' storage containers - Mar 2024 fees	359.89
44864	AT&T	Utilities - Telephone	Phone service - Feb	770.01
44865	Boot World, Inc.	Uniforms - Boots	Safety boots - D. Canady	217.21
44866	Brax Process and Pump Equip.	Repair Parts Expense	Primary scum motor #2	2,055.61
44867	Brenntag Pacific, Inc	Supplies - Chem - Odor	Sodium hydroxide	1,281.68
44868	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride solution	12,762.80
44869	Corodata	Rent	Record storage - Jan	122.85
44870	CA Sanitation Risk Mgmt Auth.	Services - Other	Deductible recovery	1,407.62
44871	CWEA	Dues & Memberships	Certificate renewal - W. Mutscheller	106.00
44872	Westbound Solar 2, LLC	Utilities - Solar Power	Solar - Jan	9,113.77
44873	City of Encinitas	Service - IT Support	Admin network , zoom and duo - Jan	6,782.98
44874	City of Encinitas	Board Expense	Board meeting reimbursements	960.00
44875	City of Encinitas	Service - IT Support	Admin network, zoom and duo - Feb	6,782.98
44876	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	2,137.50
44877	Evoqua Water Technologies	Supplies - Chem - Odor	Bioxide	13,502.85
44878	Fisher Scientific	Supplies - Chemicals	AWP chemicals	217.96
44879	Grainger	Shop Tools and Equip.	Various supplies	877.08
44880	Halogen Systems, Inc.	Repair Parts Expense	AWP chlorine analyzer	3,018.76
44881	Hardy Diagnostics	Supplies - Lab	Various lab supplies	574.77
44882	Harrington Industrial Plastics	Repair Parts Expense	Level controller	1,084.94

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

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
44883	Lee's Lock & Safe	Supplies - Shop & Field	Keys	183.18
44884	Liquid Environmental Solution	Services - Grease & Scum	Pumping service	405.00
44885	McMaster-Carr Supply Co.	Repair Parts Expense, Supplies - Safety	Various supplies	668.27
44886	MetLife - Group Benefits	Dental/Vision	Dental - Mar	3,273.00
44887	Midas Shop	Vehicle Maintenance	Pump run truck service	936.66
44888	Motion Industries, Inc.	Repair Parts Expense	Secondary drive	5,521.51
44889	Napa Auto Parts	Vehicle Maintenance	Batteries	2,451.98
44890	Nobel Systems	Prepaid - Other	GIS annual subscription	13,110.00
44891	Cosby Oil Company, Inc	Fuel	Fuel - Feb	690.57
44892	Nth Generation	Service - IT Support, Licenses	Domain controller upgrades and Cisco Meraki renewal	3,880.80
44893	Olivenhain Municipal Water Dis	Services - Professional	Woodward and Curran NSDWRC support - Prop 1 Rd 2	380.11
44894	Polydyne Inc.	Supplies - Chem - Polymer	Clarifloc WE-007	16,929.43
44895	RingCentral, Inc	Utilities - Telephone	Phone service	533.04
44896	Santa Fe Irrigation District	Utilities - Water	Water	2,306.84
44897	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment	2,904.96
44898	San Dieguito Water District	Utilities - Water	Water	2,079.10
44899	Snell & Wilmer L.L.P	Services - Legal	General counsel through Jan 2025	3,247.37
44900	Terminix Processing Center	Services - Maintenance	Pest control service	615.24
44901	Thatcher Company of California	Supplies - Chemicals	Aluminum sulfite	7,482.16
44902	Unifirst Corporation	Services - Uniforms	Uniform service	207.90
44903	USA Bluebook	Supplies - Lab	Various lab supplies	978.13
44904	VEGA Americas, Inc	Repair Parts Expense	Level sensor	1,454.79
44905	Verizon Wireless	Utilities - Telephone	01/11/25 - 02/10/25	568.63
44906	Volt Management Corp	Services - Temp	Internship program and temp service	3,011.55
44907	VWR International, Inc.	Supplies - Lab	Waste disposal bags	739.95
44908	Water Environment Federation	Dues & Memberships	Membership renewal - M. Henke	383.00
44909	Ahrens Mechanical	Services - Contractors	Moonlight Beach P.S. mods and Wanket Tank RW Pipeline	143,656.81
44910	Black & Veatch	Services - Engineering	Dewatering and Facility Plan Update through Dec	59,078.31
44911	J.R. Filanc Construction Co.	Services - Contractors	Wanket Tank refurbishment - Sep through Dec	133,475.00
44912	gafcon	Services - Contractors	Labor compliance for Wanket Pipeline and Tank - Jan	1,012.06
44913	Helix Environmental Planning	Services - Professional	Environmental consulting - SW Capture and Reuse	155.00
44914	Hoch Consulting, APC	Services - Professional	Prop 1 Rd 1 Project 7 - Oct - Nov 2024	2,025.00
44915	Valley CM, Inc.	Services - Contractors	Management and inspection services - Jan 2025	68,531.79
On-line 1022	Mission Square	ICMA Retirement	ICMA - 401 a	7,556.43
On-line 1023	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	11,220.88

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

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
On-line 1024	Public Employees- Retirement	Retirement Plan - PERS	Payroll fee	200.00
On-line 1025	Public Employees- Retirement	Retirement Plan - PERS	Retirement - Jan Pay Period	24,634.83
On-line 1026	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	860.62
On-line 1027	WM Corporate Services, Inc.	Services - Sediment Disposal	Roll off bins	2,850.81
On-line 1028	BankCard Center	COVID19-Supplies-Equipment	Various supplies	5,915.05
On-line 1029	Void	Void	Void	-
On-line 1030	Mission Square	ICMA Retirement	ICMA - 401 a	7,446.09
On-line 1031	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	11,148.85
On-line 1032	P.E.R.S.	Medical Insurance - Pers	Health - Mar	55,914.59
On-line 1033	Public Employees- Retirement	Retirement Plan - PERS	Retirement - Feb	24,911.10
On-line 1034	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - Jan	85,876.68
On-line 1035	Sun Life Financial	Life Insurance/Disability	Life and disability - Mar	3,278.33
On-line 1036	WM Corporate Services, Inc.	Services - Sediment Disposal	10 yard roll off disposal and roll of bins	1,455.62
On-line 1037	Home Depot Credit Services	Shop Tools and Equip.	Shop tools	447.29
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 02/07/2025	121,273.65
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 02/21/2025	188,058.35
				<u>\$ 1,311,154.04</u>

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

**For the Month of February 2025
As of February 28, 2025**

PAYMENT OF WARRANTS \$ 1,311,154.04

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 February 28, 2025

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND <i>(FEBRUARY 2025 YIELD 4.333%)</i>	\$ 9,070,204.84
CALIFORNIA BANK AND TRUST <i>(FEBRUARY 2025 YIELD 0.01%)</i>	675,413.63
U.S. Bank <i>(FEBRUARY 2025 YIELD 4.40%)</i>	16,065,853.39
PARS <i>(JANUARY 2025 YIELD 1.81%)</i>	1,058,256.42
TOTAL RESOURCES	<u>\$ 26,869,728.28</u>

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SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 18, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WASTEWATER TREATMENT REPORT – JANUARY 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 January 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 **97.2** and **97.9** percent removal, respectively, during the month of January.

