

**AGENDA  
SAN ELIJO JOINT POWERS AUTHORITY  
MONDAY, JUNE 8, 2020 AT 8:30 AM**

The next regular meeting of the San Elijo Joint Powers Authority (SEJPA) will be on Monday, June 8, 2020 at 8:30 a.m., PST.

Pursuant to the State of California Executive Order N-29-20 and the amended County Health Orders, members of the public will only be allowed to participate in meetings telephonically.

This regular meeting of the San Elijo Joint Powers Authority can be accessed using the phone number listed below:

Dial-In Phone Number: 669-900-9128

Meeting ID: 959 4987 4625

Public Comments (including oral communication and agenda item related topics must be submitted via email to [hackneyv@sejpa.org](mailto:hackneyv@sejpa.org) not later than 7:30 a.m. the day of the meeting, June 8, 2020. These comments will be read into the record during the oral communications. Please include in your email your name, address, group affiliation, subject, and question or comment.

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

**CONSENT CALENDAR**

7. \* [APPROVAL OF MINUTES FOR MAY 4, 2020 MEETING](#)
8. \* [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS](#)
9. \* [SAN ELIJO WATER CAMPUS TREATED EFFLUENT FLOWS – MONTHLY REPORT](#)
10. \* [SAN ELIJO WATER RECYCLING PROGRAM – MONTHLY REPORT](#)
11. \* [APPROVE FERRIC CHLORIDE PURCHASE AGREEMENT EXTENSION](#)
12. \* [APPROVE SODIUM HYPOCHLORITE PURCHASE AGREEMENT EXTENSION](#)

13. \* [APPROVE ALUMINUM SULFATE AND CITRIC ACID PURCHASE AGREEMENT EXTENSION](#)

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.*

**ACTION ITEMS**

15. [ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2020-21 BUDGET, INVESTMENT POLICY, APPOINTMENT OF TREASURER, AND AUTHORIZE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST FUNDING](#)

1. Adopt Resolution No. 2020-05, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2020-21;
2. Adopt Resolution No. 2020-06, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Amy Chang as SEJPA Treasurer;
3. Authorize SEJPA Treasurer to deposit any surplus FY 2019-20 budgeted funds not expended or otherwise encumbered by June 30, 2020 into the SEJPA PARS Public Agencies Post-Employments Benefits Trust Program; and
4. Discuss and take action as appropriate.

Staff Reference: General Manager

16. [PROPOSITION 1, INTEGRATED REGIONAL WATER MANAGEMENT, GRANT UPDATE](#)

No action required. For information only.

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

*The Board will adjourn to Closed Session to discuss item(s) identified below. Closed Session is not open to the public; however, an opportunity will be provided at this time if members of the public would like to comment on any item listed below. (Three minute limit.) A closed session may be held at any time during this meeting of the San Elijo Joint Powers Authority for the purposes of discussing potential or pending litigation or other appropriate matters pursuant to the "Ralph M. Brown Act".*

- A closed session will be held per Government Code Section 54957(b)(1); 54957.6: PUBLIC EMPLOYEE PERFORMANCE EVALUATION. Title: General Manager.

RECONVENE OPEN SESSION

21. REPORT OUT OF CLOSED SESSION

22. CONSIDERATION OF GENERAL MANAGER PERFORMANCE BONUS (COMPENSATION) PER CURRENT EMPLOYMENT AGREEMENT

1. Discuss and take action as appropriate.

Staff Reference: General Manager

23. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, July 13, 2020 at 8:30 a.m.

NOTICE:

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

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

#### AFFIDAVIT OF POSTING

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

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

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

Date: June 4, 2020

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

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

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE SPECIAL BOARD MEETING  
HELD ON MAY 4, 2020  
VIA VIDEO CONFERENCE

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Jody Hubbard, Chair

Kristi Becker, Vice Chair

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A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Monday, May 4, 2020, at 8:30 a.m., via a public web conference.

1. CALL TO ORDER

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

2. ROLL CALL

*Directors Present:*

Jody Hubbard  
Kristi Becker  
Catherine Blakespear  
David Zito

*Directors Absent:*

None

*Others Present:*

General Manager  
Director of Operations  
Director of Finance and Administration  
Administrative Coordinator  
Project Manager

Michael Thornton  
Chris Trees  
Amy Chang  
Vanessa Hackney  
Mike Konicke

*SEJPA Counsel:*

Procopio, Cory, Hargreaves & Savitch

Adriana Ochoa

*City of Encinitas:*

Assistant City Manager  
Director of Public Works

Mark Delin  
Carl Quiram

*City of Solana Beach:*

City Manager  
Director of Engineering/Public Works  
Finance Director/Treasurer

Greg Wade  
Mohammad "Mo" Sammak  
Marie Marron Berkuti

3. PLEDGE OF ALLEGIANCE

Web conference meeting so no pledge of allegiance performed.

4. ORAL COMMUNICATIONS

None

5. AWARDS AND RECOGNITION

None

6. CONSENT CALENDAR

Moved by Vice Chair Becker and seconded by Chair Hubbard to approve the Consent Calendar.

Agenda Item No. 7	Approval of Minutes for the March 9, 2020 Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
Agenda Item No. 9a	San Elijo Water Campus Treated Effluent Flows – February 2020 Monthly Report
Agenda Item No. 9b	San Elijo Water Campus Treated Effluent Flows – March 2020 Monthly Report
Agenda Item No. 10a	San Elijo Recycled Water Program – February 2020 Monthly Report
Agenda Item No. 10a	San Elijo Recycled Water Program – March 2020 Monthly Report
Agenda Item No. 11	Professional Engineering Agreement Arch Flash Study Amendment
Agenda Item No. 12	San Elijo Joint Powers Authority Updated Employee Handbook
Agenda Item No. 13	Agreement Amendment for Auditing Service – One Year Term Extension

Motion carried with the following vote of approval:

AYES:	Hubbard, Becker, Blakespear, Zito
NOES	None
ABSENT:	None
ABSTAIN:	None

14. ITEMS REMOVED FROM CONSENT CALENDAR

None

15. WATER CAMPUS IMPROVEMENT PROJECT – STAGE 2 LEASE-PURCHASE AGREEMENT UPDATE

General Manager Thornton reported that in March 2020, after the Board provided authorization to execute the Lease-Purchase Agreement Amendment with PCL

Construction, staff paused contract preparation to evaluate potential risk that the COVID-19 pandemic could present to the project.

Staff, along with input from PCL and Legal Counsel, put together a new two-phased approach to the project. The new two-phased approach integrates COVID-19 language into construction documents, requires contractor COVID-19 preventative measures, construction of weather-dependent work during dry season, and rebidding approximately 75% of the project bid packages.

General Manager Thornton stated that there are no anticipated additional costs associated with the staff's recommendation and that the budget remains unchanged at \$18,410,000. While there are no anticipated cost increases, there is potential for cost savings with bidding in current market conditions.

Moved by Board Member Blakespear and seconded by Chair Hubbard to:

1. Vote to supersede its March 9, 2020 authorization regarding the Stage 2 Lease Purchase Agreement by authorizing the General Manager to execute Stage 2, Phase 1 and Phase 2 Amendments to the Agreement for a Guaranteed Maximum Price (GMP) not to exceed \$18,410,000, subject to the General Manager's final negotiations with the contractor and General Counsel's final review; and
2. Discuss and take action as appropriate.

