

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY JULY 9, 2012 AT 9:00 AM
SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS (NON-ACTION ITEM)
5. PRESENTATION OF AWARDS – None
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR THE JUNE 11, 2012 MEETING
8. * APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS
9. * SAN ELIJO WATER RECLAMATION FACILITY TREATED EFFLUENT FLOWS – MONTHLY REPORT
10. * SAN ELIJO JOINT POWERS AUTHORITY RECYCLED WATER PROGRAM – MONTHLY REPORT
11. * GENERAL MANAGER EMPLOYMENT AGREEMENT FOR JULY 1, 2012 THROUGH JUNE 30, 2014
12. * PROFESSIONAL SERVICES CONTRACT FOR CONSTRUCTION MANAGEMENT AND AS-NEEDED STAFF EXTENSION REWSOURCES
13. * ANNUAL KELP MONITORING REPORTS
14. * 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

15. **WHOLESALE PRICING OF RECYCLED WATER BY THE SAN ELIJO JOINT POWERS AUTHORITY**

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Staff Reference: General Manager

16. **RESOURCE SHARING EVALUATION BETWEEN THE SAN ELIJO JOINT POWERS AUTHORITY AND THE ENCINA WASTEWATER AUTHORITY**

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Staff Reference: General Manager

17. **GENERAL MANAGER'S REPORT**

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

18. **GENERAL COUNSEL'S REPORT**

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

19. **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.

20. **CLOSED SESSION**

None

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".

21. **ADJOURNMENT**

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be September 10, 2012 at 9:00 a.m.

NOTICE:

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

The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board is available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at www.sejpa.org. The SEJPA Board meetings are held on the second Monday of the month, except August.

AFFIDAVIT OF POSTING

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

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

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

Date: July 3, 2012



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

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON JUNE 11, 2012
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Teresa Barth, Chair

David Roberts, Vice Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, June 11, 2012, at 9:00 a.m., at the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff by the Sea, California and 4300 Wilson Blvd., Suite 250, Arlington, Virginia.

1. CALL TO ORDER

Chair Barth called the meeting to order at 9:00 a.m.

2. ROLL CALL

Directors Present:

Teresa Barth
Thomas M. Campbell
Mark Muir
David W. Roberts via phone

Others Present:

General Manager
Director of Finance/Administration
Director of Operations
Administrative Assistant
Accounting Technician
Safety/HR Administrator

Michael Thornton
Greg Lewis
Christopher Trees
Monica Blake
Carrie Cook
Marisa Buckles

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Aiko Yamakawa

City of Encinitas,
Public Works Management Analyst

Bill Wilson

City of Solana Beach,
City Manager

David Ott

City of Solana Beach,
Director of Engineering/Public Works

Mohammad "Mo" Sammak

St. Francis Court HOA

Al Evans & Frank Warner

3. PLEDGE OF ALLEGIANCE

Michael Thornton led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

Al Evans, from the St. Francis Court HOA, expressed his interest in keeping future recycled water rates as low as possible. He also expressed his support for an agreement between the SEJPA and Santa Fe Irrigation District that set future recycled water rates based on a cost-of-service model.

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

Moved by Board Member Muir and seconded by Board Member Campbell to approve the Consent Calendar with unanimous vote of approval.

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the May 14, 2012 meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
Agenda Item No. 9	San Elijo Water Reclamation Facility Treated Effluent Flows – Monthly Report
Agenda Item No. 10	San Elijo Joint Powers Authority Recycled Water Program – Monthly Report
Agenda Item No. 11	Award of Annual Supplies and Services Contracts for the San Elijo Joint Powers Authority
Agenda Item No. 12	Staffing Classification: Non-Exempt/Exempt

13. ITEMS REMOVED FROM CONSENT CALENDAR

None

14. ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2012-13 BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF SEJPA TREASURER

The Director of Finance/Administration reported that the Fiscal Year (FY) 2012-13 Recommended Budget was presented to the Board of Directors and the Member Agencies in April and May 2012 and there were no recommendations made to change or alter the budget.

The Director of Finance/Administration stated that the operating budget for the Wastewater Treatment Fund for the SEJPA is \$5,374,877 and the operating budget for the Water Reclamation Fund is \$1,957,028. The FY 2012-13 appropriation for the Capital Project Fund is \$1,032,000. The Director of Finance/Administration also noted that the contributions required for all service for the City of Encinitas and the City of Solana Beach decreased by 6.9 percent and 3.4 percent, respectively.

The Director of Finance/Administration stated that State law requires that the Investment Policy be reviewed and adopted annually. The SEJPA investment policy allows for investment in the State Local Agency Investment Fund (LAIF) and in the San Diego County Investment Pool. In addition, State law requires that a SEJPA Treasurer be appointed annually.

Moved by Board Member Campbell and seconded by Board Member Muir to:

1. Adopt Resolution No. 2012-04, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2012-13;
2. Adopt Resolution No. 2012-05, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Greg Lewis as the SEJPA Treasurer; and
3. Discuss and take action as appropriate.

Motion carried with unanimous vote of approval.

15. EMPLOYEE SALARY AND BENEFIT PACKAGE FISCAL YEARS 2012-13, 2013-14, 2014-15, AND 2015-16

The General Manager reported that a Classification and Compensation survey was conducted of local agencies to be used as a reference in the establishment of annual adjustments to the compensation level of SEJPA staff. It was a goal of the Board to pay the SEJPA employees at plus or minus 5 percent of the average of all agencies within a given category. With the results of the survey, SEJPA management proposed to reduce the top of range pay for 14 of the 19 current positions. One position will remain unchanged, and four positions will see slight increases.

The General Manager stated that concurrent with the Classification and Compensation survey, labor negotiations with the SEJPA employees have been ongoing as the current agreement expires on June 30, 2012. The General Manager reported that the

employees had accepted the Board's labor proposal, which includes the following key provisions:

- Reduced pension benefits for new employees
- Increased employee cost sharing to pension benefit
- Employee cost of living increase (COLA) of 1.9% per each year of the agreement

The full labor agreement is presented in Resolution 2012-06 and is now ready for the Board's consideration.

Moved by Board Member Campbell and seconded by Chair Barth to:

1. Adopt Classification and Compensation Schedule dated June 11, 2012;

Motion carried with the following vote of approval:

AYES: T. Barth, T. Campbell, D. Roberts
NOES: M. Muir
ABSENT:
ABSTAIN:

2. Adopt Resolution 2012-06, entitled "Resolution of the Board of Directors of the San Elijo Joint Powers Authority Adopting Increases in Salary and Benefits for Fiscal Years 2012-13, 2013-14, 2014-15, and 2015-16.

Motion carried with the following vote of approval:

AYES: T. Barth, T. Campbell, D. Roberts
NOES: M. Muir
ABSENT:
ABSTAIN:

16. GENERAL MANAGER'S REPORT

The General Manager reported that the San Diego County Water Authority (CWA) confirmed that the incurred costs associated with the Advanced Water Treatment Project (AWT) are eligible expenses of the CWA's local water supply development program.

The General Manager gave a brief update on wholesale pricing discussions with the SEJPA's recycled water partners.

Chair Barth requested this subject be placed on the July agenda for further discussion.

17. GENERAL COUNSEL'S REPORT

None

18. BOARD MEMBER COMMENTS

None

19. CLOSED SESSION

The Board of Directors adjourned to closed session with the General Manager at 9:42 a.m., per Government Code Section 54957 – Employee Performance Evaluation, title: General Manager.

20. ADJOURNMENT

The Board of Directors came out of closed session with no reportable action and adjourned at 9:57 a.m. The next Board of Directors meeting will be held on July 9, 2012.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

PAYMENT OF WARRANTS
12-07
27-Jun-12

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
<u>12-07 Warrants</u>		
AT&T	Alarm service - June	\$380.14
AT&T	Phone service - 04/13/12 - 05/12/12	\$373.77
AT&T - Eden Garden	DSL - 04/20/12 - 05/19/12	\$73.20
AT&T - Olivenhain	DSL - 04/10/12 - 05/09/12	\$72.71
Advanced Air & Vacuum	Maintenance services on pump - water rec.	\$346.96
All American First Aid & Safety	First aid supplies	\$72.73
Applied Industrial Technologies	Pump repair parts - Olivenhain P. S.	\$119.19
Applied Industrial Technologies	Repair parts - Moonlight Beach P. S.	\$664.28
Arrowhead	Kitchen and lab supplies	\$274.28
Arrow Pipeline Repair, Inc.	Repair underground water leak - plant	\$8,979.00
Atlas Crane Service	Remove F.E.B. pump - plant	\$230.00
Atlas Pumping Service	Grease and scum pumping - May	\$832.32
Atlas Pumping Service	Grit and screening	\$742.35
BankCard Center	Disposal fee, repair parts, meeting, and batteries	\$416.19
Barracuda Networks, Inc.	Network - back-up servers - June	\$50.00
Blake, Monica	Expense report - mileage	\$33.04
Boot World, Inc.	Safety boots - N. Talbot	\$150.00
Buckles, Marisa	Expense report - mileage	\$47.58
Buckles, Marisa	Expense report - staff meeting	\$49.93
CDM, Inc.	Electrical improvements - plant	\$2,950.00
CWEA Membership	Membership - M. Piper	\$132.00
California Water Technologies	Ferric chloride - plant	\$6,048.70
Calpers	Annual fee	\$806.40
Calpers	Valuation for 2% @ 60	\$300.00
Coast Waste Management, Inc.	Grit and screening - storm drains	\$479.34
Complete Office	Office supplies	\$144.28
Complete Office	Office supplies	\$127.61
Complete Office	Office supplies	\$258.89
Corodata	Record storage - May	\$103.81
County of San Diego, DEH	Permit - San Elijo Hills P. S.	\$281.00
County of San Diego, DEH	Permit - Solana Beach P. S.	\$281.00
County of San Diego, DEH	Permit - Eden Gardens P. S.	\$281.00
County of San Diego, DEH	Permit - Cardiff P. S.	\$281.00
County of San Diego, DEH	Permit - Olivenhain P. S.	\$281.00
Crown Point Embroidery	Uniform shirts and aprons	\$69.50
Dudek & Associates	Engineering service - water reclamation	\$160.00
EDCO Waste & Recycling	Trash service - May	\$187.77
Evans Tire & Service Centers	Vehicle maintenance	\$1,065.68
Fairbanks Ranch Community	Return overpayment for lab services	\$6,462.00
Finest City Paper	Kitchen supplies - plant	\$328.70
GHD Inc.	Recycled water rate study - water reclamation	\$2,472.00
Golden State Overnight	Mailing monthly compliance reports	\$42.56
Grainger, Inc.	Plumbing parts and safety supplies - plant	\$281.05
Grainger, Inc.	Safety supplies - plant	\$49.27
Guardian	Dental - June	\$1,376.36