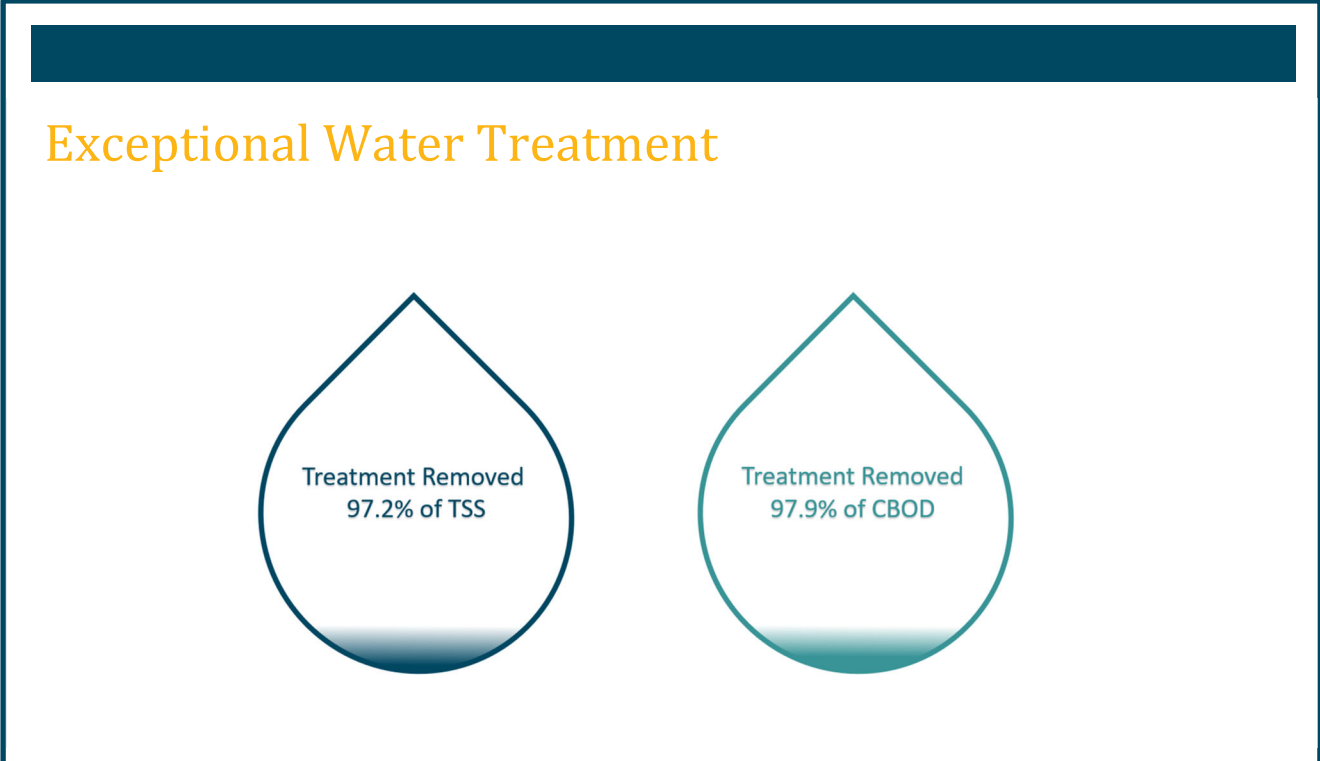
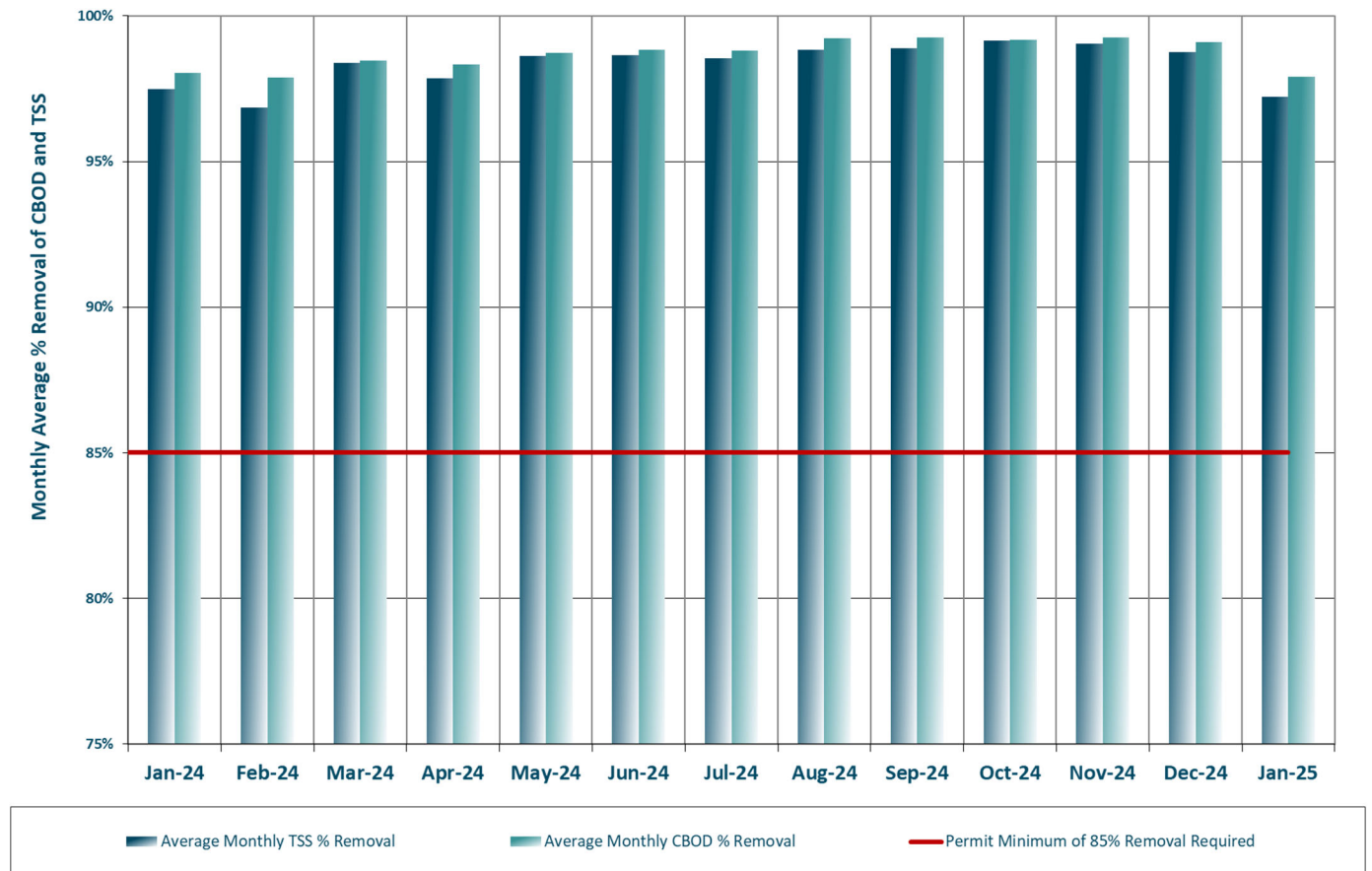