Motion carried with the following vote of approval:

AYES:	Hubbard, Becker, Blakespear, Zito
NOES	None
ABSENT:	None
ABSTAIN:	None

16. PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2020-21 RECOMMENDED BUDGET

Amy Chang, Director of Finance and Administration, presented SEJPA's FY 2020-21 Recommended Budget. Programs budgeted by the SEJPA include: Wastewater Treatment, Laboratory Services, Ocean Outfall, Pump Stations, Stormwater Services, Generator Services, and Recycled Water.

The Recommended FY 2020-21 Budget consists of \$7,706,394 operating costs, \$2,460,973 debt service, and \$1,730,000 capital projects for a total budget of \$11,897,367.

Mrs. Chang informed the Board of Directors that the proposed operating budget for all programs will increase by \$765,039. The Recycled Water program represents the largest increase of \$332,270 and includes funding for planning and engineering for storage and conveyance improvements, potable reuse regional study, and \$100,000 for retrofit loans. The loan program, which has been used successfully in previous budgets, will provide financial assistance to new recycled water customers in retrofitting their irrigations systems to accept recycled water. Staff has found that the cost of conversion is the main reason why customers do not convert to recycled water. The Ocean Outfall program is

recommended to increase \$171,243 due to supplies, testing, and personnel costs required to comply with new requirements by the Regional Water Quality Control Board to complete a plume tracking study. The Laboratory program is recommended to increase \$123,852 due to supplies, testing, and personnel costs required to comply with new requirements by the Environmental Laboratory Accreditation Program (ELAP). The Wastewater Treatment program is proposed to increase \$92,883 primarily as a result of cost increases for biosolids hauling, operational IT support and software licensing, odor control chemicals, and insurance premiums. Operational cost increases to other programs totaled \$44,791.

For SEJPA Member Agencies, the total proposed budget increase for FY 2020-21, including operations, capital, and debt services, is 2.41% for the City of Encinitas and 3.54% for the City of Solana Beach. These program costs have been discussed with agencies served by SEJPA and staff has received guidance that they are within their budget expectations.

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

17. GENERAL MANAGER'S REPORT

General Manager Thornton covered the following topics in the General Manager's Report including: COVID-19 Pandemic Response, Wet Weather (April 2020) Response, General Manager Meetings with Chair & Board Members and their payment for those meetings, update to graphics in Wastewater & Recycled Water reports, and discussion to consider changing Board Meeting day and time, which will be added to a future Board Meeting agenda.

18. GENERAL COUNSEL'S REPORT

None

19. BOARD MEMBER COMMENTS

None

20. ADJOURNMENT

The meeting adjourned at 9:46 a.m. The next Board of Directors meeting is schedule to be held on Monday, June 8, 2020 at 8:30 a.m.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager



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

**20-6**

**For the Month of May 2020**

<b>Warrant #</b>	<b>Vendor Name</b>	<b>G/L Account</b>	<b>Warrant Description</b>	<b>Amount</b>
38495	Accurate Air Engineering, Inc.	Repair Parts Expense	Gas blower	\$ 6,951.17
38496	All Tubes, Inc.	Services - Maintenance	Hose reels	1,424.00
38497	Allied Storage Containers	Equipment Rental/Lease	Storage containers	274.76
38498	AT&T	Utilities - Telephone	Phone service - April & May	824.65
38499	AT&T	Services - Contractors	WCI pre-construction work - Re-locate cables, remove pedestal	26,534.38
38500	AT&T	Utilities - Telephone	Alarm service - April	419.60
38501	Brax Process and Pump Equip.	Repair Parts Expense	Sand filter backwash pump	2,983.31
38502	Brenntag Pacific, Inc	Supplies - Chem - Odor	Sodium Hydroxide	1,250.91
38503	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride	11,828.74
38504	City National Bank	Interest Expense - AWT Note	Annual debt service - Advanced Water Purification Facility	74,076.57
38505	Complete Office	Supplies - Office	Office supplies	404.91
38506	County of San Diego	Fees - Permits	Facility permit	565.00
38507	Cummins Sales and Service	Services - Maintenance	Control membrane, generator	499.94
38508	D&H Water Systems	Supplies - Chemicals	Acetate buffer	572.55
38509	Denali Water Solutions LLC	Services - Biosolids Hauling	March	13,913.62
38510	DMV	Services - Other	Safety records - 03/01/20 - 03/31/20	1.00
38511	EDCO Waste & Recycling Service	Utilities - Trash	April	257.48
38512	eMaint Enterprises, LLC	Licenses	Asset management software	1,188.00
38513	City of Encinitas	Fees - Permits	WCI pre-construction work - Engineering permit	127,470.02
38514	City of Encinitas	Licenses	Zoom monthly license fees	39.98
38515	City of Encinitas	Service - IT Support	Admin network - May	7,725.00
38516	Eurofins Calscience, Inc.	Services - Laboratory	Water sample testing	1,697.50
38517	Evantec Scientific	Supplies - Lab	Lab supplies	961.42
38518	Forté of San Diego	Services - Janitorial	May	1,000.00
38519	GLS US	Postage/Shipping	Water samples	38.08
38520	GC Pivotal LLC	Utilities - Internet	T-1 Service - May & June	715.81
38521	Hach Company	Services - Maintenance & Shop Tools and Equip.	Lab supplies	17,703.82
38522	Hardy Diagnostics	Supplies - Lab	Lab supplies	2,796.78
38523	Harrington Industrial Plastics	Repair Parts Expense	Three inch valve ball check & handle kit for valve	1,289.27
38524	Idexx Distribution, Inc.	Supplies - Lab	Lab supplies	1,847.13
38525	Kennedy/Jenks Consultants	Services - Engineering	CMAR-Owner representative	34,754.65
38526	Kimley-Horn & Associates, Inc.	Services - Professional	Caltrans trail and entrance	97,562.41
38527	Lawson Products Inc.	Supplies - Shop & Field	Nuts and bolts	1,055.90
38528	Liquid Environmental Solution	Services - Grease & Scum and Grit & Screenings	Grease and scum pumping, grit and screening	3,609.76
38529	Void	Void	Void	-
38530	McMaster-Carr Supply Co.	Supplies - Various	Hardware, repair, and safety supplies	1,929.98
38531	MERTEC ENGINEERING	Supplies - Safety	Safety pull switch	1,959.81
38532	MetLife - Group Benefits	Dental/Vision	Dental - May & June	4,087.78
38533	Midas Shop	Vehicle Maintenance	Tire pressure sensor	103.88
38534	Napa Auto Parts	Vehicle Maintenance and Repair Parts	Vehicle repair parts	384.24
38535	Olivenhain Municipal Water Dis	Rent & Professional Service	Pipeline rental, grant admin fee	5,602.45
38536	Pacific Green Landscape	Services - Landscape	April monthly service, mainline repair	2,975.00
38537	Pacific Pipeline Supply	Shop Tools and Equip. & Repair Parts Expense	Wrench 5' long, meter box and lid - purple	1,734.55
38538	Pall Corporation	Repair Parts Expense	Module	2,272.72
38539	Peerless Materials Co., LLC	Supplies - Shop & Field	Shop towels	404.54
38540	Preferred Benefit Insurance	Dental/Vision	Vision - April & May	598.60
38541	ProBuild Company, LLC	COVID19-Supplies-Equipment	Delivery shelf supplies	1,093.77
38542	Rusty Wallis, Inc.	Services - Maintenance	Water softener, tanks, and salt bags	163.16
38543	Santa Fe Irrigation District	Utilities - Water	Recycled water	328.98
38544	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment - March	394.63
38545	San Dieguito Water District	Utilities - Water	Recycled water	2,043.31
38546	San Dieguito Water District	Utilities - Water	Recycled water	1,192.65
38547	Sloan Electric Company	Repair Parts Expense	Baldor motor	592.63
38548	T.S. Industrial Supply	Repair Parts Expense	Suction hose	340.78
38549	Test America	Services - Laboratory	Water sample testing	231.50
38550	Michael Thornton	Supplies - Office	Reimbursement - Notary, meetings, and books	165.61
38551	Technology Integration Group	Services - Maintenance	Copier	158.01
38552	U.S. CAD	Licenses	Bluebeam	2,598.00
38553	Unifirst Corporation	Services - Uniforms	Uniform service	435.75
38554	UPS	Postage/Shipping	Fees	11.23
38555	Underground Service Alert/SC	Services - Alarm	Dig alert - April, safe excavation board	254.64
38556	USA Bluebook	Lab Supplies and Repair Parts	Lab supplies and repair parts	1,454.03
38557	USP Technologies	Supplies - Chem - Odor	Calcium nitrate	12,870.79
38558	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	12,548.58
38559	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,715.79
38560	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,855.71
38561	Verizon Wireless	Utilities - Telephone	Telephone and cell phone services	391.83
38562	Verizon Wireless	Utilities - Telephone	Telephone and cell phone services	1,752.95
38563	VMware, Inc.	Licenses	SCADA	2,563.44
38564	Volt Management Corp	Services - Temp	Intership program	2,798.64
38565	VWR International, Inc.	Supplies - Lab	Lab supplies	1,795.50
38566	WageWorks	Payroll Processing Fees	Admin and compliance fee	128.75
38567	Watson Bros. Inc	Services - Maintenance	Maintenance services	360.00
38568	Wildlands SLR Holdings I, LLC	Fees - Permits	Mitigation permit fee	149,500.00
38569	WM Corporate Services, Inc.	Services - Grit & Screenings	Service period - 04/01/20 - 04/30/20	1,794.69
On-line 401	Fuelman	Fuel	April	2,287.73
On-line 402	P.E.R.S.	Medical Insurance - Pers	Health - May	21,337.20
On-line 403	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 04/01/20 - 04/17/20	15,082.95
On-line 404	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 04/18/20 - 05/01/20	14,411.02
On-line 405	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	874.28
On-line 406	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 03/05/20 - 04/05/20	48,890.50
On-line 407	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - May	1,699.66
	San Elijo Payroll Account	Payroll	Payroll - 05/08/2020	75,859.92
	San Elijo Payroll Account	Payroll	Payroll - 05/08/2020	77,184.85
				<u>\$ 929,455.13</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Month of May 2020  
As of May 30, 2020**