PAYMENT OF WARRANTS

12-07

27-Jun-12

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
Hayward Gordon Ltd.	Grit pump - plant	\$15,825.00
Health and Human Resource	Employee assistance program - June	\$334.40
Hoch Consulting	Electrical upgrades project	\$2,156.25
Hoch Consulting	Advanced water treatment project	\$1,937.50
Hoch Consulting	Staff extension services	\$375.00
Home Depot Credit Services	Shop and field supplies	\$130.86
Hydroscape Products, Inc.	Plumbing supplies - plant	\$74.80
IPMA - HR	Membership - M. Buckles	\$149.00
Jani-King	Janitorial service - June	\$882.64
Jani-King	Janitorial supplies	\$503.31
Kaman Industrial Technologies	Repair parts - belt press - plant	\$684.88
Kennedy / Jenks Consultants	Recycled water demineralization advance treatment	\$23,193.62
Konica	Monthly copier maintenance	\$91.38
Larsen, Casey	Expense report - communication supplies	\$94.05
McMaster-Carr Supply Co.	Repair part - water reclamation	\$26.87
McMaster-Carr Supply Co.	Repair parts - plant	\$969.72
McMaster-Carr Supply Co.	Plumbing and safety supplies - plant	\$174.51
McMaster-Carr Supply Co.	Plumbing supply - plant	\$36.64
Medlin & Associates, Inc.	Gnatcatcher - noise mitigation monitoring - plant	\$1,652.00
MegaPath Inc.	T-1 service - June	\$278.13
OMWD	Manchester - 04/05/12 - 05/07/12	\$52.54
One Source Distributors, Inc.	Electrical supplies - plant	\$772.22
One Source Distributors, Inc.	Electrical supplies - plant	\$113.36
PERS - Health	Health - June	\$18,220.71
PERS - Retirement	Retirement premium - 06/01/12	\$15,935.40
PERS - Retirement	Retirement premium - 06/15/12	\$15,675.90
Pestguard Termite & Pest	Pest control - April	\$288.00
Preferred Benefits Insurance	Vision insurance - June	\$307.02
Rohan & Sons, Inc.	Install new thermostat - plant	\$174.10
Polydyne Inc.	Clarifloc® WE-007 - plant	\$10,408.65
Procopio,Cory,Hargreaves	General - legal services - May	\$1,254.00
RSF Security Systems	Security - 06.01.12 - 08.31.12	\$1,413.00
Rain For Rent, Inc.	Hose and pipe rental - 04/18/12 - 05/15/12 - Olivenhain	\$154.39
Rain For Rent, Inc.	Hose and pipe rental - 05/08/12 - 05/30/12 - Olivenhain	\$5,889.02
San Diego Gas and Electric	Gas and electric - 04/05/12 - 05/07/12	\$36,022.76
San Diego Gas and Electric	Gas and electric - 05/08/12 - 06/07/12 - Cardiff	\$1,319.59
San Diego Gas and Electric	Gas and electric - 05/08/12 - 06/07/12 - Valley	\$1,973.91
San Diego IPMA-HR	Seminar - M. Buckles	\$25.00
San Diego IPMA-HR	Membership - M. Buckles	\$55.00
San Diego SHRM	Membership - M. Buckles	\$125.00
San Dieguito Water District	Manchester RWM 1 - 05/01/12 - 05/31/12	\$134.50
San Dieguito Water District	Manchester RWM 3 - 05/01/12 - 05/31/12	\$91.46
San Dieguito Water District	Manchester RWM 4 - 05/01/12 - 05/31/12	\$188.30
San Dieguito Water District	Manchester RWM 5 - 05/01/12 - 05/31/12	\$295.90
San Dieguito Water District	Manchester RWM 6 - 05/01/12 - 05/31/12	\$3,451.27
San Dieguito Water District	S. Coast Highway 101 - 03/26/12 - 05/21/12	\$41.89
San Dieguito Water District	Cardiff - 03/26/12 - 05/21/12	\$195.49

PAYMENT OF WARRANTS

12-07

27-Jun-12

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
San Dieguito Water District	Manchester - 03/26/12 - 05/21/12	\$220.77
San Elijo Payroll Account	Payroll - 06/15/12	\$72,351.29
Santa Fe Irrigation District	Lomas Santa Fe Dr. - 03/21/12 - 05/21/12	\$878.74
Santa Fe Irrigation District	Valley - 04/26/12 - 05/30/12	\$129.97
Sigma-Aldrich RTC	Lab supplies - lab	\$114.31
Smart & Final	Office and kitchen supplies	\$213.31
Southern Contracting Company	Electrical upgrades - capital project - May	\$39,334.50
Sprint	Cellular phone service - April and May	\$686.51
State Water Resources Control	Certificate - J. Boyle	\$130.00
Sun Life Financial	Life and disability insurance - June	\$1,324.53
Super Mario Portable Welding	Welding service - plant	\$994.51
Talbot, Nicholas	Expense report - membership dues	\$132.00
Trees, Christopher	Expense report - WateReuse Conference	\$425.00
Tri-City Medical Center	Vaccination for new employee - plant	\$144.00
Trussell Technologies, Inc.	Engineering service - water reclamation	\$679.00
USA Bluebook	Receiver - Coast Blvd. P. S.	\$593.73
USA Bluebook	Submersible pump - Moonlight, plant, and wtr. rec.	\$782.03
Underground Service Alert	Dig alert - May	\$93.00
Unifirst Corporation	Uniform service - May	\$174.18
Unifirst Corporation	Uniform service - June	\$174.18
VWR International, Inc.	Lab supplies - lab	\$288.71
VWR International, Inc.	Lab supplies - lab and water reclamation	\$914.58
VWR International, Inc.	Lab supplies - lab, outfall, and water reclamation	\$399.08
W.M. Lyles Co.	Construction - recycled water demineralization	\$126,588.00
Western Hose & Gasket	Plumbing parts - plant	\$777.17
Western Water Works Support	Repair parts - water reclamation	\$1,691.68
Whispering Palms Community	Return overpayment for lab services	\$8,144.00
Wright Express FSC	Fuel - May	\$1,113.72
Total 12-07 Warrants		\$462,800.03


SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

27-Jun-12

PAYMENT OF WARRANTS		\$462,800.03
Reference Number	12-07	

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



Gregory Lewis
Director of Finance/Administration
Treasurer

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION
AS OF

27-Jun-12

<u>FUNDS ON DEPOSIT WITH</u>	<u>AMOUNT</u>
LOCAL AGENCY INVESTMENT FUND	
<i>(MAY 2012 YIELD 0.37%)</i>	
SELF INSURANCE RESERVE	\$ 300,000.00
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 6,323,832.71
ADVANCED WATER TREATMENT LOAN PROCEEDS	\$ 2,000,000.00
CALIFORNIA BANK AND TRUST	
<i>(MAY 2012 YIELD 0.05%)</i>	
REGULAR CHECKING	\$ 92,069.94
PAYROLL CHECKING	\$ 5,000.00
TOTAL RESOURCES	\$ 9,350,902.65

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SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 9, 2012

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

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

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Plant Performance and Evaluation

Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all NPDES ocean effluent limitation requirements for the month of May 2012. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for CBOD and TSS were 98.2 percent and 96.8 percent, respectively, for May (as shown in Figure 1 and Figure 2).

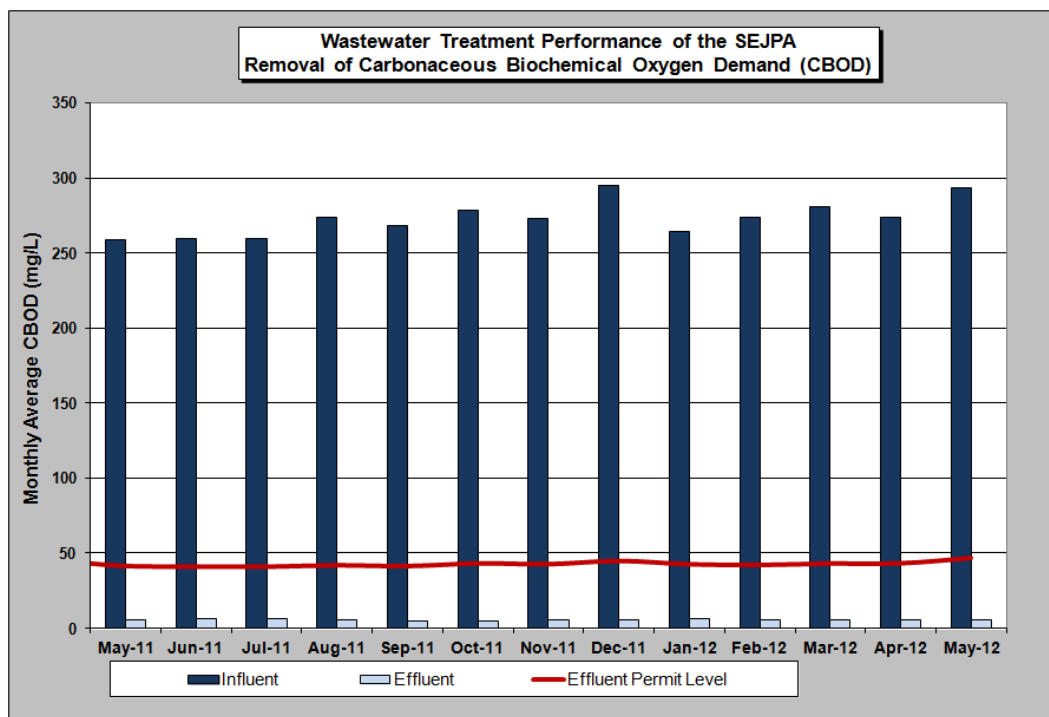


FIGURE 1

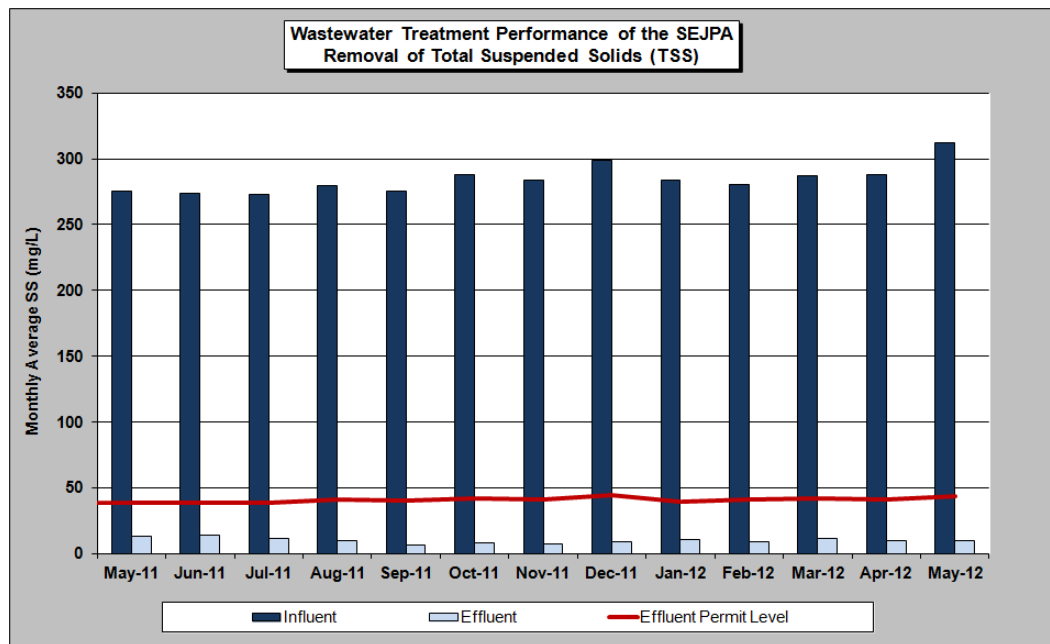


FIGURE 2

Member Agency Flows

Presented below are the influent and effluent flows for the month of May. Average daily influent flows were recorded for each Member Agency. Total effluent flow was recorded for the San Elijo Water Reclamation Facility.

	May	
	Influent (mgd)	Effluent (mgd)*
Cardiff Sanitary Division	1.333	0.577
City of Solana Beach	1.211	0.525
Rancho Santa Fe SID	0.150	0.065
Total San Elijo WRF Flow	2.694	1.167

Notes: As of July 1995, Rancho Santa Fe Community Services District (CSD) combined SID #2 and SID #3 into one Sewer Improvement District (SID).

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

Table 1 (below) presents the historical average, maximum, and unit influent and effluent flow rates per month for each of the Member Agencies since July 2008. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time period.

Figure 3 (below) presents the historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average treated flow by each agency. As shown in the figure, the average treated flow typically ranges between 2.9 and 3.1 million gallons per day (mgd). Also shown in Figure 3 is the total wastewater treatment capacity of the plant, 5.25 mgd, of which each Member Agency has the right to 2.5 mgd, and Rancho Santa Fe Community Service District has the right to 0.25 mgd.