Figure 1 (below) shows historic treatment performance trends for the removal of TSS and CBOD over the last 13 months compared to the permit minimum removal requirement of 85%.

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

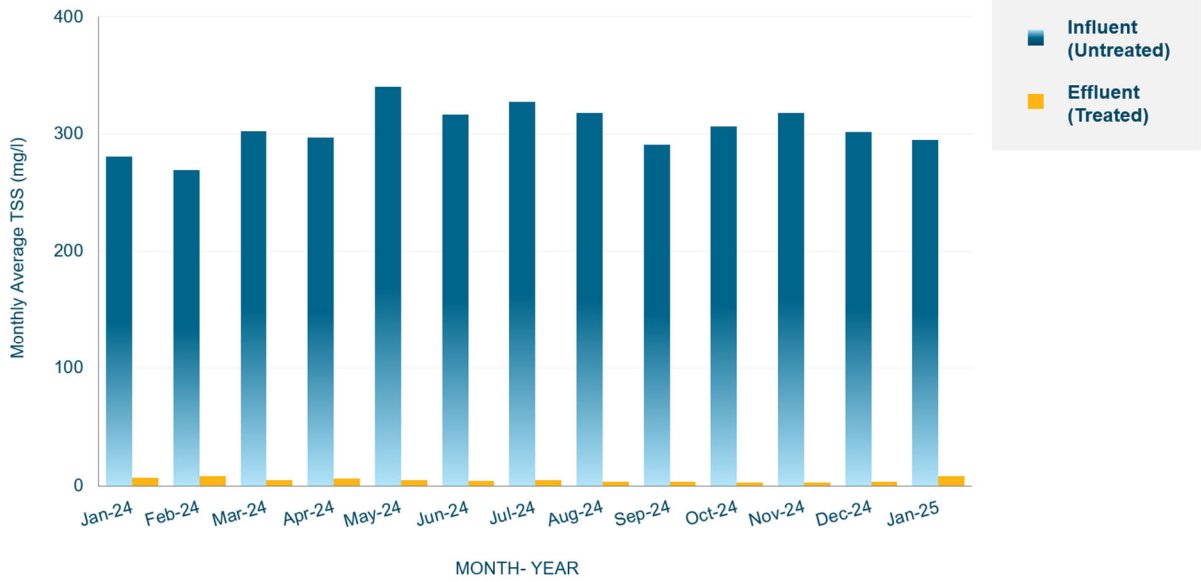
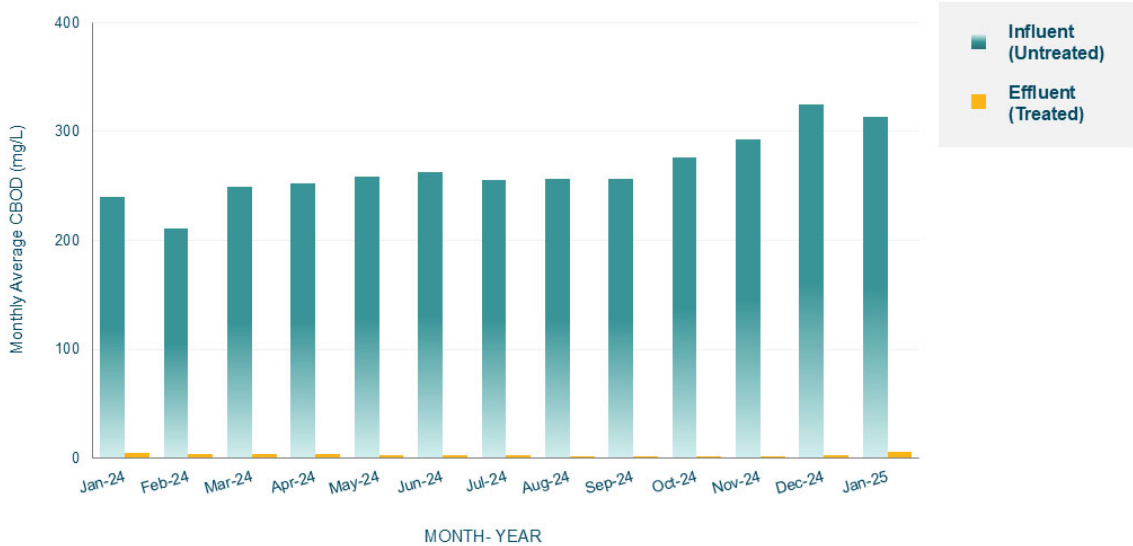


FIGURE 3: TREATED EFFLUENT FLOWS REMOVAL OF CBOD



Member Agency Flows

Table 1 (below) presents the influent and effluent flows for the month of January. Average daily influent flows were recorded for each contributing agency. In January, about 36% of the incoming flow was repurposed as recycled water with the remaining flow discharged to the ocean.