PAYMENT OF WARRANTS	\$ 929,455.13
Reference Number	20-6

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



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Amy Chang  
Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS  
AND INVESTMENT INFORMATION  
As of May 30, 2020

FUNDS ON DEPOSIT WITH	AMOUNT
<b>LOCAL AGENCY INVESTMENT FUND</b>	
<i>(APRIL 2020 YIELD 1.648%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	8,652,050.80
<b>CALIFORNIA BANK AND TRUST</b>	
<i>(APRIL 2020 YIELD 0.01%)</i>	
REGULAR CHECKING	922,487.58
PAYROLL CHECKING	5,000.00
<b>UNION BANK - TRUSTEE (BOND FUNDS)</b>	
BLACKROCK	329,092.44
<i>(MAY 2020 YIELD 0.10%)</i>	
LAIF	14,967,597.11
<i>(APRIL 2020 YIELD 1.648%)</i>	
<b>PARS - TRUSTEE (POST-EMPLOYMENT BENEFITS TRUST)</b>	49,823.13
<i>(APRIL 2020 YIELD -6.93%)</i>	
<b>TOTAL RESOURCES</b>	<b>\$ 25,556,051.06</b>

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 8, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

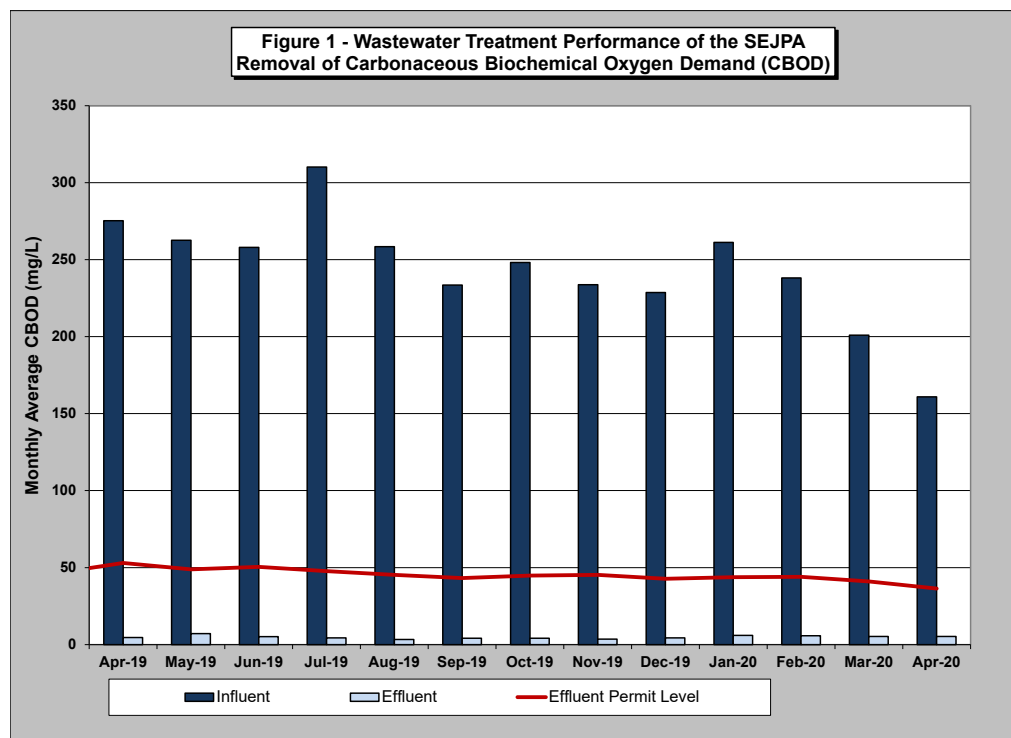
SUBJECT: SAN ELIJO WATER CAMPUS TREATED EFFLUENT FLOWS – MONTHLY REPORT

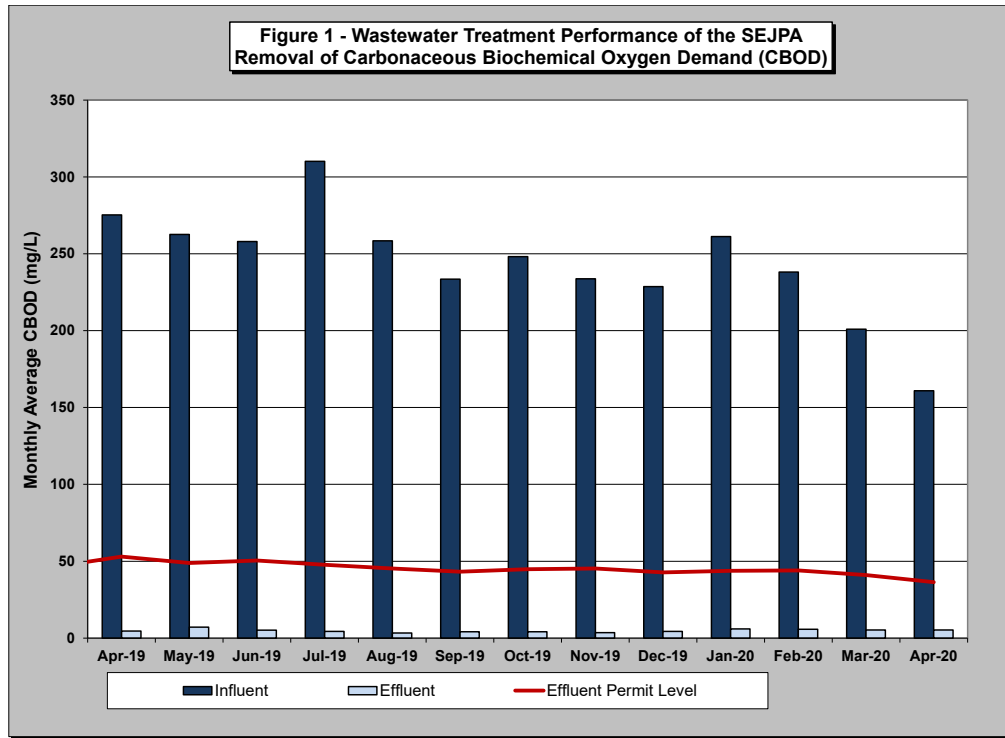
RECOMMENDATION

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

DISCUSSIONMonthly Treatment Plant Performance and Evaluation

Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of April 2020. 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 96.7 and 98.2 percent removal, respectively (as shown in Figure 1 and Figure 2).





### Member Agency Flows

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

	April	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.720	1.268
City of Solana Beach	0.912	0.672
Rancho Santa Fe SID	0.231	0.170
City of Del Mar	0.377	0.278
<b>Total San Elijo WRF Flow</b>	<b>3.240</b>	<b>2.388</b>

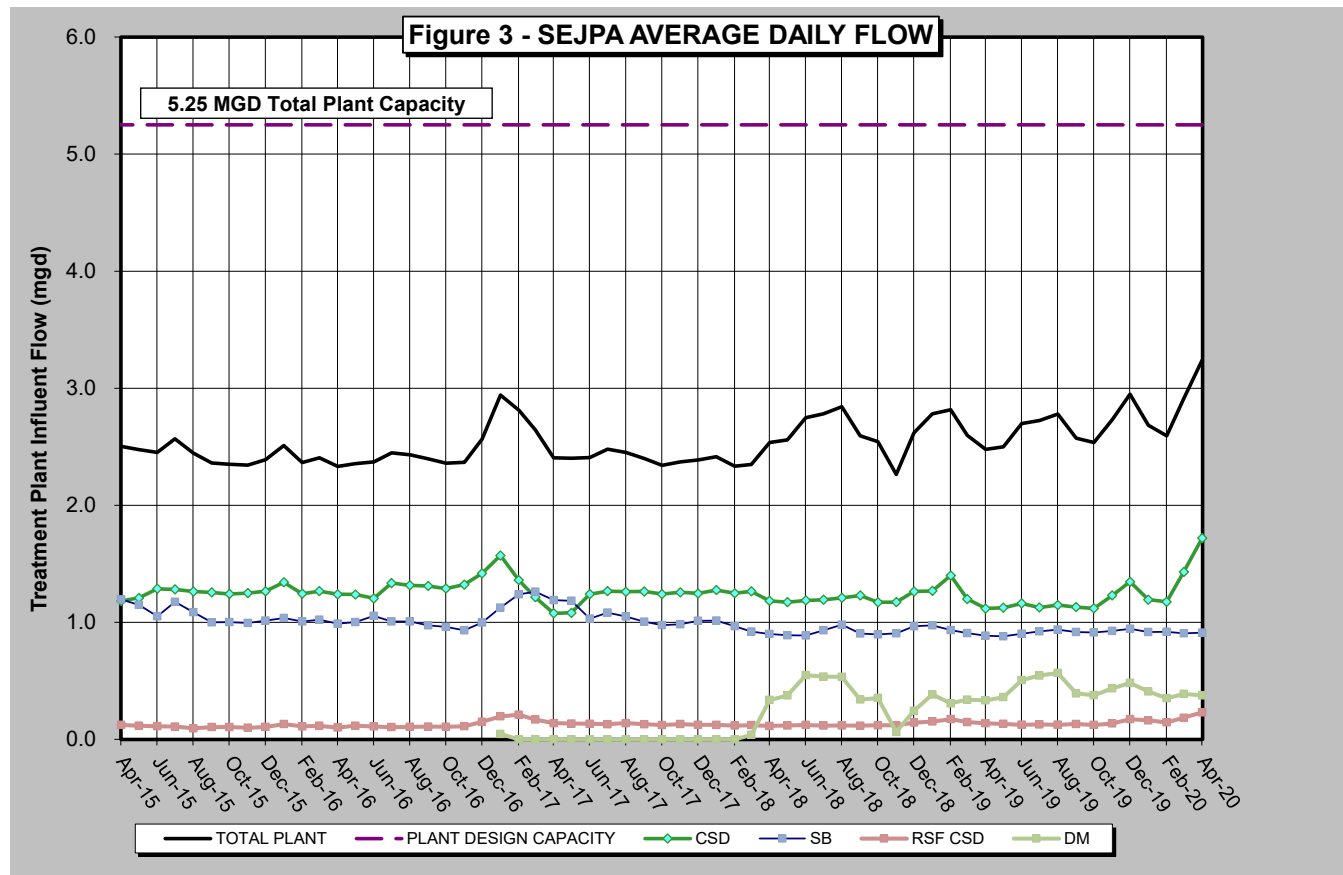
\* Effluent is calculated by subtracting the recycled water production from the influent wastewater.