SAN ELIJO WATER RECLAMATION FACILITY MONTHLY REPORT - FLOWS AND EDUS

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)				AVERAGE DAILY EFFLUENT FLOW RATE (MGD)				CONNECTED EDUS				AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)			
	CSD	RSF	SB	TOTAL PLANT	CSD	RSF	SB	TOTAL PLANT	CSD EDUS	RSF EDUS	SB EDUS	TOTAL EDUS	CSD	RSF	SB	TOTAL PLANT
Jul-08	1.713	0.131	1.324	3.168	0.722	0.055	0.558	1.335	8,163	456	7,728	16,347	210	288	171	194
Aug-08	1.562	0.125	1.483	3.170	0.608	0.048	0.577	1.233	8,165	457	7,728	16,350	191	274	192	194
Sep-08	1.547	0.121	1.378	3.046	0.813	0.064	0.724	1.601	8,167	459	7,728	16,354	189	264	178	186
Oct-08	1.478	0.111	1.319	2.908	0.671	0.051	0.599	1.321	8,170	460	7,728	16,358	181	242	171	178
Nov-08	1.511	0.118	1.329	2.958	1.080	0.084	0.950	2.114	8,171	462	7,728	16,361	185	256	172	181
Dec-08	1.580	0.156	1.362	3.098	1.446	0.143	1.246	2.835	8,172	462	7,728	16,362	193	338	176	189
Jan-09	1.522	0.141	1.354	3.017	1.256	0.116	1.117	2.489	8,177	462	7,728	16,367	186	306	175	184
Feb-09	1.599	0.145	1.330	3.074	1.408	0.128	1.171	2.707	8,179	462	7,728	16,369	196	314	172	188
Mar-09	1.510	0.124	1.307	2.941	1.030	0.085	0.892	2.007	8,180	463	7,728	16,371	185	268	169	180
Apr-09	1.463	0.116	1.262	2.841	0.731	0.058	0.630	1.419	8,183	463	7,728	16,374	179	251	163	174
May-09	1.465	0.117	1.247	2.829	0.712	0.057	0.606	1.375	8,185	464	7,728	16,377	179	252	161	173
Jun-09	1.479	0.115	1.319	2.913	0.712	0.056	0.635	1.403	8,185	465	7,728	16,378	181	248	171	178
Jul-09	1.437	0.109	1.376	2.922	0.599	0.045	0.573	1.217	8,186	467	7,728	16,381	176	234	178	178
Aug-09	1.431	0.113	1.419	2.963	0.603	0.047	0.598	1.248	8,186	467	7,728	16,381	175	242	184	181
Sep-09	1.404	0.108	1.346	2.858	0.690	0.053	0.661	1.404	8,187	468	7,728	16,383	171	231	174	174
Oct-09	1.375	0.108	1.332	2.815	0.744	0.058	0.721	1.523	8,187	468	7,728	16,383	168	231	172	172
Nov-09	1.366	0.111	1.323	2.800	0.843	0.069	0.816	1.728	8,189	469	7,728	16,386	167	237	171	171
Dec-09	1.401	0.127	1.322	2.850	1.149	0.104	1.084	2.337	8,193	469	7,728	16,390	171	271	171	174
Jan-10	1.532	0.155	1.372	3.059	1.271	0.128	1.138	2.537	8,196	472	7,728	16,396	187	329	178	187
Feb-10	1.487	0.148	1.382	3.017	1.371	0.136	1.274	2.781	8,197	474	7,728	16,399	181	313	179	184
Mar-10	1.455	0.145	1.398	2.998	1.108	0.110	1.064	2.282	8,198	474	7,728	16,400	177	306	181	183
Apr-10	1.451	0.137	1.391	2.979	1.058	0.100	1.014	2.172	8,198	474	7,728	16,400	177	289	180	182
May-10	1.379	0.128	1.385	2.892	0.672	0.063	0.675	1.410	8,201	474	7,728	16,403	168	270	179	176
Jun-10	1.437	0.122	1.453	3.012	0.650	0.055	0.657	1.362	8,202	474	7,728	16,404	175	258	188	184
Jul-10	1.375	0.119	1.466	2.960	0.694	0.061	0.740	1.495	8,204	475	7,728	16,407	168	251	190	180
Aug-10	1.366	0.125	1.451	2.942	0.585	0.053	0.621	1.259	8,205	475	7,728	16,408	166	263	188	179
Sep-10	1.346	0.114	1.342	2.802	0.627	0.053	0.626	1.306	8,207	475	7,728	16,410	164	240	174	171
Oct-10	1.413	0.123	1.311	2.847	1.177	0.102	1.092	2.371	8,207	477	7,728	16,412	172	258	170	173
Nov-10	1.399	0.117	1.297	2.813	1.090	0.091	1.011	2.192	8,209	478	7,728	16,415	170	245	168	171
Dec-10	1.605	0.215	1.375	3.195	1.417	0.189	1.214	2.820	8,212	478	7,728	16,418	195	450	178	195
Jan-11	1.452	0.158	1.338	2.948	1.272	0.139	1.172	2.583	8,227	478	7,728	16,433	176	331	173	179
Feb-11	1.413	0.156	1.339	2.908	1.176	0.130	1.114	2.420	8,228	480	7,728	16,436	172	325	173	177
Mar-11	1.387	0.208	1.343	2.938	1.186	0.178	1.148	2.512	8,229	480	7,728	16,437	169	434	174	179
Apr-11	1.320	0.181	1.323	2.824	0.867	0.118	0.869	1.854	8,248	482	7,728	16,458	160	376	171	172
May-11	1.327	0.162	1.320	2.809	0.564	0.069	0.561	1.194	8,248	483	7,728	16,459	161	336	171	171
Jun-11	1.343	0.156	1.390	2.889	0.545	0.063	0.564	1.172	8,249	483	7,728	16,460	163	323	180	176
Jul-11	1.293	0.151	1.430	2.874	0.425	0.050	0.470	0.945	8,250	484	7,728	16,462	157	312	185	175
Aug-11	1.292	0.150	1.405	2.847	0.479	0.056	0.521	1.056	8,252	485	7,728	16,465	157	310	182	173
Sep-11	1.262	0.146	1.333	2.741	0.564	0.066	0.596	1.226	8,254	486	7,728	16,468	153	301	172	166
Oct-11	1.260	0.142	1.303	2.705	0.730	0.082	0.755	1.567	8,260	486	7,728	16,474	153	292	169	164
Nov-11	1.338	0.167	1.307	2.812	1.099	0.137	1.074	2.310	8,261	486	7,728	16,475	162	344	169	171
Dec-11	1.299	0.164	1.305	2.768	1.103	0.139	1.108	2.350	8,264	487	7,728	16,479	157	337	169	168
Jan-12	1.291	0.145	1.303	2.739	1.032	0.116	1.042	2.190	8,266	488	7,728	16,482	160	232	169	166
Feb-12	1.259	0.137	1.283	2.679	1.006	0.109	1.025	2.140	8,268	488	7,728	16,484	152	281	166	163
Mar-12	1.313	0.153	1.255	2.721	0.968	0.113	0.925	2.006	8,269	488	7,728	16,485	159	314	162	165
Apr-12	1.348	0.145	1.209	2.702	0.906	0.097	0.813	1.816	8,278	488	7,728	16,494	163	297	156	164
May-12	1.333	0.150	1.211	2.694	0.577	0.065	0.525	1.167	8,280	488	7,728	16,496	161	308	157	163

TABLE 1

CSD: Cardiff Sanitary Division

RSF CSD: Ranch Santa Fe Community Service District

SB: Solana Beach

EDU: Equivalent Dwelling Unit

ASSUMPTIONS: SB average flow includes San Elijo Hills flow of 0.131 mgd

SB Connected EDUs includes 300 EDUs for the City of San Diego

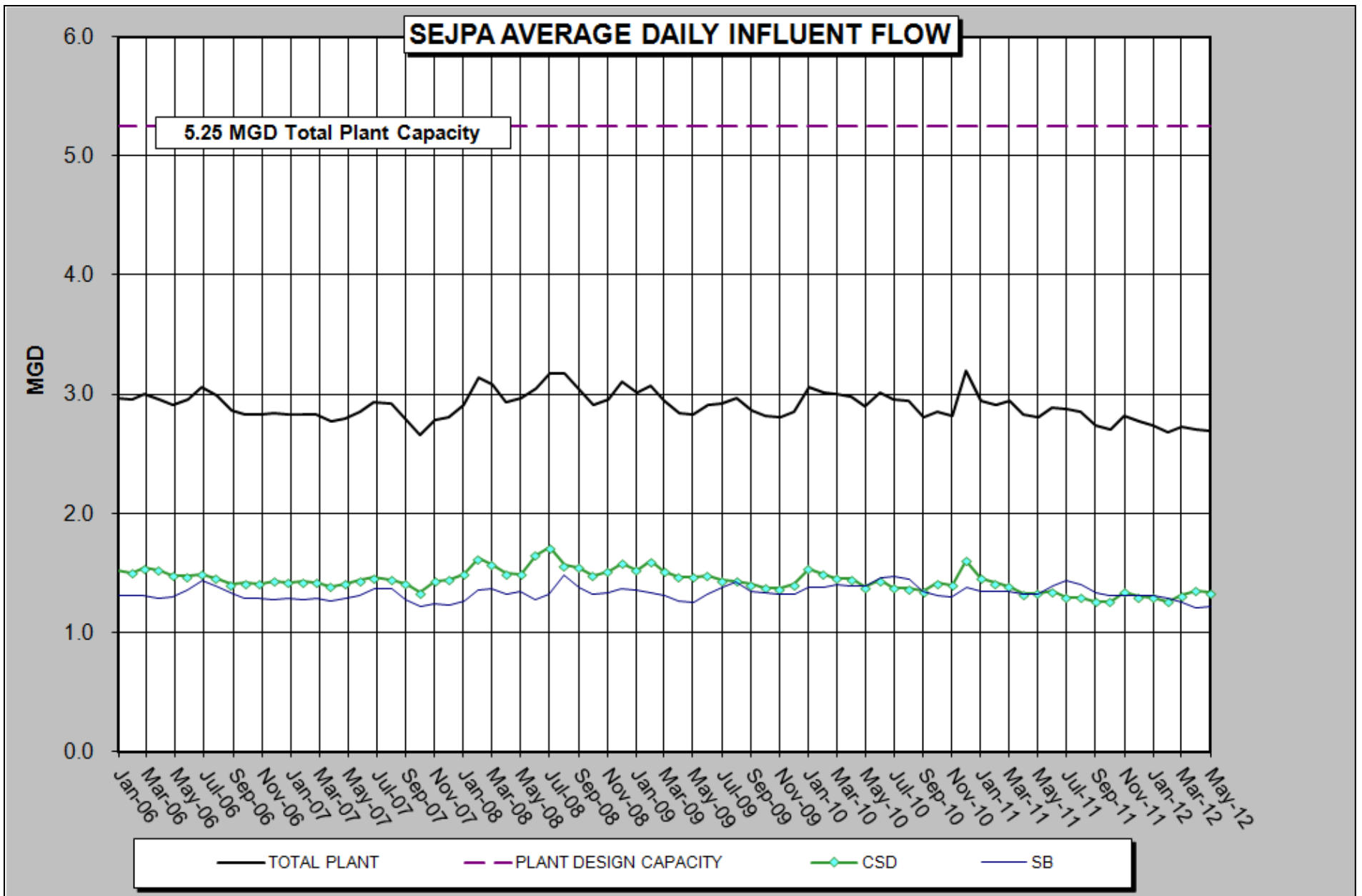


Figure 3

City of Escondido Flows

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


	May (mgd)
Escondido (Average flow rate)	9.3
Escondido (Peak flow rate)	18.2

Connected Equivalent Dwelling Units

The number of EDUs connected for each of the Member Agencies for the month of May is as follows:

	May (EDU)
Cardiff Sanitary Division	8,280
Rancho Santa Fe SID	488
City of Solana Beach	7,428
San Diego (to Solana Beach)	300
Total EDUs to System	16,496

Respectfully submitted,


Michael T. Thornton, P.E.
General Manager

*

AGENDA ITEM NO. 10

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 9, 2012

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECLAMATION PROGRAM – MONTHLY REPORT

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of May 2012, recycled water demand was 148.81 acre-feet (AF), which was met using 148.81 AF of recycled water and 0.00 AF of supplementation with potable water. This equates to a blend mix for May of 100.0 percent recycled water and 0.0 percent potable water supplementation.