TABLE 1 – INFLUENT AND EFFLUENT FLOWS IN JANUARY

	Influent (mgd)	Recycled Water (mgd)	Effluent (mgd)*
Cardiff Sanitary Division	1.242	0.449	0.793
City of Solana Beach	1.105	0.400	0.705
Rancho Santa Fe SID	0.187	0.068	0.119
City of Del Mar	0.381	0.138	0.243
Total San Elijo Water Campus Flow	2.915	1.055	1.860

* 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

CSD: Cardiff Sanitary Division

RSF: Ranch Santa Fe Community Service District

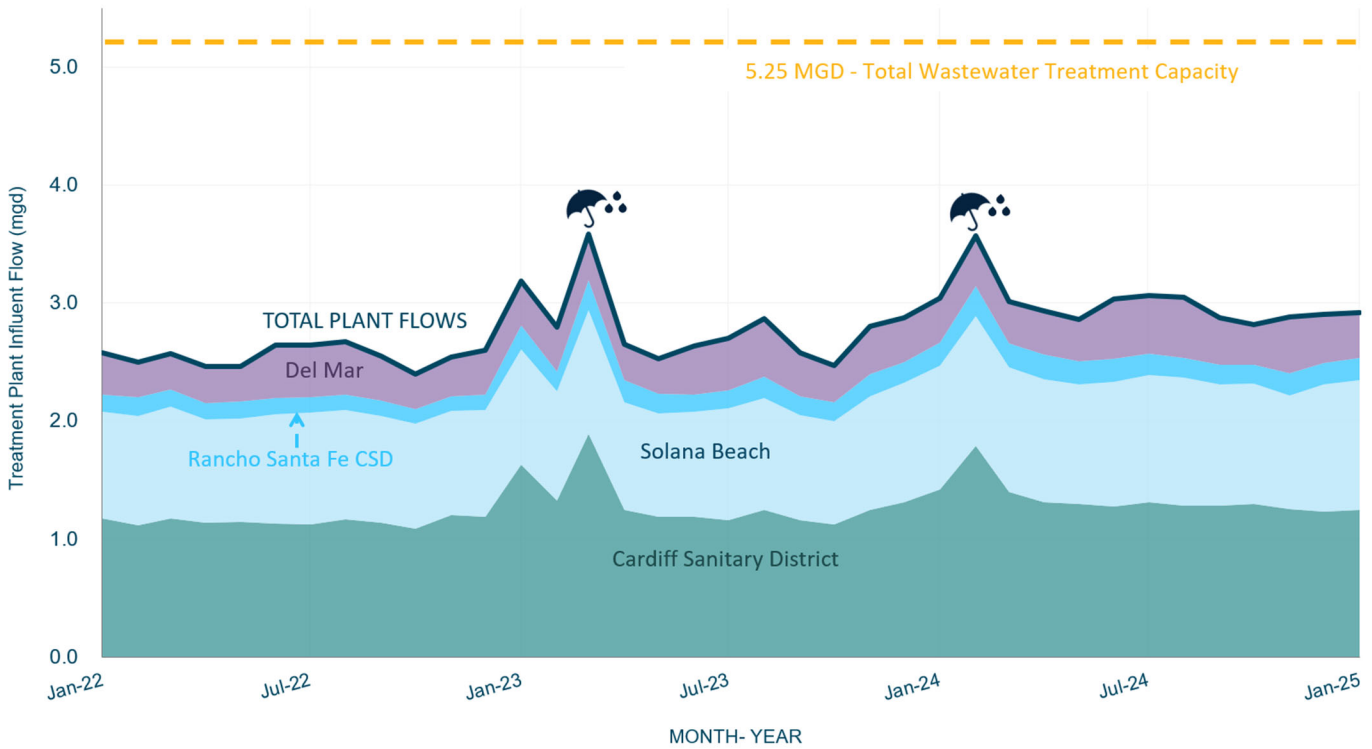
SB: Solana Beach

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 January 2024 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below in Table 3.

TABLE 3 – CITY OF ESCONDIDO FLOWS

	Flow (mgd)
Escondido (Average flow rate)	7.3
Escondido (Peak flow rate)	18.0

Connected Equivalent Dwelling Units

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

TABLE 4 – CONNECTED EDUs BY AGENCY

	Connected (EDU)
Cardiff Sanitary Division	8,621
Rancho Santa Fe SID	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

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AGENDA ITEM NO. 10

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 18, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER REPORT – JANUARY 2025

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of January 2025, recycled water demand was 104.6 acre-feet (AF), which was 104.4 AF of recycled water and 0.20 AF of supplemental water. January demand was 159.1% higher than budget expectations of 40 AF. Demand for the first seven months of the fiscal year is 20.7% ahead of budget.

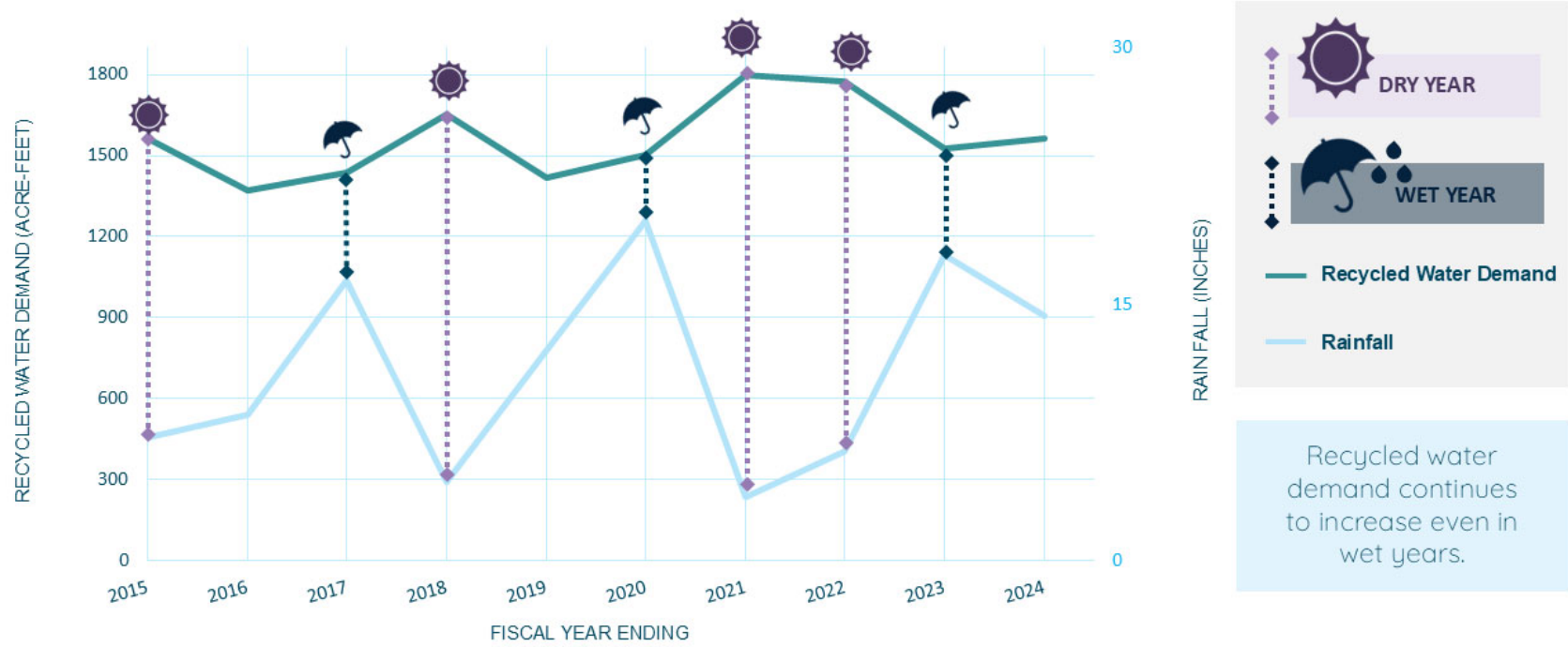
Figure 1 (attached) provides a graphical view of annual recycled water demand spanning the last 10 fiscal years, with the overlay of annual rainfall. Since the recycled water program primarily serves outdoor irrigation, annual demand is reduced during wet periods and increases during times of drought. Figure 2 (attached) shows the monthly recycled water demand for each January 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