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

**TABLE 1 - SAN ELJO 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	CSD	SB	DM	TOTAL PLANT	CSD	RSF	CSD	SB	DM	TOTAL PLANT	CSD EDUS	RSF EDUS	CSD EDUS	SB EDUS	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
Jan-15	1.253	0.130	1.232			2.615	0.984	0.102	0.967			2.053	8,359	503	7,977			16,838	150	259	154		155
Feb-15	1.229	0.132	1.228			2.589	0.757	0.081	0.757			1.595	8,361	504	7,977			16,841	147	262	154		154
Mar-15	1.269	0.135	1.231			2.635	0.583	0.062	0.566			1.211	8,365	504	7,977			16,846	152	268	154		156
Apr-15	1.183	0.124	1.196			2.503	0.350	0.036	0.354			0.740	8,366	504	7,977			16,847	141	246	150		149
May-15	1.209	0.117	1.149			2.475	0.545	0.053	0.518			1.116	8,367	505	7,977			16,848	144	232	144		147
Jun-15	1.287	0.113	1.052			2.452	0.362	0.032	0.296			0.690	8,369	506	7,977			16,852	154	224	132		146
Jul-15	1.282	0.110	1.176			2.568	0.392	0.034	0.359			0.785	8,370	510	8,003			16,883	153	216	147		152
Aug-15	1.264	0.095	1.087			2.446	0.315	0.023	0.271			0.609	8,371	510	8,003			16,884	151	186	136		145
Sep-15	1.256	0.105	1.001			2.362	0.457	0.038	0.364			0.859	8,372	511	8,003			16,885	150	206	125		140
Oct-15	1.243	0.106	1.002			2.351	0.681	0.058	0.549			1.288	8,373	511	8,003			16,886	148	208	125		139
Nov-15	1.250	0.100	0.994			2.344	0.792	0.063	0.630			1.485	8,376	511	8,003			16,889	149	196	124		139
Dec-15	1.266	0.107	1.016			2.389	0.971	0.082	0.780			1.833	8,377	511	8,003			16,891	151	210	127		141
Jan-16	1.342	0.131	1.037			2.510	1.189	0.116	0.918			2.223	8,380	511	8,003			16,894	160	257	130		149
Feb-16	1.245	0.112	1.008			2.365	0.780	0.070	0.631			1.481	8,383	512	8,003			16,897	149	219	126		140
Mar-16	1.267	0.116	1.023			2.406	0.763	0.070	0.616			1.449	8,388	512	8,003			16,903	151	227	128		142
Apr-16	1.240	0.102	0.990			2.332	0.675	0.055	0.539			1.269	8,389	512	8,003			16,904	148	199	124		138
May-16	1.238	0.117	1.002			2.357	0.505	0.048	0.409			0.962	8,389	512	8,003			16,904	148	229	125		139
Jun-16	1.205	0.111	1.055			2.371	0.362	0.033	0.317			0.712	8,390	514	8,003			16,907	144	216	132		140
Jul-16	1.336	0.105	1.008			2.449	0.586	0.046	0.442			1.074	8,392	514	8,020			16,926	159	204	126		145
Aug-16	1.317	0.107	1.007			2.431	0.647	0.053	0.495			1.195	8,393	516	8,020			16,929	157	207	126		144
Sep-16	1.311	0.110	0.975			2.396	0.601	0.050	0.447			1.098	8,394	516	8,020			16,930	156	213	122		142
Oct-16	1.289	0.108	0.962			2.359	0.521	0.043	0.389			0.953	8,397	517	8,020			16,933	154	209	120		139
Nov-16	1.323	0.113	0.932			2.368	0.730	0.062	0.514			1.306	8,403	517	8,020			16,940	157	219	116		140
Dec-16	1.419	0.150	0.998			2.567	1.179	0.125	0.829			2.133	8,406	549	8,020			16,975	169	273	124		151
Jan-17	1.572	0.197	1.125	0.047		2.941	1.489	0.186	1.066	0.045		2.786	8,409	549	8,020	1,716		18,694	187	359	140	142	157
Feb-17	1.361	0.211	1.240	0.000		2.812	1.236	0.192	1.126	0.000		2.554	8,409	549	8,020	1,716		18,694	162	384	155	0	166
Mar-17	1.215	0.170	1.261	0.000		2.646	0.856	0.120	0.889	0.000		1.865	8,413	550	8,020	1,716		18,698	144	309	157	0	156
Apr-17	1.077	0.139	1.190	0.000		2.406	0.841	0.108	0.929	0.000		1.878	8,414	551	8,020	1,716		18,700	128	252	148	0	142
May-17	1.082	0.136	1.184	0.000		2.402	0.842	0.106	0.922	0.000		1.870	8,416	551	8,049	1,716		18,732	129	247	147	0	141
Jun-17	1.241	0.134	1.032	0.000		2.407	0.980	0.106	0.815	0.000		1.901	8,420	551	8,049	1,716		18,737	147	243	128	0	141
Jul-17	1.267	0.130	1.083	0.000		2.480	0.802	0.082	0.685	0.000		1.569	8,421	551	8,061	1,716		18,749	150	236	134	0	146
Aug-17	1.262	0.139	1.051	0.000		2.452	0.852	0.094	0.709	0.000		1.655	8,423	553	8,061	1,716		18,753	150	251	130	0	144
Sep-17	1.264	0.130	1.006	0.000		2.400	0.866	0.089	0.689	0.000		1.644	8,427	555	8,061	1,716		18,759	150	234	125	0	141
Oct-17	1.242	0.123	0.977	0.000		2.342	0.543	0.053	0.427	0.000		1.023	8,431	555	8,061	1,716		18,763	147	222	121	0	137
Nov-17	1.257	0.131	0.983	0.000		2.371	0.661	0.069	0.517	0.000		1.247	8,431	554	8,061	1,716		18,762	149	237	122	0	139
Dec-17	1.248	0.125	1.014	0.000		2.387	0.693	0.070	0.563	0.000		1.326	8,431	554	8,061	1,716		18,762	148	226	126	0	140
Jan-18	1.276	0.125	1.015	0.000		2.416	0.886	0.087	0.705	0.000		1.678	8,435	555	8,061	1,716		18,767	151	225	126	0	142
Feb-18	1.249	0.118	0.968	0.000		2.335	0.601	0.056	0.466	0.000		1.123	8,441	555	8,061	1,716		18,773	148	213	120	0	137
Mar-18	1.265	0.122	0.922	0.039		2.348	0.857	0.083	0.625	0.026		1.591	8,451	555	8,061	1,716		18,782	150	220	114	149	125
Apr-18	1.184	0.115	0.901	0.337		2.537	0.627	0.061	0.477	0.179		1.344	8,451	559	8,061	1,716		18,786	140	206	112	129	135
May-18	1.173	0.119	0.890	0.376		2.558	0.566	0.057	0.430	0.182		1.235	8,461	562	8,061	1,716		18,799	139	212	110	144	136
Jun-18	1.188	0.124	0.888	0.549		2.749	0.557	0.058	0.417	0.258		1.290	8,466	562	8,061	1,716		18,804	140	221	110	210	146
Jul-18	1.193	0.118	0.933	0.537		2.781	0.619	0.061	0.484	0.278		1.442	8,478	562	8,083	2,611		19,733	141	210	115	206	141
Aug-18	1.210	0.119	0.980	0.534		2.843	0.686	0.067	0.555	0.303		1.611	8,481	563	8,083	2,611		19,737	143	212	121	205	144
Sep-18	1.230	0.117	0.905	0.341		2.593	0.677	0.064	0.498	0.188		1.427	8,481	563	8,083	2,611		19,737	145	208	112	131	131
Oct-18	1.172	0.121	0.897	0.354		2.544	0.529	0.054	0.405	0.160		1.148	8,481	564	8,083	2,611		19,738	138	215	111	136	129
Nov-18	1.173	0.121	0.906	0.064		2.264	0.495	0.051	0.383	0.027		0.956	8,488	565	8,083	2,611		19,746	138	214	112	136	129
Dec-18	1.264	0.144	0.967	0.244		2.619	1.017	0.116	0.778	0.196		2.107	8,491	566	8,083	2,611		19,751	149	255	120	136	138
Jan-19	1.269	0.153	0.975	0.384		2.781	1.221	0.147	0.938	0.369		2.675	8,491	566	8,083	2,611		19,751	149	271	121	147	141
Feb-19	1.400	0.173	0.935	0.309		2.817	1.256	0.156	0.839	0.277		2.528	8,492	566	8,083	2,611		19,752	165	306	116	137	145
Mar-19	1.200	0.149	0.908	0.340		2.597	0.956	0.119	0.724	0.271		2.070	8,493	568	8,083	2,611		19,755	141	263	112	132	132
Apr-19	1.119	0.138	0.887	0.334		2.478	0.330	0.040	0.262	0.099		0.731	8,494	568	8,083	2,611		19,756	132	243	110	128	125
May-19	1.125	0.133	0.880	0.361		2.499	0.493	0.059	0.386	0.158		1.096	8,494	568	8,083	2,611		19,756	132	234	109	138	126
Jun-19	1.162	0.126	0.903	0.507		2.698	0.382	0.041	0.297	0.167		0.887	8,504	568	8,083	2,611		19,766	137	222	112	194	136
Jul-19	1.127	0.128	0.924	0.546		2.725	0.349	0.039	0.286	0.169		0.843	8,504	568	8,083	2,611		19,766	133	226	114	209	138
Aug-19	1.148	0.126	0.938	0.567		2.779	0.478	0.053	0.391	0.236		1.158	8,505	570	8,105	2,612		19,792	135	221	116	217	140
Sep-19	1.131	0.132	0.918	0.393		2.574	0.509	0.059	0.413	0.177		1.158	8,507	570	8,105	2,612		19,794	133	232	113	150	130
Oct-19	1.120	0.124	0.914	0.378		2.536	0.278	0.031	0.227	0.094		0.630	8,507	571	8,105	2,612							

Figure 3 (below) presents the 5-year historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average treated flow by each agency. Also shown in Figure 3 is the total wastewater treatment capacity of the water campus, 5.25 mgd, of which each Member Agency has the right to 2.2 mgd, Rancho Santa Fe Community Service District leases 0.25 mgd, and the City of Del Mar leases 0.60 mgd.