Figure 1 (attached) provides monthly supply demands for recycled water over the last five years. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning the last eleven fiscal years. Recycled water demand can fluctuate from year to year, which is typically a function of weather. For example, Fiscal Year 2003-04, an unusually dry year, resulted in increased recycled water demand; and Fiscal Year 2004-05, an unusually wet year, resulted in lower recycled water demand.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

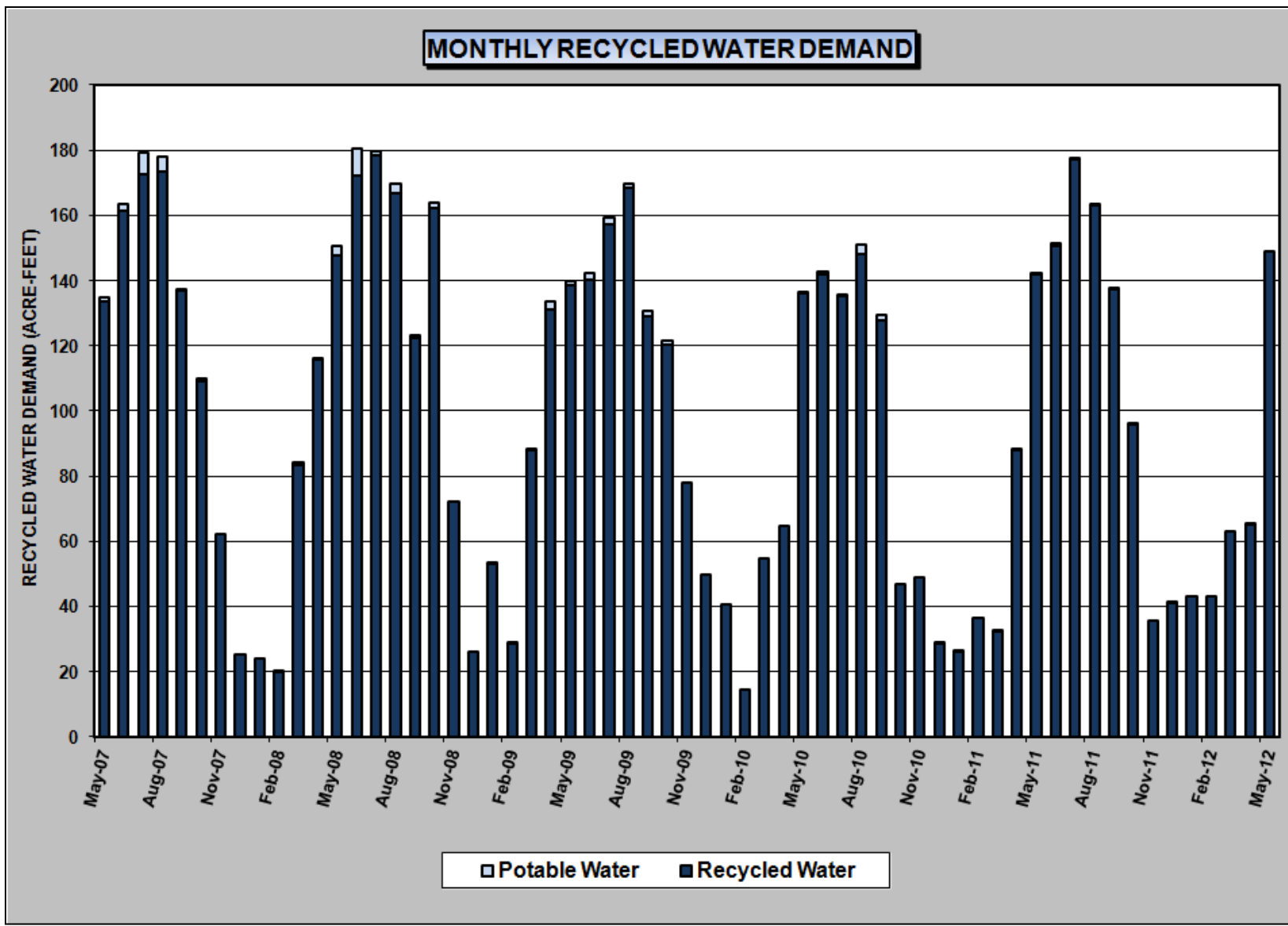


Figure 1

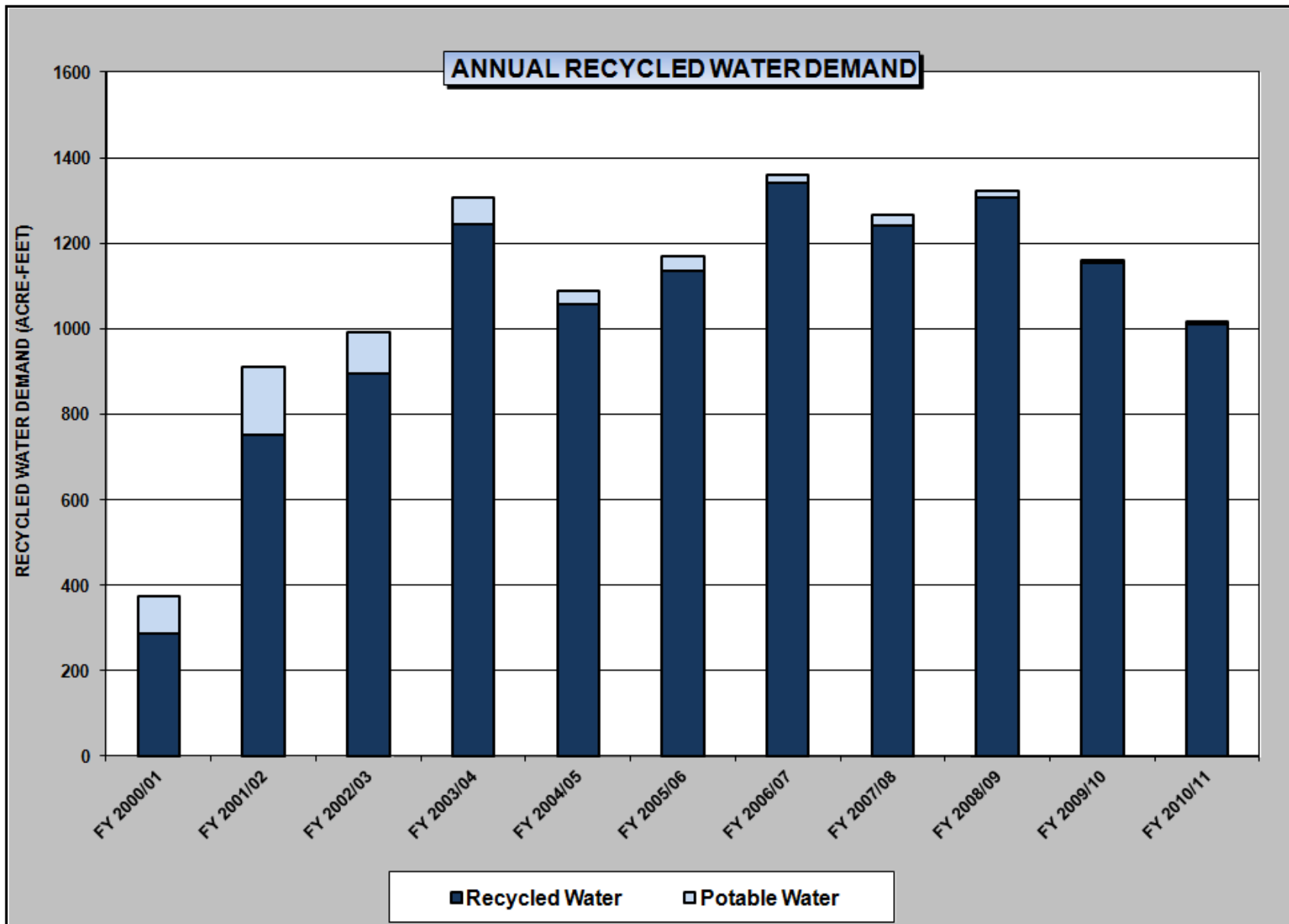


Figure 2

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 9, 2012

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager Performance Evaluation Ad Hoc Committee

SUBJECT: GENERAL MANAGER EMPLOYMENT AGREEMENT FOR JULY 1, 2012
THROUGH JUNE 30, 2014

RECOMMENDATION

It is recommended that the Board of Directors:

1. Award a \$5,000 non-base building bonus for merit performance during the June 2011 – May 2012 review period;
2. Approve the employment agreement between the SEJPA and the General Manager for the period of July 1, 2012 through June 30, 2014;
3. Discuss and take action, as appropriate.

DISCUSSION

In accordance with Government Code Section 54957, the Board of Directors and the General Manager met in closed session to evaluate the performance of the General Manager over the last year and to negotiate a new employment agreement.

Based on the successful performance of the General Manager for the period under consideration, the attached employment agreement is now being presented to the Board of Directors for their consideration. Also, as stipulated in the current General Manager employment agreement, the Board of Directors have the discretion to award the General Manager a \$5,000 non-base building bonus for merit performance during this review period. If approved, this bonus is due and payable on the pay date of July 13, 2012.

FINANCIAL IMPACT

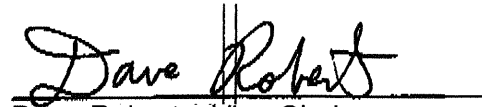
The approved Fiscal Year 2012-13 Budget for the SEJPA has the necessary funds to implement this contract and award this bonus.

It is therefore recommended that the Board of Directors:

1. Award a \$5,000 non-base building bonus for merit performance during the June 2011 – May 2012 review period;
2. Approve the employment agreement between the SEJPA and the General Manager for the period of July 1, 2012 through June 30, 2014;
3. Discuss and take action, as appropriate.

Respectfully submitted,


Teresa Barth, Chair


Dave Roberts, Vice Chair

General Manager Performance Evaluation Ad Hoc Committee

Attachment 1: General Manager Employment Agreement

GENERAL MANAGER EMPLOYMENT AGREEMENT

THIS GENERAL MANAGER EMPLOYMENT AGREEMENT ("Agreement") is made and entered into effective as of the 1st day of July, 2012, by and between SAN ELIJO JOINT POWERS AUTHORITY, a public entity, ("SEJPA") and MICHAEL T. THORNTON ("Employee" or "General Manager").

RECITALS

WHEREAS, as SEJPA's General Manager, Employee has successfully guided SEJPA in its mission of providing high quality, cost-effective programs of wastewater management and recycled water production and distribution; and

WHEREAS, SEJPA and Employee desire that Employee continue to do so; and

WHEREAS, SEJPA and Employee have reached agreement on the terms and conditions for his employment; and

WHEREAS, Employee commenced employment with SEJPA on October 9, 2000 as Assistant General Manager. He was promoted to the position of General Manager on December 12, 2002.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is hereby agreed as follows:

1. Duties:

a. Employee shall serve as General Manager of SEJPA on a full-time basis during the term of this Agreement, as that position is defined in the joint powers agreement establishing SEJPA, and as further described in Exhibit A, hereto, as amended by the SEJPA Board of Directors from time to time. In addition, Employee shall perform those duties which are customarily performed by General Managers of like organizations, and such other duties as the SEJPA Board of Directors may, from time to time, assign to him.

b. During the term of this Agreement, Employee may engage in work outside his regular work schedule at SEJPA, provided that said outside work is not prohibited by Government Code section 1126. Specifically, Employee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his duties as a local agency officer or employee or with the duties, functions, or responsibilities of his appointing power or SEJPA. Further, the Employee shall not perform any work, service, or counsel for compensation outside of his local agency employment where any part of his efforts will be subject to approval by any other officer, employee, board or commission of SEJPA. Prior to undertaking or committing to undertake any such outside work, Employee must inform the Board of Directors in writing of the nature of the outside work and obtain Board consent, which shall not be unreasonably withheld.