Recycled water demand continues to increase even in wet years.

FIGURE 2: JANUARY RECYCLED WATER DEMAND

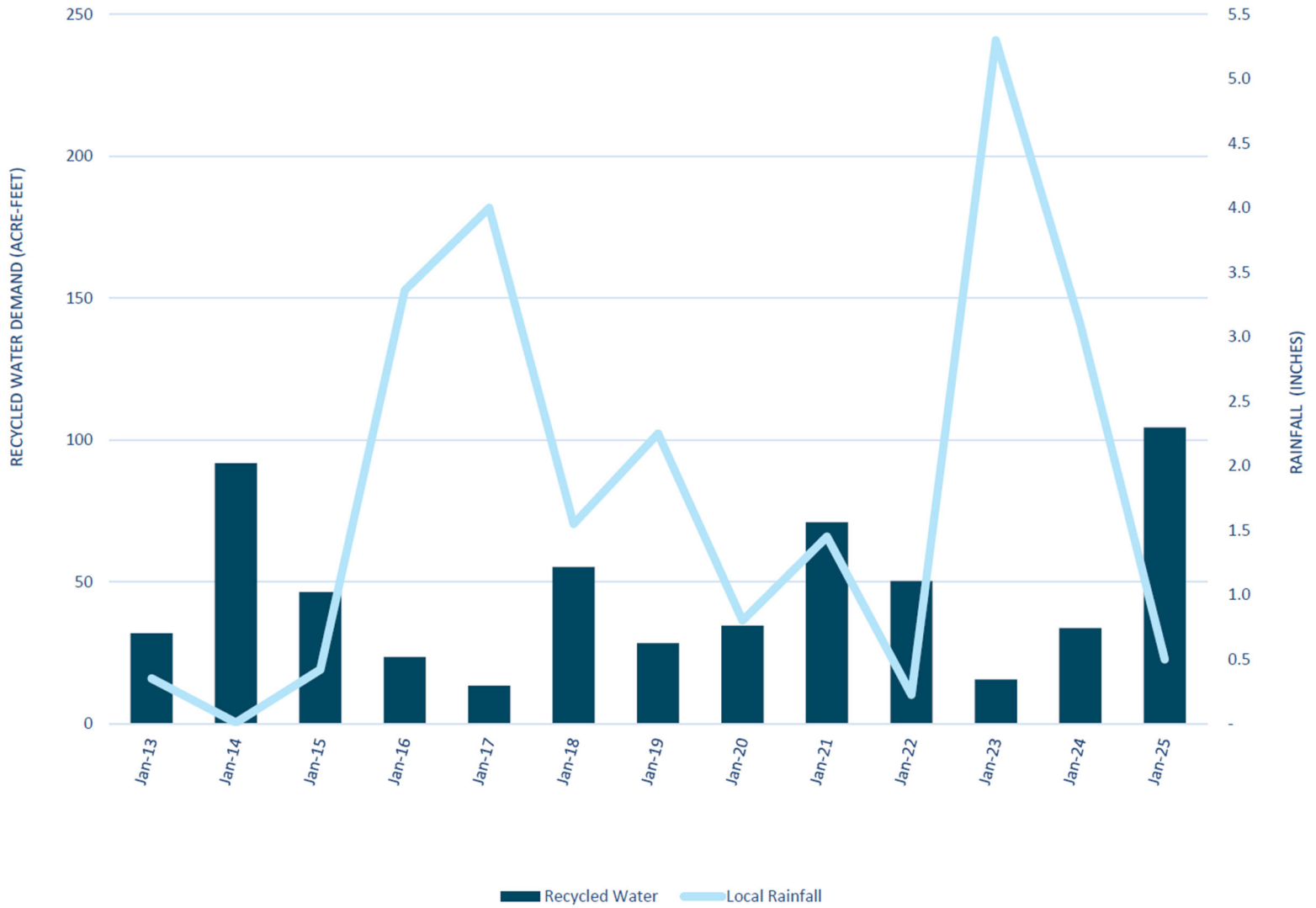
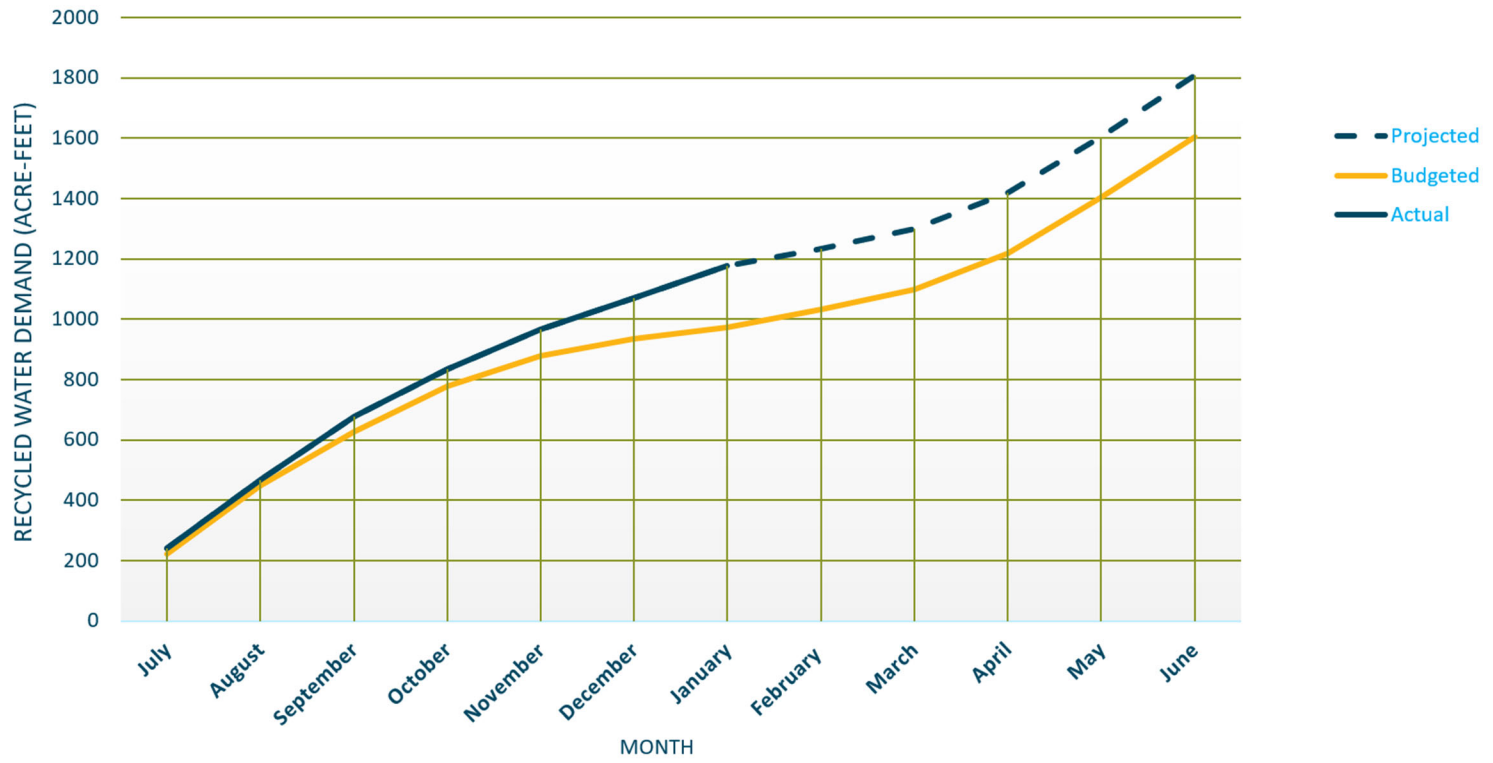