### City of Escondido Flows

The average and peak flow rate for the month of April 2020 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below.

	<b>Flow (mgd)</b>
Escondido (Average flow rate)	13.48
Escondido (Peak flow rate)	20.5

### Connected Equivalent Dwelling Units

The City of Solana Beach and the City of Del Mar updated the connected EDUs number that is reported to the SEJPA in September 2019. The City of Encinitas and Rancho Santa Fe CSD report their connected EDUs every month. The number of EDUs connected for each of the Member Agencies and lease agencies is as follows:

	<b>Connected (EDU)</b>
Cardiff Sanitary Division	8,522
Rancho Santa Fe SID	572
City of Solana Beach	7,768
San Diego (to Solana Beach)	337
City of Del Mar	2,612
<b>Total EDUs to System</b>	<b>19,811</b>

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 8, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECYCLING PROGRAM – MONTHLY REPORT

RECOMMENDATION

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

DISCUSSION

*Recycled Water Production*

For the month of April 2020, recycled water demand was 67.10 acre-feet (AF), which was met using 67.10 AF of recycled water and 0.0 AF supplementation with potable water.

April demand was 55% below budget expectations of 148 AF as this month received a high volume of rainfall (approximately 5 inches). The total water production for FY 2019-20 is below budget (10.7%) for the first 10 months.

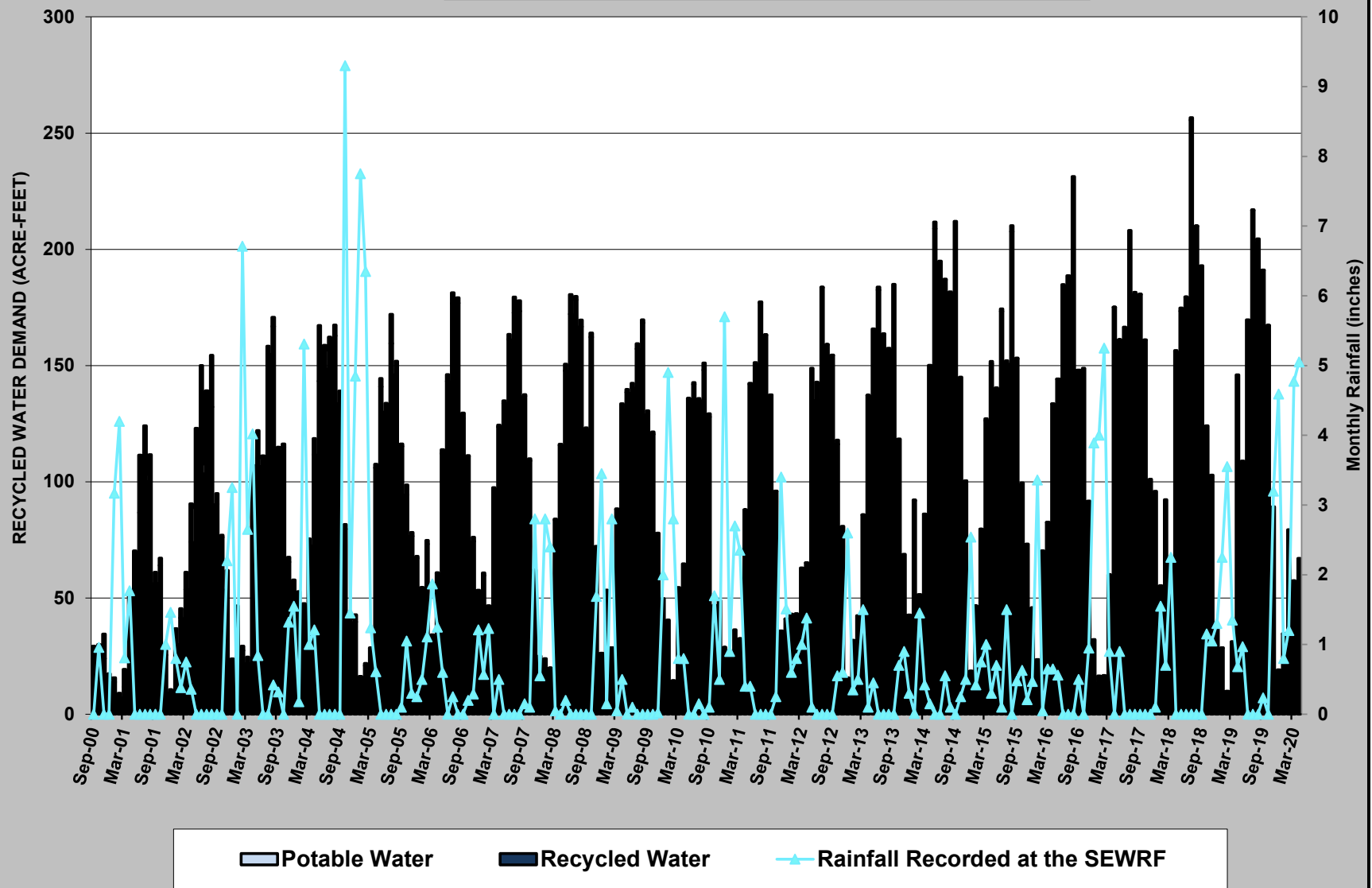
Figure 1 (attached) provides monthly demands for recycled water since deliveries began in September 2000. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning the last 19 fiscal years. Figure 3 (attached) shows the monthly recycled water demand for each March since the program began. Figure 4 (attached) compares budget versus actual recycled water sales for FY 2019-20.