2. Term of Employment: This Agreement shall commence on June 13, 2012. Employee's employment with SEJPA shall be on an "at-will" basis, and may be terminated by either SEJPA or Employee at any time and for any reason, with or without cause or advance notice. The at-will nature of the employment relationship between SEJPA and

Employee shall not be changed or modified except through a writing signed by the Chairperson of SEJPA's Board of Directors.

3. Termination of Employment: Should SEJPA terminate Employee, whether with or without cause, SEJPA shall, subject to Employee's signing and returning a full release in a form satisfactory to SEJPA, together with any SEJPA property, pay to Employee a lump sum amount equal to one-half of his annual base salary within 10 working days of the date such release becomes irrevocable by Employee. SEJPA shall, in addition, pay for the full cost of COBRA premiums for coverage for Employee and, if applicable, his spouse (so long as she remains married to Employee) and dependent children who were covered under the SEJPA group health plan on the date of Employee's termination, for a period of six months after the date of termination; provided, however, that SEJPA will only be obligated to pay such COBRA premiums if Employee properly elects and obtains COBRA coverage. The availability, duration and scope of such COBRA coverage will be solely as required by applicable federal law. SEJPA will cease to be obligated to pay Employee's COBRA premiums under this clause (and those for his spouse and dependent children, if applicable) when Employee secures other employment and becomes eligible for health coverage, even if he remains eligible for COBRA coverage. For the purposes of this paragraph, base salary means the base salary in effect at the time of Employee's termination from employment and does not include any incentive increment, vacation, sick leave, pension contributions, health benefits or any other employee benefit.

4. Compensation:

a. Base Salary. Employee will receive a base annual salary of \$172,517, commencing as of July 1, 2012, and \$175,795, commencing as of July 1, 2013, which may be adjusted by the SEJPA Board of Directors during future performance reviews.

Prior to June 30 of each fiscal year of this Agreement, SEJPA will review employee's performance, based upon goals and objectives agreed upon between Employee and the SEJPA Board of Directors, and give employee a written evaluation of his overall achievement of those goals and objectives and management of SEJPA. The Board of Directors will consider Employee's performance when determining whether Employee shall be granted any increases in his base compensation, or any other compensation.

The General Manager is eligible for an additional performance-based bonus of up to \$5,000, for the period of June 13, 2012 through June 12, 2013, and again for the period of June 13, 2013 through June 12, 2014, subject to the approval of the Board of Directors on or before June 30 of each year.

b. Benefits. Employee shall be entitled to participate in medical, dental, life and disability insurance plans, cafeteria plan, health care, dependent care reimbursement and deferred compensation plan on the same basis as employees subject to Resolution 2012-06 attached hereto, or any superseding Resolution, except as noted herein. A listing of Employee's benefit and compensation package, including the generally available SEJPA employee benefit plans for which Employee is eligible, during the term of this Agreement, is attached hereto as Exhibit B. This Exhibit B may be updated periodically to reflect changes in Employee's compensation and benefits package from year to year.

c. Sick and Vacation Leave. It is the intent of the parties that Employee shall be entitled to at least the same level of sick and vacation leave as other full-time employees of SEJPA, based upon his years of service to SEJPA. Employee shall be entitled to five weeks of vacation leave annually (200 hours) and be entitled to sick leave as prescribed by Resolution 2012-06, or any superseding Resolution, provided that, notwithstanding the provisions of that resolution: (1) Employee may not take sick or vacation leave in increments of less than one half day; and (2) the calculation of conversion of sick and vacation leave to cash, if any, shall be based upon the Base Salary set forth above, and assume that Employee works a 2080 hour annual schedule. For purposes of this section a full day shall be considered to be 8 hours.

d. CalPERS Retirement Plan. Employee shall be entitled to participate in the California Public Employees Retirement System program based on section 21354.4, 2.5% at 55 full formula, as provided in Resolution 2012-06, or any superseding Resolution. The Board reserves the right to adjust the retirement component of the General Manager's contract for the period beginning June 13, 2012 through June 30, 2014.

e. Exceptions to Resolution 2012-06. To the extent permitted by law, the applicable benefit levels described in Resolution 2012-06 shall not be reduced for Employee during the term of this Agreement, notwithstanding the expiration of that resolution as of June 30, 2016.

f. Reimbursement of Expenses. Employee shall be reimbursed for all reasonable, actual necessary expenses incurred in the performance of his duties, in accordance with the adopted policies of SEJPA, except that Employee shall be entitled to an annual car allowance of \$7,200, to compensate and reimburse Employee for all costs of leasing, owning, operating, repairing and maintaining a vehicle available to the Employee for the conduct of his duties.

5. Withholding of Taxes: SEJPA will withhold from any monies payable pursuant to this Agreement all federal, state, city or other taxes as may be required by any law, governmental regulation or ruling.

6. Waiver of Breach: The waiver by either party, or the failure of either party to claim a breach of any provision of this Agreement, shall not operate or be construed as a waiver of any subsequent breach.

7. Assignment: The rights and obligations of the respective parties hereto under this Agreement shall inure to the benefit of and shall be binding upon the heirs, legal representatives, successors and assigns of the parties hereto; provided, however, that this Agreement shall not be assignable by either party without prior written consent of the other party.

8. Entire Agreement: This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to said subject matter in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing and signed by both Employee and the Chairperson of SEJPA Board of Directors.

9. Governing Law: This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California.

10. Partial Invalidity: The invalidity of any part or parts of this Agreement shall not destroy the enforceability of the remainder of this Agreement unless such invalidity would defeat a material business purpose of this Agreement.

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

SAN ELIJO JOINT POWERS AUTHORITY

By: _____
Teresa Barth, CHAIRPERSON

EMPLOYEE

Michael T. Thornton, GENERAL MANAGER

EXHIBIT B
LISTING THE GENERAL MANAGER'S COMPENSATION AND BENEFITS FOR
JULY 2012 TO JUNE 2014

- Base Salary: \$172,517 effective July 1, 2012.
\$175,795 effective July 1, 2013.
1. Cash Bonus (non-base building):
Up to \$5,000 merit bonus payable prior to June 2013 and again prior to June 2014
 2. Annual Car Allowance: \$7,200
 3. Cell Phone/PDA Allowance: \$75/month
 4. Benefits that are currently provided to employees of SEJPA generally:
 - a. PERS Retirement Benefits; as set forth in Resolution 2012-06, or superseding resolutions or Board of Directors actions effective after June 30, 2012.
 - b. Participation in the SEJPA 457(b) and 401(a) plans.
 - c. Participation in the SEJPA employee incentive program.
 - d. Participation in the SEJPA medical, dental & vision insurance programs.
 - e. Employee Assistance Program.
 - f. 8 hours of sick leave per month.
 - g. 5 weeks of vacation leave annually (as defined as a 40 hour work week); and administrative leave (if any) as set forth in Resolution 2012-06, or superseding resolutions.
 - h. Life insurance benefits.
 - i. Short term and long term disability benefits
 - j. Tuition Reimbursement and Professional Seminar costs. (subject to general employee policy limits)
 - k. Flexible Spending Accounts
 - l. Option to convert vacation leave to cash.
 - m. 12 paid holidays per year – 10 as set by SEJPA and 2 floating.

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 9, 2012

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: PROFESSIONAL SERVICES CONTRACT FOR CONSTRUCTION
MANAGEMENT AND AS-NEEDED STAFF EXTENSION RESOURCES

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute the agreement with Hoch Consulting to provide construction management and as-needed professional services for an amount not to exceed \$59,375; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) has a variety of maintenance and construction projects in progress at the San Elijo Water Reclamation Facility. These projects include constructing an advanced water treatment facility, replacing and upgrading aging electrical systems, construction of a new sediment drying pad, and upgrading existing mechanical piping and pumps at the facility. The SEJPA has used a combination of in-house staff and consultants to provide construction management and construction inspection services.

DISCUSSION

Recently, an employee of the SEJPA resigned to start his own engineering consulting company. Due to the in-depth knowledge that this individual had on two specific projects, the SEJPA considered out-sourcing this work to this newly formed company (Hoch Consulting) at an hourly rate similar to the loaded rate of the position. To minimize risk to the SEJPA, the consulting work was divided into two parts. The first part, which was the smaller effort, would be for up to 450 hours for construction management, construction inspection, and as-needed staff extension services. To ensure competitive pricing, the SEJPA also solicited independent proposals by other local engineering firms in addition to Hoch Consulting. In analyzing the proposals and fees from three firms, Hoch Consulting provided the greatest knowledge of the projects and provided the lowest fee.

For the prescribed scope of work, the following proposals and fees were submitted:

<u>Firm</u>	<u>Proposed Hrs</u>	<u>Ave Cost per Hr</u>	<u>Total Cost</u>
Hoch Consulting	450	\$ 62.50	\$28,125
Dudek	450	\$133.80	\$60,210
Kennedy/Jenks	450	\$159.23	\$71,650

Based on the knowledge of the existing projects and proposed fee, the SEJPA selected Hoch Consulting for the initial 450 hours of work. The contract began in May 2012, and is expected to be completed in mid-July 2012. Work completed by Hoch Consulting has been of high quality and value to the agency. As a result, SEJPA management proposes to extend the contract of Hoch Consulting for the second part of the construction management, construction inspection, and as-needed staff services agreement. The anticipated effort for this work is 950 hours.

FINANCIAL IMPACT

This proposed contract is essentially cost neutral to the SEJPA as long as the associate engineer position remains vacant. The total contract value for the proposed contract amendment is \$59,375, which is in line with the anticipated cost of employing a full time Associate Engineer. Therefore, by not filling the Associate Engineer position at this time, and instead engaging Hoch Consulting with this contract amendment, the cost difference is roughly equal. Furthermore, hiring a new employee now or outsourcing this work to a consulting firm runs the risk of inefficiencies associated with learning the intricacies of each project which could result in additional unforeseen costs. Since the remaining time on these construction projects is relatively short, approximately eight months or less, it appears that the most efficient, lowest risk, and lowest cost approach is to proceed with Hoch Consulting.

It is recommended that the Board of Directors approve the following:

1. Authorize the General Manager to execute the agreement with Hoch Consulting to provide construction management and as-needed professional services for an amount not to exceed \$59,375; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachments: Hoch Consulting Agreement

AGREEMENT

THIS AGREEMENT is made and entered into on this 9th day of July, 2012 by and between the San Elijo Joint Powers Authority, hereinafter referred to as "AUTHORITY", and Hoch Consulting, hereinafter referred to as "CONSULTANT".

WITNESSETH:

WHEREAS, AUTHORITY requires the professional services for As-Needed Construction Management and Staff Extension Services during construction of the Advanced Water Treatment Project and the Electrical Upgrades Project for the San Elijo Water Reclamation Facility, and

WHEREAS, CONSULTANT represents that it has available, adequate personnel who are well-qualified by reason of education and experience in these matters to perform the necessary professional services under the direction of the AUTHORITY, and

WHEREAS, AUTHORITY desires, and CONSULTANT is willing, to provide professional services as described in Attachment 1 of this Agreement,

NOW THEREFORE, AUTHORITY and CONSULTANT do hereby enter into the following agreement ("Agreement").

1. TERM OF AGREEMENT. The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until completion and acceptance of the work effort by the General Manager of AUTHORITY.