FIGURE 3: FY2024/25 CUMULATIVE DEMAND VS BUDGET



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AGENDA ITEM NO. 11

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 18, 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 February 14, 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

*

AGENDA ITEM NO. 12

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 18, 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 NATURAL GAS PIPE ON SAN ELIJO WATER CAMPUS

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 Ahrens Mechanical for repairs to buried natural gas pipe on the San Elijo Water Campus.

BACKGROUND

The San Elijo Water Campus relies on natural gas for both treatment processes and building operations. Within the wastewater treatment process, natural gas powers pilot lights on the waste digester flares and fuels hot water boilers that heat the anaerobic digesters. Additionally, occupied buildings use natural gas for heating and hot water, and the laboratory uses natural gas for its furnaces and Bunsen burners.

The facility's natural gas service lateral was installed in the 1970s and runs north from Manchester Avenue along the main access road to the Laboratory/Mechanics Building.

SEJPA observed a minor gas leak around the Laboratory/Mechanics Building and immediately investigated the source, determining the leak was emanating from below ground through an abandoned conduit riser on the outside of the building. 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

On Tuesday, March 4th, a natural gas odor was observed on the Water Campus, just outside the Laboratory/Mechanics Building. SEJPA promptly shutdown the natural gas riser into the building and investigated the situation, determining that the apparent gas odor was emanating from below ground through an abandoned conduit riser on the outside of the building. The exterior area was partitioned and the abandoned conduit riser vented to relieve risk of gas accumulation; gas is not being detected inside the building. The General Manager determined that immediate action was necessary to avoid interruptions to facility operations and to maintain safe working environment. The General Manager made the determination that repairs constitute an emergency pursuant to SEJPA's policies, and that the urgency of an emergency repair would not allow for the time necessary to complete a competitive solicitation for bids. A local pipeline contractor, Ahrens Mechanical (Ahrens) was contacted and agreed to mobilize a crew to immediately support the repair under an emergency, time and materials contract. The General Manager thereafter approved an Emergency Services Agreement with Ahrens (see Attachment 1) in accordance with the emergency work provisions described above.

Ahrens mobilized equipment, operators and laborers to excavate the location identified by SEJPA to install an isolation valve. The isolation valve allowed SEJPA to isolate the branch to the Laboratory and Mechanics Building from the process uses so that the leak location can be safely located and fixed.

Following installation of isolation valve, Ahrens Mechanical will explore the lateral length to the Laboratory/Mechanics Building and when located, SEJPA will direct repair work including material purchases and replacement of leaking pipe and fittings. Trench preparation, pipe bedding, backfill and surface restoration will be completed in accordance with applicable standards. After repair work is complete, SEJPA will coordinate with Ahrens to reconcile the time and materials charges in order to approve and pay-out Ahren's final invoice. After this final reconciliation is carried out the General Manager will terminate the emergency declaration and cease work under the time and materials contract with Ahrens.

FINANCIAL IMPACT

Funding for this emergency event will be allocated from the wastewater operating fund, drawing from contingency budget. Initial estimates of the emergency work range from \$32,000 up to

\$50,000, depending on how readily the leak can be located and the extent of repairs that may be required.

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 Ahrens Mechanical for repairs to buried natural gas pipe on the San Elijo Water Campus.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Agreement for Emergency Repair Services - Ahrens Mechanical
(Contract No. 2025-010 TSA) March 7, 2025

**TECHNICAL SERVICES AGREEMENT
BETWEEN SAN ELIJO JOINT POWERS AUTHORITY
AND AHRENS MECHANICAL
FOR NATURAL GAS LATERAL EMERGENCY REPAIRS**

RECITALS

- A. This Technical Service Agreement (“**Agreement**”) is made and entered into this 6th day of March, 2025 (“**Effective Date**”), by and between the SAN ELIJO JOINT POWERS AUTHORITY (“**SEJPA**”) and AHRENS MECHANICAL, (“**CONTRACTOR**”), an independent contractor, with a principal place of business at 10975 San Diego Mission Rd, San Diego, CA 92108.
- B. **CONTRACTOR** has submitted to **SEJPA** a proposal to provide emergency repair services on gaseous leak 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 March 28, 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 Thirty-Two Thousand dollars (\$32,000); 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
P.O. Box 1077
Cardiff by the Sea, CA 92007

Attention: Accounts Receivable

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 or 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, Wes Ahrens, shall be empowered to act for CONTRACTOR for all matters relating to this Agreement.