Respectfully submitted,

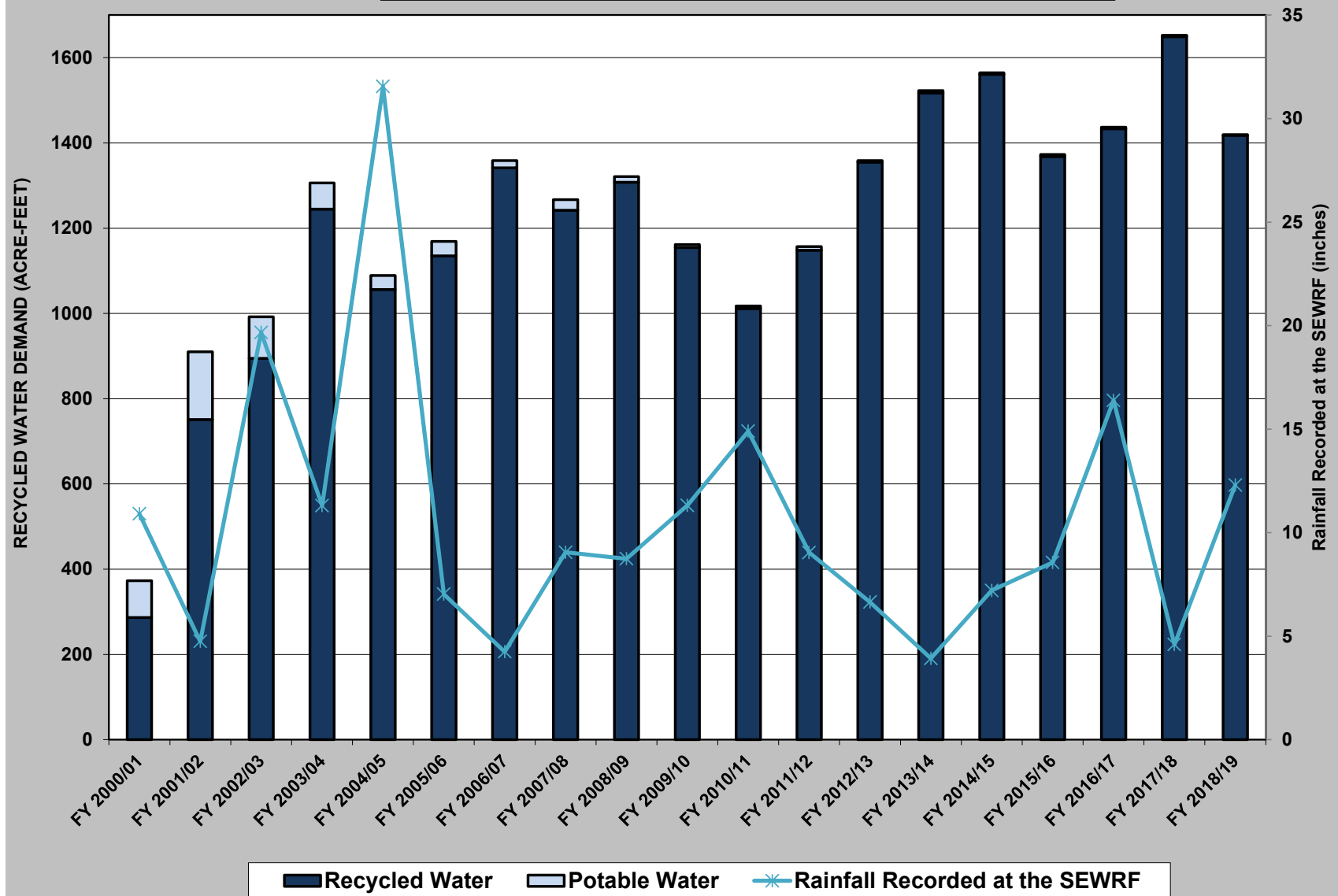


Michael T. Thornton, P.E.  
General Manager

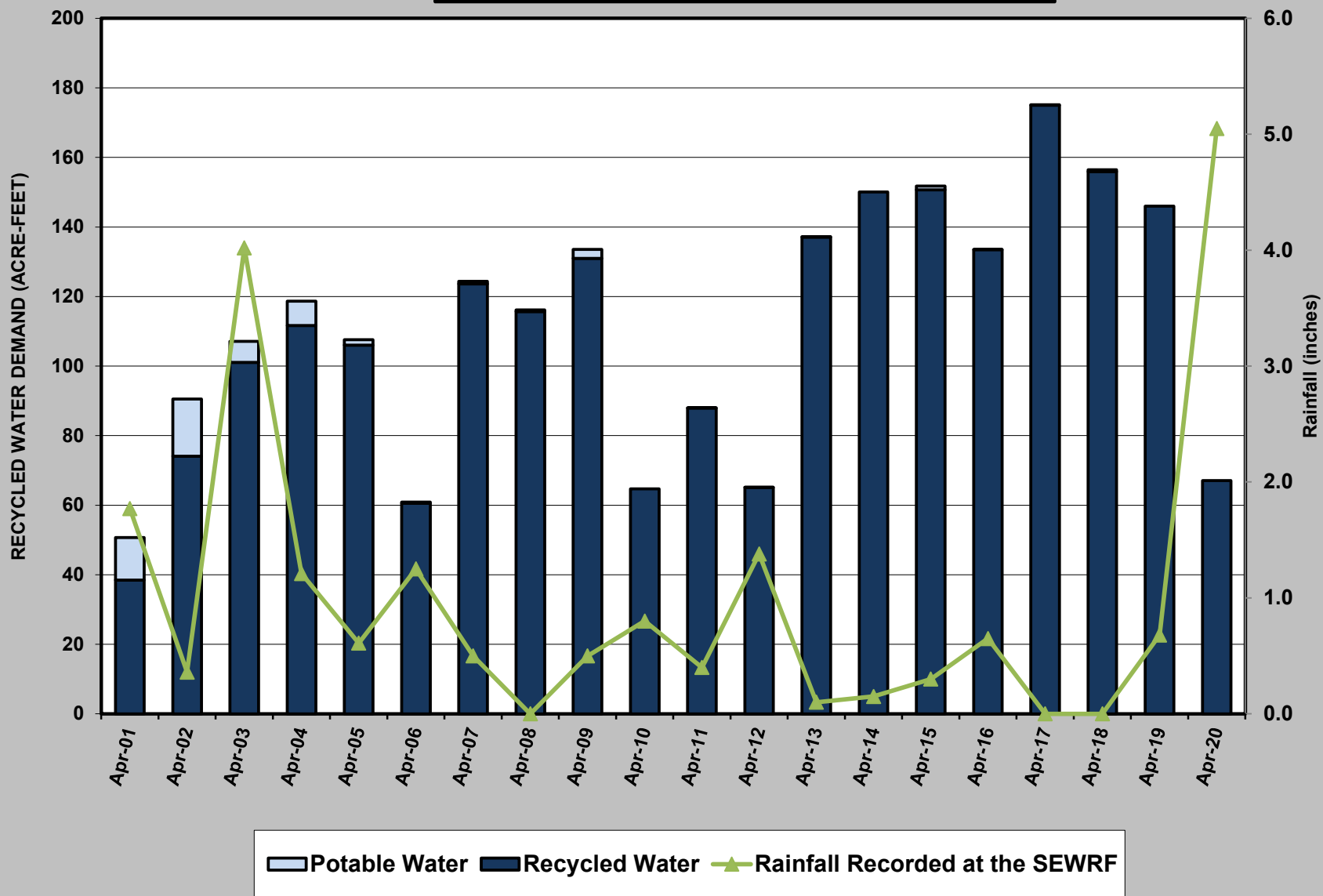
**Figure 1 - MONTHLY RECYCLED WATER DEMAND**