2. AUTHORITY OBLIGATIONS.
 - 2.1 INFORMATION FURNISHED BY AUTHORITY. For the purpose of aiding CONSULTANT in the performance of its obligations under this Agreement, AUTHORITY shall furnish CONSULTANT with all information in its possession relevant to the project and shall direct its officers, agents and employees to render all reasonable assistance to CONSULTANT in connection with its performance under this Agreement. AUTHORITY is responsible for the reasonable correctness of data so furnished, but it shall likewise be the responsibility of CONSULTANT to apply reasonable caution in its use and interpretation of the data and to promptly advise AUTHORITY of any incorrectness or inconsistencies in the data furnished.

 - 2.2 PAYMENT TO CONSULTANT.
 - 2.2.1 DETERMINATION OF COMPENSATION. The compensation by AUTHORITY to CONSULTANT for services under this Agreement shall be billed on a time and material basis not to exceed \$59,375. The scope of work is detailed in Attachment 1.

 - 2.2.2 PAYMENT OF COMPENSATION. Compensation shall be billed monthly in increments based on the work completed, and AUTHORITY shall make payment to CONSULTANT within forty-five (45) calendar days of receipt of undisputed and properly submitted invoices.

All monthly invoices from CONSULTANT to AUTHORITY shall include detailed breakdowns with a summary of the hours spent by each individual, a budget summary for each task showing the original contract amount, the amount billed for the current invoice period, the amount previously billed, the amount remaining, and the percentage of work completed.

2.3 AUTHORITY'S PROJECT OFFICER. AUTHORITY's Project Officer, who shall be empowered to act for the AUTHORITY in accordance with law or AUTHORITY ordinance, shall be the General Manager of AUTHORITY. AUTHORITY's Project Officer or duly-authorized representative shall act on behalf of AUTHORITY in administrative matters concerning this Agreement. This includes, but is not limited to, review of invoices, correspondence, notices, proposed amendments, etc.

3. CONSULTANT'S OBLIGATIONS.

3.1 SERVICES TO BE PERFORMED.

3.1.1 PROFESSIONAL SERVICES. CONSULTANT shall perform the professional services as described in the scope of work and included herein as Attachment 1 and made a part of this Agreement. Any changes to the scope of work must be authorized by AUTHORITY in writing.

3.1.2 TOOLS, MATERIALS AND EQUIPMENT. CONSULTANT will supply all tools, materials and equipment required to perform the services under this AGREEMENT.

3.1.3 PROJECT TEAM. AUTHORITY has a primary interest in maintaining the individual services of the following key project team members:

1. Adam Hoch

No member of the project team shall be removed from the project team or reassigned by CONSULTANT without prior approval of AUTHORITY. Such approval shall not be unreasonably withheld or delayed. CONSULTANT shall immediately inform AUTHORITY should any of the key members become unavailable. The credentials of substitutes for key project members must be submitted to AUTHORITY for review and approval. An interview may also be required if so desired by AUTHORITY.

3.1.4 REPORTS. CONSULTANT shall ensure that any report generated under this Agreement complies with California Government Code section 7550.

3.2 TIME PERIOD.

3.2.1 PROFESSIONAL SERVICES. CONSULTANT will commence performance of services after a Notice to Proceed is issued by AUTHORITY.

3.3 STATUS OF CONSULTANT.

3.3.1 INDEPENDENT CONTRACTOR. CONSULTANT and its employee(s) are engaged in an independent contractor relationship with AUTHORITY in performing all services, duties and obligations hereunder. AUTHORITY shall not exercise any control or direction over the methods by which CONSULTANT will perform its services and functions. AUTHORITY's sole interest and responsibility is to ensure that the services covered by this Agreement are performed and rendered in a competent, satisfactory and legal manner. The parties agree that no services, act, commission or omission of CONSULTANT or its employee(s) pursuant to this Agreement shall be construed to make CONSULTANT or its employee(s) the agent, employee or servant of AUTHORITY. CONSULTANT and its employee(s) are not entitled to receive from AUTHORITY vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind.

3.3.2 PAYMENT OF INCOME TAXES. CONSULTANT shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment law requirements with respect to CONSULTANT or its employee(s). CONSULTANT agrees hold harmless, indemnify and defend AUTHORITY from any and all liability, damages or losses (including reasonable attorneys' fees, costs, penalties and fines) AUTHORITY suffers as a result of (a) CONSULTANT's failure to met its obligations.

3.4 RESPONSIBILITY OF CONSULTANT.

3.4.1 CONSULTANT shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all services furnished by CONSULTANT under this Agreement. CONSULTANT shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in his analysis, reports, and other services to the extent of its negligence.

3.4.2 CONSULTANT will perform all services under this Agreement in good faith and in the interests of AUTHORITY. In performing the services specified in this Agreement, CONSULTANT agrees to comply with all federal and state laws, rules and regulations, applicable AUTHORITY policies, procedures and other directives applicable to the services to be performed. Any changes to AUTHORITY policies and procedures that relate to CONSULTANT will be provided to CONSULTANT in writing. Authority shall provide and CONSULTANT agrees to review such policies, procedures, rules and directives the contents of which CONSULTANT will be deemed to have knowledge.

3.4.3 CONSULTANT shall perform such professional services as may be necessary to accomplish the work required to be performed under this

Agreement, and in accordance with the project schedule contained in Attachment 1.

- 3.4.4 Acceptance by AUTHORITY of reports, and incidental professional work or materials furnished hereunder, shall not in any way relieve CONSULTANT of responsibility for the technical adequacy of his work. Neither AUTHORITY's acceptance of, nor payment for any of the services, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.
- 3.4.5 Upon award of this Agreement and periodically thereafter, CONSULTANT may be required to complete and file with AUTHORITY a Conflict of Interest form, to be provided to CONSULTANT by AUTHORITY.
- 3.4.6 CONSULTANT shall not be responsible for any time delays in the project caused by circumstances beyond CONSULTANT's control.
- 3.4.7 "Negligent performance" shall include, but not be limited to, acts of CONSULTANT in preparing drawings, specifications, reports, or other work under this Agreement, which are the result of CONSULTANT's failure to perform in accordance with the standard of practice normally exercised in the performance of professional services of a similar nature. Consultant shall perform all work in accordance with the standard of care of professional services. Nothing contained herein shall serve to expand or increase the responsibility of CONSULTANT to any party beyond that imposed by the common law of the State of California.
- 3.4.8 This Section 3.4 shall not limit CONSULTANT's hold harmless, indemnity and defense obligation as stated in Section 5 of this Agreement.

4. INSURANCE.

- 4.1 CONSULTANT shall provide and keep in full force and effect during the term of this Agreement the insurance policies listed below.
 - 4.1.1 Commercial General Liability and Automobile Liability. CONSULTANT shall provide and maintain the following commercial general liability and automobile liability insurance:
 - (a) Coverage. Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:
 - (i) Insurance Services Office ("ISO") Commercial General Liability Coverage (Occurrence Form CG 0001)
 - (ii) ISO Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto)

- (b) Limits. CONSULTANT shall maintain limits no less than the following:
- (i) General Liability. Combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage, and a minimum annual aggregate of Three Million Dollars (\$3,000,000).
 - (ii) Automobile Liability. Combined single limit of no less than One Million Dollars (\$1,000,000) per claim.
- (c) Required Provisions.
- (i) AUTHORITY, its Member Agencies (including City of Encinitas and City of Solana Beach), and their officers, officials, directors, employees, agents, consultants, representatives and volunteers (collectively referred to as "INSURED PARTIES") are to be given additional insured status under the general liability and automobile liability policies. The coverage shall contain no special limitations on the scope of protection afforded to INSURED PARTIES.
 - (ii) CONSULTANT'S insurance shall be primary insurance as respects INSURED PARTIES, and each of them. Any insurance, self-insurance or other coverage maintained by INSURED PARTIES shall not contribute to it.
 - (iii) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to INSURED PARTIES.
 - (iv) CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of insurer's liability.
 - (v) Such liability insurance shall include indemnification against loss from liability imposed by law upon, or assumed under contract by, CONSULTANT or his/her subcontractors for damages on account of bodily injury, including death resulting therefrom, suffered or alleged to have been suffered by any person or persons, other than employees, resulting from the performance or execution of this Agreement by CONSULTANT or his/her subcontractors. Consultant's subcontractors shall be required to provide their own insurance within the applicable requirements of Section 4.
 - (vi) Such liability insurance shall cover accidents arising out of the use and operation of owned, non-owned and hired automobiles, trucks and/or other mobile equipment.

- (vii) Said policies shall have a non-cancellation clause providing that thirty (30) days written notice shall be given to AUTHORITY prior to any material modification or cancellation.
 - (viii) Said policies shall specifically cover any contractual liability incurred hereunder.
- 4.1.2 Professional Liability. CONSULTANT further agrees to provide AUTHORITY within seven (7) days from the date of execution of this Agreement and prior to the commencement of any services under this Agreement, proof of insurance verifying that CONSULTANT maintains Professional Liability Insurance (Errors and Omissions) with a combined single limit of One Million Dollars (\$1,000,000) per claim. Said Professional Liability Insurance shall be paid for by CONSULTANT, and shall be maintained in full force and effect throughout the term of the Agreement.
- 4.1.3 Workers' Compensation and Employers Liability Insurance. CONSULTANT shall further maintain adequate Workers' Compensation Insurance, including occupational disease provisions, under the laws of the State of California and employer's general liability insurance for the benefit of its employees with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim, and shall require similar insurance to be provided by its subcontractors. A certificate shall be furnished to AUTHORITY showing compliance with above.
- 4.1.4 All insurance shall be provided on forms and through companies satisfactory to AUTHORITY. Insurance is to be obtained from California admitted insurers having a current A.M. Best rating of no less than A:VII or equivalent or as otherwise approved by DISTRICT.
- 4.1.5 Any deductible or self-insured retention must be declared to and approved by AUTHORITY. The minimum deductible or self-insured retention shall be Twenty-Five Thousand Dollars (\$25,000). In the event any deductible or self-insured retention is greater than the minimum required by this Agreement, at the option of AUTHORITY, either: the insurer shall reduce or eliminate such deductibles, or CONSULTANT shall provide proof of financial responsibility satisfactory to AUTHORITY.
- 4.1.6 Within seven (7) days from the execution of this Agreement, and prior to the commencement of any services under this Agreement, a certificate of insurance signed by the insurer's representative evidencing the coverage required by this Agreement shall be furnished to AUTHORITY by direct mail from CONSULTANT's insurance carrier. Such evidence shall include an additional insured endorsement signed by the insurer's representative. Such evidence shall include confirmation that cover includes or has been modified to include all provisions required by this Agreement. CONSULTANT shall, upon request of AUTHORITY, deliver to AUTHORITY such policy or policies of insurance and the receipts for payment of premiums thereon.

- 4.1.7 If any of the required coverages expire during the term of this Agreement, CONSULTANT shall deliver the renewal certificate(s) including the general liability and auto liability additional insured endorsements to AUTHORITY within at least ten (10) days prior to the expiration date.
- 4.1.8 In the event that CONSULTANT employs subcontractors to perform any portion of the services to be performed pursuant to this Agreement, it shall be CONSULTANT's responsibility to require and confirm that each subcontractor meets the minimum insurance requirements specified in this Agreement.