SECTION 9 SEJPA REPRESENTATIVE

SEJPA's designated representative, Tom Falk, 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 Eljjo Joint Powers Authority
Attention: Tom Falk
2695 Manchester Avenue
Cardiff-By-The-Sea, CA 92007
falkt@sejpa.org

To CONTRACTOR: Ahrens Mechanical
Attention: Gregory S. Ahrens
10975 San Diego Mission Rd.
San Diego, CA 92108

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 Elijo 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:

AHRENS MECHANICAL:




Michael T. Thornton, P.E.

General Manager

03/10/2025

Date



Signature Wesley J. Ahrens

Project Manager

Title

10 March 2025

Date

957287

Contractor's License No.

28 February 2027

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. Install new isolation valve on existing onsite (within Water Campus property) natural gas lateral at location identified by SEJPA. Piping, fittings, valves and appurtenances shall conform to applicable local standards and codes, as applicable.
3. Sawcut, remove and dispose asphalt, and excavate at location(s) identified to locate and repair damaged buried natural gas piping. Once leak is identified, confer with SEJPA prior to implementing repair.
4. Excavated material shall be hauled within the San Elijo Water Campus site and deposited in manner and location directed by SEJPA.
5. Backfill with clean, compacted material in conformance with material and placement requirements of SDG&E Underground Construction Standards UG3370 (https://www.sdge.com/sites/default/files/UGCSe_21.pdf).
6. Install temporary paving patch; SEJPA will complete final paving at later date.

TIME & MATERIAL DETAILS: *Costs as described in Ahrens proposal dated March 7, 2025 (attached)*

Ahrens Mechanical

5959 Mission Gorge Road, Ste #204, San Diego, CA 92120

Ph: 619.487.9036, Fx: 619.487.9195

Estimating@AhrensMech.com

Certified DVBE and SB - State of California #1544620 Exp: 6/30/23

Certified SDVOSB - Department of Veteran Affairs

Certified SLBE City of San Diego - #12AM0557

Public Works Contractor Registration No. 1000000554 exp: 6/30/25

CSLB #957287 / A, B, C4, C10, C16, C20, C34, C36, C46, C60, Haz Exp:2/28/23

7 March 2025

San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff by the Sea, Ca 92007-7077

Attention: Tom Falk

Subject : Install Gas Valve. Investigate/Repair Gas Leak

Reference : T&M Proposal

T&M Rates

Job Setup	\$2,500.00 LS
Superintendent	142.00 Hourly
Operator	135.00 Hourly
Operator Apprentice Period 3	103.00 Hourly
Plumber/Fitter	128.00 Hourly
Plumber/Fitter Apprentice Period 5	93.00 Hourly
Laborer	105.00 Hourly
Principal	189.00 Hourly
Project Manager	142.00 Hourly
Office Admin	95.00 Hourly

Hourly Rates are portal to portal

Overtime rates apply after eight (8) hours and on Saturdays

Double time rates apply after twelve (12) hours and on Sundays

Labor markup 20%

Material Markup 15%

Equipment Markup 15%

Ahrens Owned equipment billed per CalTrans Labor Surcharge and Equipment Rental Rates

Subcontractor Markup 15%

Exclusions:

- Connection fees not included in time & material.
- Permits cost, deposits and fees not time & material.
- Surveying not included in time & material.
- Compaction test not included.
- Not responsible for damages due to poor conditions of existing asphalt, concrete and structures.
- Time & materials includes trench shoring and trench plates for excavated trenches per OSHA.
- Not responsible for existing soils conditions.
- Not responsible for existing non-working valves.

- Not responsible for wrongly marked utilities.
- Not responsible for construction water.
- Weather related expenses will apply to time & material.
- Change order will be submitted if underground obstacles or obstructions are encountered including, but not limited to water lines, joint trenches, buried concrete, loose

Notes

One year warranty

Quote is valid for 30 days.

Labor Rates are valid through 30 June 2025

AHRENS MECHANICAL



Wesley J. Ahrens
Project Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 18, 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.

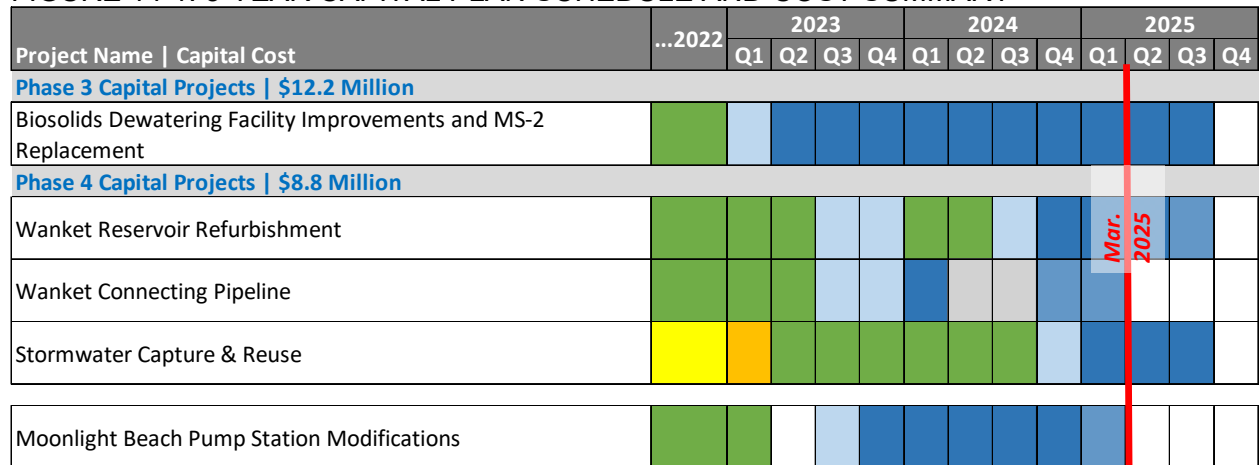
SEJPA is nearing completion of its 3-Year Capital Plan (2023–2025) and is updating its facility planning documents to establish capital priorities through 2035. The initial cost estimate for the 3-Year Capital Plan was \$32.6 million. However, in fall 2024, SEJPA reviewed the plan and identified funding concerns due to persistently high construction costs. In December 2024, SEJPA decided to postpone the Biological Treatment Improvement Project until after the 2025 Facility Plan update is completed and a capital funding strategy is developed in collaboration with member agencies.