5. HOLD HARMLESS, INDEMNIFICATION AND DEFENSE.

- 5.1 To the maximum extent allowable by law, CONSULTANT agrees to hold harmless, indemnify and defend AUTHORITY, its Member Agencies (including City of Encinitas and City of Solana Beach), and each of their officers, officials, directors, employees, agents, consultants, representatives and volunteers (collectively referred to as "INDEMNIFIED PARTIES") from and against all claims, demands, lawsuits, losses, liabilities, costs, expenses, obligations, recoveries, deficiencies and damages, including interest, penalties, reasonable attorneys' fees and costs (collectively referred to as "Liabilities") that such entities and/or persons may incur to the extent caused by the negligence, recklessness or willful misconduct, whether an act or omission, of CONSULTANT, including CONSULTANT's officers, officials, directors, employees, subcontractors, agents, representatives, volunteers, successors and assigns.
- 5.2 CONSULTANT shall cooperate with and do whatever is necessary to protect INDEMNIFIED PARTIES as to any such Liabilities.
- 5.3 CONSULTANT represents that it knows of no allegations, claims or threatened claims that the materials, services, hardware or software (collectively referred to as "Consultant Products") provided to AUTHORITY under this Agreement infringe on any patent, copyright or other proprietary right. CONSULTANT shall hold harmless, indemnify and defend INDEMNIFIED PARTIES from all Liabilities pertaining to, arising out of, related to or in connection with an assertion or allegation that any Consultant Products or the use thereof, infringe any patent, copyright or other proprietary right of any third party. In the case of any such claim, suit or assertion of infringement, CONSULTANT shall either, at its option, (1) procure for AUTHORITY the right to continue using the Consultant Products; or (2) replace or modify the Consultant Products so that they become non-infringing, but equivalent in functionality and performance. All provisions of Section 5 shall apply to the allegations, claims or threatened claims addressed specifically by this Section 5, subsection 5.3.
- 5.4 If CONTRACTOR is obligated to defend INDEMNIFIED PARTIES pursuant to this Section 5 and fails to do so after reasonable notice from AUTHORITY, INDEMNIFIED PARTIES may defend themselves and/or settle such claims, suit or assertion, and CONSULTANT shall pay to INDEMNIFIED PARTIES any and all Liabilities incurred in relationship with INDEMNIFIED PARTIES' defense and/or settlement of such proceeding.

- 5.5 CONSULTANT shall pay and satisfy any judgment, award, liability or decree that may be awarded, imposed or rendered against INDEMNIFIED PARTIES as a result of and all claims, demands, suits, actions, arbitrations, mediations or other proceedings whether legal, administrative or otherwise, including any settlement related thereto.
- 5.6 CONSULTANT's hold harmless, indemnification and defense obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for CONSULTANT, subcontractor, supplier or other person under workers' compensation acts, disability acts or other employee acts or the insurance required by this Agreement. CONSULTANT's obligation to hold harmless, indemnify and defend shall not be restricted to insurance proceeds, if any, received by INDEMNIFIED PARTIES.
- 5.7 CONSULTANT's hold harmless, indemnification and defense obligation is intended to apply to the extent of any negligent, acts, recklessness, or willful misconduct, errors and/or omissions of CONSULTANT, including its officers, officials, directors, employees, subcontractors, agents, representatives, volunteers, successors and assigns and shall survive the termination or expiration of this AGREEMENT.

6. TERMINATION.

- 6.1 Termination for Breach. If, during the term of this Agreement, AUTHORITY determines that CONSULTANT is not faithfully abiding by any term of condition contained herein, AUTHORITY may notify CONSULTANT in writing of such defect of failure to perform; which notice must give CONSULTANT a ten (10) day notice time thereafter in which to perform said work or cure the deficiency. If CONSULTANT has not performed the work or cured the deficiency within the number of days specified in the notice, such shall constitute a breach of this Agreement, and AUTHORITY may terminate this Agreement immediately by written notice to CONSULTANT to said effect. Thereafter, except as otherwise stated, neither party shall have any further duties, obligations, responsibilities, or rights under this Agreement. In said event, CONSULTANT shall be entitled to the reasonable value of its service performed from the beginning of the period in which the breach occurs up to the day it received AUTHORITY's notice of termination, minus any offset from such payment representing AUTHORITY's damages from such breach. In no event, however, shall CONSULTANT be entitled to receive in excess of the maximum compensation stated in Section 2, subsection 2.2.1 of this Agreement.
- 6.2 Termination without Cause. Either party may terminate this Agreement without cause upon thirty (30) days written notice. AUTHORITY will pay to CONSULTANT for services performed prior to the termination. In no event, however, shall CONSULTANT be entitled to receive in excess of the maximum compensation stated in Section 2, subsection 2.2.1 of this Agreement. No amount shall be allowed for anticipated profit, unperformed services or deliveries.

7. OWNERSHIP OF DOCUMENTS. Reports, model database, electronic maps, as herein required, are the property of AUTHORITY following payment in full to the CONSULTANT for services rendered. Upon completion of all work under this Agreement, or in the event

this Agreement is terminated prior to completion of all such work, all documents, plans, specifications, photograph rendering, drawings of the facility, and all other material provided to assist CONSULTANT in performing under this Agreement shall be delivered forthwith to AUTHORITY. All references to CONSULTANT shall be removed by AUTHORITY when reusing on a project other than that for which the document(s) were prepared or modifying any incomplete documents.

Any use of the aforesaid completed documents for other AUTHORITY projects at other sites and/or any use of the aforesaid incomplete documents without specific, written verification by CONSULTANT will be at AUTHORITY's sole risk and without liability or legal exposure to CONSULTANT, and AUTHORITY shall indemnify and hold harmless CONSULTANT from all claims, damages, losses and expense, including attorneys' fees, arising out of or resulting therefrom.

8. CONFIDENTIAL INFORMATION. Any written, printed, graphic or electronically or magnetically recorded information furnished by AUTHORITY for CONSULTANT's use are and shall remain the sole property of AUTHORITY. AUTHORITY may provide to CONSULTANT confidential information which may include, but is not limited to, information concerning AUTHORITY's employees, services and operations. CONSULTANT and its employee(s) will keep this confidential information in the strictest confidence, and will not disclose it by any means to any person except with AUTHORITY approval, or when required to do so by legal or regulatory authority, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to CONSULTANT's officers, officials, directors, employees, subcontractors, representatives, agents, volunteers, successors and assigns. On termination of this Agreement, CONSULTANT shall promptly return any confidential information in its possession to AUTHORITY.
9. DISPUTE RESOLUTION. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, shall be submitted to mediation the cost of which shall be borne equally by the parties, if not resolved pursuant to the Government Claims Act, Government Code section 900 et seq. if applicable, and prior to the commencement of any legal action or other proceeding, unless waived by both parties in writing. Any mediation shall take place in the State of California, County of San Diego.

In the event that mediation has not been successfully concluded, any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in the State of California, County of San Diego, before one arbitrator, if not resolved pursuant to the Government Claims Act, Government Code section 900 et seq., if applicable. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures if the amount in controversy is equal or greater than Two Hundred Fifty Thousand Dollars (\$250,000), or pursuant to its Streamlined Arbitration Rules and Procedures if the amount in controversy is less than Two Hundred Fifty Thousand Dollars (\$250,000). The use of arbitration shall allow full discovery by all parties associated with the dispute or claim. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude the parties from seeking provisional remedies in aid of arbitration from a court of competent jurisdiction. The arbitrator may, in the award, allocate all or a part of the costs of the arbitration, including

the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party. If either party petitions to confirm, correct or vacate the award as provided by Chapter 4, of Title 9 of the California Code of Civil Procedure (commencing with Section 1285), the prevailing party shall be entitled as part of his or its costs to reasonable attorneys' fees to be fixed by the Court. CONSULTANT agrees that AUTHORITY may consolidate an arbitration conducted under this Agreement with any other arbitration to which AUTHORITY is a party, provided that the arbitrations to be consolidated substantially involve common questions of law or fact, or CONSULTANT's conduct or performance of professional services is in any way relevant to the subject of the dispute. In the event of any construction dispute that AUTHORITY is required to resolve pursuant to Public Contract Code section 20104 et seq., or any similar provision of law, the procedures for arbitration pursuant to Public Contract Code section 20104 et seq., shall apply to all parties, including CONSULTANT.

10. CONSTRUCTION DISPUTE. In the event of any construction dispute that AUTHORITY is required to resolve pursuant to Public Contract Code section 20104, et seq., or any similar provision of law, and CONSULTANT's performance is at issue as determined by AUTHORITY, AUTHORITY may require, in its sole discretion, that CONSULTANT participate as a party in such mediation or arbitration (including any trial de novo that may follow such arbitration) or in concurrent arbitration to resolve outstanding disputes between AUTHORITY and CONSULTANT, afford the parties complete relief or avoid inconsistent results. In such event, the procedures for arbitration pursuant to Public Contract Code section 20104 et seq. shall apply to all parties, including CONSULTANT, and shall control in the event of any inconsistency with Section 9 of this Agreement, regarding dispute resolution.
11. NO ASSIGNMENT WITHOUT PRIOR CONSENT. This Agreement shall not be assignable by either party without the prior written consent of the other party hereto. No assignment of this Agreement shall relieve the assignor until the Agreement shall have been assumed by the assignee. When duly assigned in accordance with the foregoing, this Agreement shall be binding upon and shall insure to the benefit of the assignee.
12. AMENDMENT OR MODIFICATION. This Agreement may not be amended or modified orally or in any manner other than by an agreement in writing signed by both of the parties.
13. AUDIT DISCLOSURE. Pursuant to Government Code section 8546.7, if this Agreement is over ten thousand dollars (\$10,000), it is subject to examination and audit of the State Auditor, at the request of AUTHORITY or as part of any audit of AUTHORITY, for a period of three (3) years after final payment under the Agreement.
14. SUBCONTRACTS. AUTHORITY has entered into this Agreement in order to receive the professional service of CONSULTANT. The provisions of the Agreement shall apply to any subcontractor to CONSULTANT. AUTHORITY shall have the right to approve all subcontractor agreements.
15. ENTIRE AGREEMENT. This Agreement constitutes the whole Agreement between the parties hereto with respect to the subject matter hereof, and neither party nor any of its agents or employees had made any representation except as specifically provided herein. Neither of the parties in executing or performing this Agreement is relying upon

any statement or information to whosoever made or given directly or indirectly, verbally or in writing by any individual or corporation except as specifically provided herein.

16. PROHIBITED EMPLOYMENT DISCRIMINATION. In the performance of the terms of this Agreement, CONTRACTOR agrees that it will not engage in, nor permit such subcontractors as it may employ to engage in, discrimination in employment of persons in violation of Labor Code Section 1735, which reads as follows:

A contractor shall not discriminate in the employment of persons upon public works on any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of the Government Code. Every contractor for public works who violates this section is subject to all penalties imposed for a violation of this chapter.

Violation of this provision may result in the imposition of penalties referred to in Labor Code Section 1735.

17. NOTICES. All communications, notices, and demands of any kind which either party hereto may be required or may desire to give to or serve upon the other party or any office hereof or by enclosing it in a sealed envelope and depositing it in the United States mail, postage prepaid, certified return-receipt, and addressed to the respective parties as follows:

AUTHORITY:

San Elijo Joint Powers Authority
2695 Manchester Avenue, P.O. Box 1077
Cardiff by the Sea, CA 92007-7077

CONSULTANT:

Hoch Consulting
3255 Moccasin Avenue
San Diego, CA 92117

18. ATTORNEYS' FEES. In the event an action is filed by either party to enforce any rights or obligations under this Agreement, including an action for declaratory relief, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs, in addition to any other relief granted by the Court.
19. AUTHORITY TO EXECUTE AGREEMENT. Both AUTHORITY and CONSULTANT do covenant that each individual executing this Agreement on behalf of each party is a person duly authorized and empowered to execute agreements for such party.
20. THIRD PARTY RIGHTS. Except as expressly stated herein, nothing in this Agreement shall be construed to give any rights or benefits to anyone other than AUTHORITY and CONSULTANT.
21. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.
22. PARTIAL INVALIDITY. If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

23. PROVISIONS REQUIRED BY LAW. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Agreement shall forthwith be physically amended to make such insertion.
24. GOVERNING LAW. This Agreement and all questions related to its validity, interpretation, performance and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom or rule of law requiring construction against the draftsman.
25. JURISDICTION, FORUM AND VENUE. The proper jurisdiction, forum and venue for any claims, disputes, causes of action or other proceedings concerning this Agreement shall be located in the State of California, County of San Diego. AUTHORITY and CONTRACTOR agree not to bring any action or proceeding pertaining to, arising out of or related to this Agreement in any other jurisdiction, forum or venue. AUTHORITY and CONTRACTOR 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 purpose of any legal action or proceeding to enforce this Agreement, whether on the grounds of inconvenient forum or otherwise.