The revised 3-Year Capital Plan, now estimated at \$21 million, is 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.

DISCUSSION

The 3-Year Capital Plan (2023 – 2025) delivery schedule and estimated cost are summarized in Figure 14-1. Following, Table 14-1 highlights notable progress over the past quarter (January – March 2025) and anticipated major activities in the next 3 to 6 months. Four capital projects will be completing construction over the next six months.

FIGURE 14-1: 3-YEAR CAPITAL PLAN SCHEDULE AND COST SUMMARY



Legend: Planning Pre-Design Design Bidding/Award Construction TBD Revised

TABLE 14-1: 3-YEAR CAPITAL PLAN (2023 – 2025), PROJECT STATUS SUMMARY

Project Name (Status)	Progress as of March 2025
Phase 3 Capital Projects	
Biosolids Dewatering Facility Improvements and MS-2 Replacement (Construction)	<ul style="list-style-type: none"> ✓ SDG&E electrical service installed and energized; MS-2 Online ✓ Temporary Power and Centrifuge – ongoing ✓ Building refurbishment complete ✓ Process equipment installation ongoing ✓ Dewatering Building Motor Control Center (MCC) delivered and installed; Electrical wiring in progress
Phase 4 Capital Projects	
Wanket Reservoir Refurbishment (Construction)	<ul style="list-style-type: none"> ✓ Awarded in July 2024; Notice to Proceed in September 2024 ✓ Contractor mobilized ✓ Tank inspection in progress and piping work commenced.
Wanket Recycled Water Pipeline (Complete)	<ul style="list-style-type: none"> ✓ Contract Closeout; Record Drawings
Stormwater Capture, Reuse and Site WQ Improvements (Construction)	<ul style="list-style-type: none"> ✓ Awarded in January 2025 ✓ Pre-construction activities underway ✓ Contractor mobilization anticipated April 2025
Moonlight Beach Pump Station Modifications (Construction)	<ul style="list-style-type: none"> ✓ Mechanical and electrical work complete ✓ Painting and finish work in progress ✓ Expected Completion: April 2025

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 all remote pump station sites in December 2024 and the San Elijo Water Campus in January 2025. Ongoing activities include technical studies on treatment plant hydraulics, resource recovery, energy optimization, and asset management. Projects previously categorized as “miscellaneous near-term” needs will be prioritized in the Facility Plan update, with implementation set to begin in FY 2025-26.

Capital needs at the San Elijo Water Campus, across the recycled water system, and at select sewer pump stations are estimated at approximately \$18 million over the next three years (through 2028). These projects will be prioritized and implemented under a pay-go strategy based

on available funding. Identified capital needs will be incorporated into SEJPA's annual budget and the recycled water cost-of-service study.

SEJPA is currently developing the following prioritized projects for implementation:

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 system 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 maintaining hydraulic throughput to 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 controls into the modern SCADA system.

Return Activated Sludge (RAS) Pump Station Upgrades

The RAS pump station is a core component of the biological treatment system, and this system operates continuously, 24-hours per day. These assets have been in place for 34 years and its pumps and motor controls are reaching the end of its life cycle. This project will replace the pumps and motors, modify mechanical systems to accommodate new equipment, and upgrade electrical components to ensure long-term reliability.

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,



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

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 18, 2025

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: RECYCLED WATER COST OF SERVICE WORKSHOP

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) operates a recycled water utility, supplying recycled water to four water purveyors: Santa Fe Irrigation District (SFID), San Dieguito Water District (SDWD), Olivenhain Municipal Water District (OMWD), and the City of Del Mar. SEJPA also has an interruptible service agreement with the Encinitas Ranch Golf Authority (ERGA). Each purveyor operates under a separate wholesale agreement that defines terms for pricing, water quality, quantity, and contract duration.

Historically, SEJPA set recycled water prices at 85% of potable water rates—a practice known as “Indexed Pricing”. In Fiscal Year 2012-13, SEJPA transitioned to a cost-of-service methodology for setting water rates, decoupling recycled water price increases from potable water rates while maintaining the 85% benchmark as a competitive reference point.

Since 2000, SEJPA has relied on annual incentive revenues from CWA and MWD averaging \$720,000, which covered 28.9% of operating expenses in Fiscal Year 2023-24. However, these incentives will expire in August 2025, creating a significant revenue gap. Additionally, these funds have been crucial in meeting the 2023 Recycled Water Private Placement Loan debt service coverage ratio, which is calculated as net revenues divided by debt service costs.

Since adopting the cost-of-service pricing model, SEJPA has minimized annual rate increases while ensuring recycled water remains competitively priced. The 2021 Cost of Service Study (COSS) established a 3.9% annual rate increase through Fiscal Year 2025-26.

DISCUSSION

SEJPA has retained Carollo Engineers to conduct the 2025 Recycled Water Rate Study, which will evaluate SEJPA’s wholesale rates, financial stability, and water demand, and provide rate recommendations for Fiscal Years 2026 through 2029. The decision to revisit

utility rates before the end of the previously adopted rate period is driven by changes in the financial landscape.

Several key factors necessitate this update:

- **Loss of Incentive Revenues:** The expiration of CWA and MWD incentives in Fiscal Year 2026 will reduce annual revenues by approximately \$720,000, requiring SEJPA to identify alternative funding sources.
- **Inflation & Rising Operating Costs:** The 3.9% annual rate increases approved in the 2021 COSS are now insufficient to offset the impact of inflation, particularly following cost escalations during and after the COVID-19 pandemic.
- **Demand Variability:** Weather-related fluctuations, such as consecutive wet years in Fiscal Years 2023 and 2024, have significantly reduced recycled water demand, directly impacting revenue.
- **Aging Infrastructure:** After 25 years of operation, major system components are nearing the end of their service life and will require rehabilitation or replacement to maintain system reliability.

Given these factors, the study will develop rate recommendations that ensure financial stability, mitigate demand fluctuations, and support capital infrastructure needs.

FINANCIAL IMPACT

There is no immediate financial impact associated with this workshop presentation. The purpose of this workshop is to provide guidance and direction to staff in preparing the draft cost-of-service study for SEJPA's recycled water utility.

The final cost-of-service study will evaluate current and future operating expenses, debt obligations, repair and replacement needs, and other capital costs to develop sustainable recycled water rates for the next four years.

It is therefore recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Respectfully submitted,



Kevin Lang, CPA
Director of Finance and Administration