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

SAN ELIJO JOINT POWERS AUTHORITY

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

Date: _____

CONSULTANT

By: _____ (Sign)

Date: _____

Name: _____ (Print)

Title: _____



Hoch Consulting
3255 Moccasin Avenue
San Diego, CA 92117
(tel.) 858-431-9767
adam@hochconsultingsd.com
www.hochconsultingsd.com

June 15, 2012

Mr. Chris Trees, P.E.
Director of Operations
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff by the Sea, CA 92007

Subject: Addendum No. 2 - As-Needed Construction Management and Staff Extension Services

Dear Mr. Trees:

The original as-needed services contract included efforts for construction management and staff extension services through the end of July 2012. Addendum No. 1 modified the hours of the existing contract to allow Hoch Consulting to perform a greenhouse gas (GHG) analysis for the Advanced Water Treatment (AWT) Project within the existing budget. Addendum No. 2 proposes to add as-needed construction management and staff extension services through the end of construction of the AWT Project, which is currently scheduled for February 2013.

Hoch Consulting is pleased to present this addendum for as-needed construction management and staff extension services for your consideration. The following summarizes Hoch Consulting's proposed scope of services, schedule, and budget for these services.

Proposed Scope of Services:

Hoch Consulting will provide as-needed construction management and staff extension services for the San Elijo Joint Powers Authority. As-needed construction management services for the Advanced Water Treatment Project will be performed in a collaborative effort with Kennedy/Jenks Consultants (KJ), with Hoch Consulting leading construction management and onsite inspection services. The scope of services is further described in the following tasks.

Task 1: As-Needed Construction Management Services

Hoch Consulting will provide as-needed construction management services for the San Elijo Joint Powers Authority. Anticipated services include construction observation, preparation of

daily inspection reports, change order preparation, request for information preparation, pay request review, subcontract management, progress meeting facilitation, meeting minutes preparation, and project closeout for the electrical upgrades project and the advanced water treatment project. Estimated effort: 800 hours.

Task 2: As-Needed Staff Extension Services

Hoch Consulting will provide as-needed staff extension services for the San Elijo Joint Powers Authority. Anticipated services include (1) preparation of monthly recycled water and wastewater board reports, (2) storm water pollution prevention plan (SWPPP) implementation and management, (3) IRWM Grant Coordination, (4) preparation of a Project Management Plan for the AWT Project, and (4) other assigned duties. Estimated effort: 150 hours.

Exclusions and Special Conditions:

- Hoch Consulting will be unavailable from August 16th to August 27th and from December 24th to December 28th. KJ is currently under contract with SEJPA for supplemental CM services and may be utilized, if necessary.
- Hoch Consulting excludes services outside the professional capacity of Hoch Consulting.
- Hoch Consulting excludes asset management services from this contract.
- Hoch Consulting may take up to 10 days of additional leave from services.

Schedule and Fee:

The additional services proposed by this addendum are anticipated to be completed by February 2013. Hoch Consulting proposes to perform the as-needed scope of services on a time-and-material basis not to exceed \$59,375, as summarized in the attached fee proposal. This will increase the total authorization from \$28,125 to \$87,500.

We greatly appreciate the opportunity to work for the SEJPA. If you have any questions about this proposal, please do not hesitate to contact me.

Sincerely,

Hoch Consulting



Adam Hoch, P.E.

Principal

License No. C77635

Attachments: Fee Proposal

Addendum No. 2 - Construction Management/Staff Extension Services Fee Proposal		Hoch Consulting				
Classification	Labor		Miscellaneous		Total Fees	
	Principal (\$125/hr)	Total Labor	Subconsultants	Expenses	Discounts*	
Task 1: As-Needed Construction Management (CM)	800	\$ 100,000.00	\$ -	\$ -	\$ (50,000.00)	\$ 50,000.00
Task 2: As-Needed Staff Extension	150	\$ 18,750.00	\$ -	\$ -	\$ (9,375.00)	\$ 9,375.00
Total	950	\$ 118,750.00	\$ -	\$ -	\$ (59,375.00)	\$ 59,375.00

* 50% discount offered to San Elijo for this contract, producing an effective hourly rate of \$62.50/hr

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 9, 2012

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: ANNUAL KELP MONITORING REPORTS

RECOMMENDATION

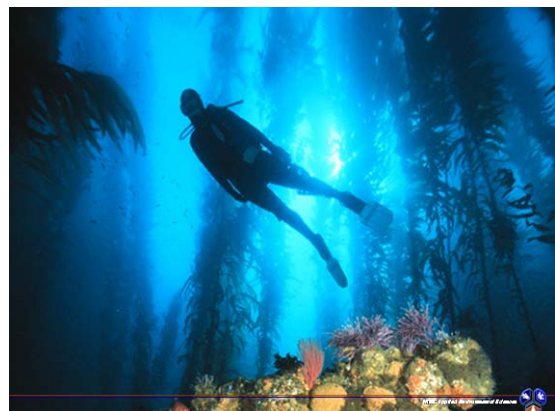
No action required. This memorandum is submitted for information only.

BACKGROUND

The status of the giant kelp forests (*Macrocystis pyrifera*) that occur along most of the southern California coast are mapped annually as part of NPDES permit requirements for most ocean dischargers in the region. The program began about 30 years ago (1982-1983) when the Region Nine Kelp Survey Consortium (RNKSC) was formed to address regulations drafted by the San Diego Regional Water Quality Control Board for San Diego and southern Orange Counties. The extent of these surveys was extended to northern Orange County, Los Angeles County and Ventura County in 2002 when the Central Region Kelp Survey Consortium (CRKSC) was formed to address similar requirements put forth by the Los Angeles Regional Water Control Board.

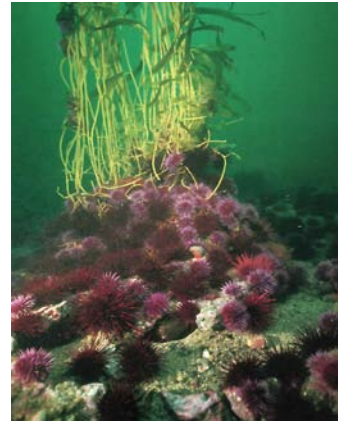
A series of meetings was held between Regional Board and ocean discharger representatives, the latter including publically owned treatment works (POTWs), power generators, storm water agencies and non-governmental organizations, to discuss the design and implementation of a regional kelp bed monitoring program. Primary decisions stemming from these meetings were that the methodology should be consistent with the aerial kelp surveys conducted by the late Dr. Wheeler North dating back to 1967, and that the southern and northern programs should be coordinated as much as possible.

With the RNKSC and CRKSC programs combined, all coastal kelp beds from the Ventura River to the USA/Mexico Border are now surveyed synoptically several times a year, a coverage representing approximately 81% of the southern California mainland coast. The results of the kelp surveys for each region are summarized in separate "Status of the Kelp Beds" reports produced in June of each year.



The Region Nine Kelp Consortium consists of the following members:

City of San Diego Public Utilities Department
City of Escondido
City of Oceanside
Encina Power Plant
Encina Wastewater Authority
International Boundary & Water Commission
San Elijo Joint Powers Authority
South Orange County Wastewater Authority
Southern California Edison, SONGS
Genentech



DISCUSSION

The reporting for 2011 shows kelp growth in the vicinity of the San Elijo JPA ocean outfall appears healthy, suggesting that the ocean outfall and the secondary effluent discharge are not negatively affecting the kelp. The kelp beds in the area of Cardiff and Solana Beach are slightly larger than historic averages and the fluctuation in size appears to be associated with natural cycle effects and not anthropogenic activities such as water pollution. A copy of the full report can be reviewed online at <http://kelp.sccwrp.org/home.html> .

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Thornton".

Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 9, 2012

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WHOLESAL PRICING OF RECYCLED WATER BY THE SAN ELIJO JOINT
POWERS AUTHORITY

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 that sells recycled water on a wholesale basis to three water purveyors; Santa Fe Irrigation District (SFID), San Dieguito Water District (SDWD), and the City of Del Mar, as well as sells recycled water directly to the Encinitas Ranch Golf Authority (ERGA), which purchases the water for use at the Encinitas Ranch Golf Course. The SEJPA owns the main recycled water infrastructure including treatment, storage, and distribution facilities. The water districts own the recycled water meter that measures the customer's usage and provides customer billing and other administrative services.

The SEJPA has water sales agreements with SFID, SDWD, ERGA, and the City of Del Mar. These agreements establish the cost basis for the recycled water and include a minimum guaranteed volume that each party agrees to purchase annually. Since the SEJPA has limited access to sell recycled water directly to the customer, the SEJPA must rely on the guaranteed purchase volumes to ensure a base revenue stream. This helps ensure that adequate revenues are received by the SEJPA each year to operate and maintain the recycled water utility. For SFID, the minimum water volume is 450 acre-feet per year (AFY); SDWD's minimum is 425 AFY; ERGA's 200 AFY, and the City of Del Mar's minimum is 150 AFY.

Each agreement has its own unique elements as designed and negotiated by each party with the SEJPA. The agreements provide the opportunity to amend or modify as deemed necessary by both consenting parties and over the years agreement amendments have been entered into by the parties.

DISCUSSION

Since the beginning of this year, the SEJPA and SFID have been meeting at staff level to develop a new amendment to the existing agreement. SFID is interested in a multi-year agreement of at least five years that would include a new pricing structure modeled more closely to a "cost-of-service" model as compared to the existing price indexing method. The SEJPA is seeking a larger purchase commitment from SFID to offset the new pricing structure. To assist discussions, the SEJPA has retained GHD to perform a third-party financial evaluation of the San Elijo recycled water program. This effort will:

- Establish the cost of providing recycled water service, with a focus on each of the components of the system.
- Establish a fair and meaningful basis for a renewal and replacement reserve.
- Develop rate structure recommendations to provide reasonable revenue to cover costs, including debt service, operational costs and reserves.

It is anticipated that a draft version of the findings will be presented to the Board of Directors at the September board meeting.

It is therefore recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 9, 2012

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: Resource Sharing Evaluation Between the San Elijo Joint Powers Authority and
the Encina Wastewater Authority

RECOMMENDATION

It is recommended that the Board of Directors:

1. Discuss and take action as appropriate.

BACKGROUND

The Encina Wastewater Authority (EWA) and the San Elijo Joint Powers Authority (SEJPA) are both public agencies that focus on protecting public health and the environment through providing wastewater treatment service in north coastal San Diego County. EWA owns and operates a regional wastewater treatment facility located in the City of Carlsbad that serves approximately 300,000 residents. The SEJPA owns and operates a regional wastewater treatment facility located in the City of Encinitas that serves about 34,000 residents. Both agencies were created through joint powers agreement to serve the needs of the founding member agencies. EWA's member agencies include the City of Carlsbad, City of Vista, City of Encinitas, Vallecitos Water District, Buena Sanitation District, and the Leucadia Wastewater District.

DISCUSSION

As local government agencies, the SEJPA and EWA have many striking similarities including organizational mission, governance structure, operational equipment, and labor classifications. SEJPA Director Mark Muir has requested that an evaluation be conducted to assess potential operational efficiencies and cost reductions that could be obtained through agency resource sharing. This analysis could be conducted through the creation of a joint ad hoc committee formed between the two agencies, or through other means as desired by the Board of Directors.

It is therefore recommended that the Board of Directors:

1. Discuss and take action as appropriate.

Respectfully submitted,

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

Michael T. Thornton, P.E.
General Manager