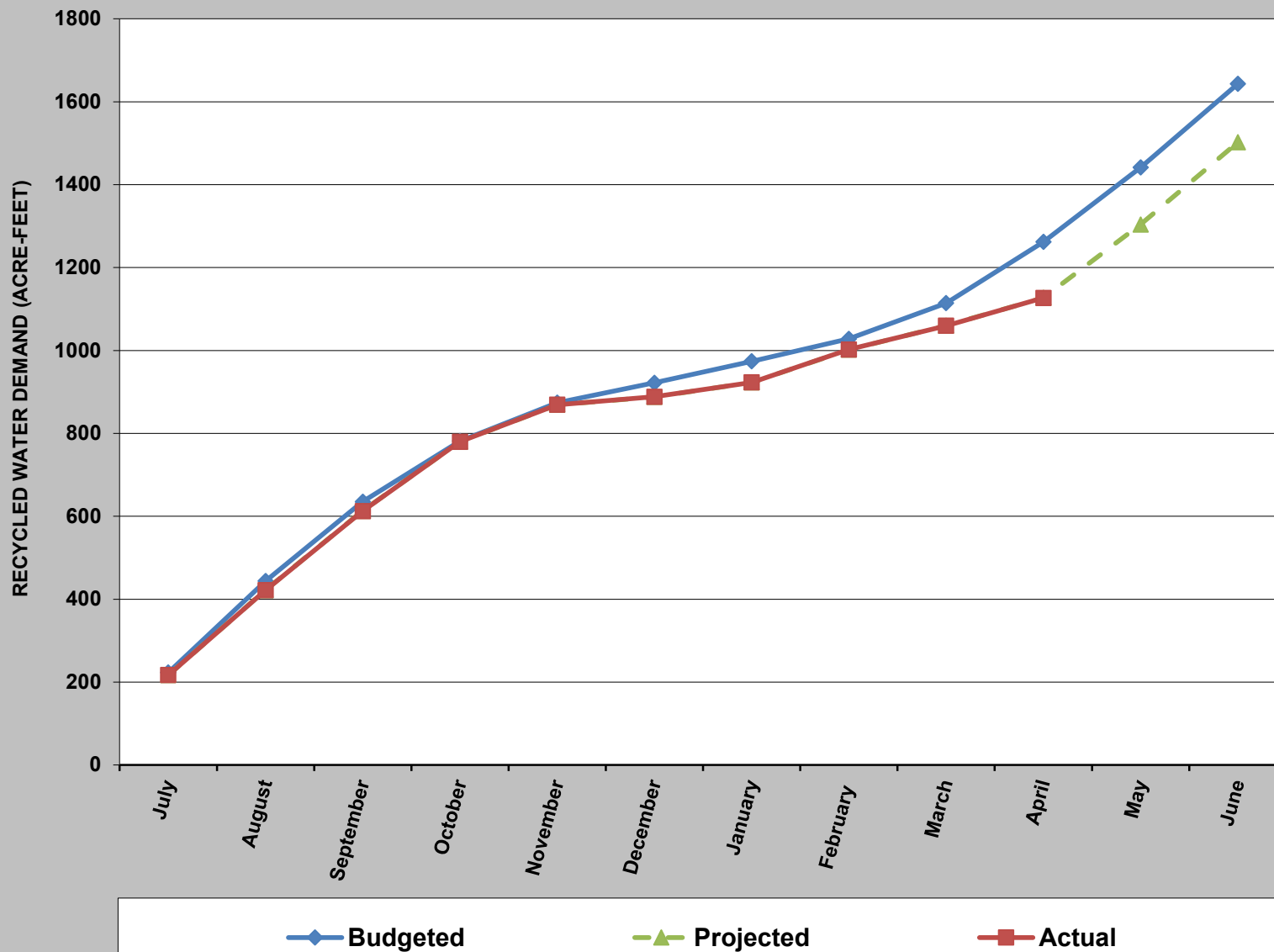
**Figure 2 - RECYCLED WATER DEMAND by FISCAL YEAR**



**Figure 3 - APRIL RECYCLED WATER DEMAND**



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



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 8, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: APPROVE FERRIC CHLORIDE PURCHASE AGREEMENT EXTENTION

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to exercise the first optional 1-year service extension with California Water Technologies, LLC for the procurement of Ferric Chloride for an amount not to exceed \$78,000; and
2. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) and Encina Wastewater Authority (EWA) operate similar facilities in north coastal San Diego County. Over the last several years, the agencies have partnered to identify opportunities to share resources, collaborate on mutual aid, and create efficiencies to reduce costs and improve service.

Success has been obtained in shared Human Resources services, work safety collaboration, and emergency response assistance. EWA and SEJPA have also implemented a labor leasing agreement that allows employee sharing between the agencies to address spikes in workloads and fluctuation in staffing, conduct special projects, or other assignments.

In 2016, 2018, and 2019, EWA and SEJPA were successful in partnering on opportunities to reduce cost through bulk purchasing of supplies and services. Staff identified two chemicals (Sodium Hypochlorite and Ferric Chloride) that are common to the operation of both agencies and that are purchased in large quantities, usually through multi-year contracts.

Staff worked with Procopio Cory Hargreaves & Savitch LLP to develop joint agency agreements for bulk purchasing of supplies and services. The agreements address purchasing terms and responsibilities of each agency, as well as liability, indemnification, and insurance requirements to reduce risk to all parties. EWA and SEJPA have found that jointly requesting bids and issuing separate supply contracts is an efficient method of procurement and contract administration.

## DISCUSSION

EWA staff solicited bids for Ferric Chloride on May 7, 2019 and opened the bids on June 10, 2019. The initial 1-year contract was awarded to the low bidder, California Water Technologies (CWT) at the July 8, 2019 Board meeting. The initial contract expires June 30, 2020 and CWT has offered to extend the contract for another year at the same pricing terms of \$630 per dry ton.

The original bid documents outlined a 1-year term with two optional 1-year extensions. CWT successfully completed the first year of the agreement and SEJPA staff recommends extending the term of the agreement for another year at the same terms.

## FISCAL IMPACT

Funding for the proposed Ferric Chloride chemical purchase is budgeted at \$78,000 in SEJPA's proposed Budget for FY 2020-21.

It is therefore recommended that the Board of Directors:

3. Authorize the General Manager to exercise the first optional 1-year service extension with California Water Technologies, LLC for the procurement of Ferric Chloride for an amount not to exceed \$78,000;
4. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

Attachment 1: Amendment 1 to the Agreement between San Elijo Joint Powers Authority and California Water Technologies, LLC for the Procurement of Ferric Chloride

Attachment 2: Letter from CWT offering to extend the current pricing terms for 1-year

## Attachment 1

### AMENDMENT 1 TO AGREEMENT

This **AMENDMENT 1** is made and entered into on this 8<sup>th</sup> day of June, 2020, by and between the San Elijo Joint Powers Authority, hereinafter referred to as "AUTHORITY", and California Water Technologies, LLC, a Michigan limited liability company, hereinafter referred to as SUPPLIER.

#### WITNESSETH:

**WHEREAS**, on July 8, 2019, AUTHORITY entered into an Agreement with SUPPLIER for such services in the amount of \$78,000; and

**WHEREAS**, the AUTHORITY desires and the SUPPLIER is willing extend the term of the AGREEMENT for one additional year for the provision of Ferric Chloride at the same price per unit.

**WHEREAS**, the AUTHORITY and SUPPLIER agree that the additional services related to this AMENDMENT 1 shall not exceed \$78,000 unless otherwise agreed to by both parties in writing.

**NOW THEREFORE**, the AUTHORITY and SUPPLIER agree to amend Section 1 and the first paragraph of Section 3 of the AGREEMENT as follows:

1. TERM. The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until June 30, 2021, with the option of one (1) additional one (1) year terms at the request of AUTHORITY.
3. AUTHORITY'S OBLIGATIONS. For furnishing services or supplies as specified in the Agreement, AUTHORITY will pay, and SUPPLIER shall receive compensation for Ferric Chloride at the unit price of \$630 per dry ton. The total amount of Ferric Chloride to be purchased under this Agreement has been estimated to be 123.8 dry tons per year, but actual usage may be considerably less. In no case will total compensation exceed \$156,000. The unit cost and total cost shall include all delivery, tax and shipping charges.

All other provisions of the AGREEMENT shall remain unchanged.

**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**

**CALIFORNIA WATER TECHNOLOGIES,  
LLC**

By: \_\_\_\_\_  
Michael T. Thornton  
General Manager

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**Attachment 2**



8851 Dice Road Santa Fe Springs, CA 90670  
Telephone: (866) 337-7427 Fax: (562) 698-6165

April 21, 2020

Mr. Christopher A. Trees, PE  
San Elijo Joint Powers Authority  
2695 Manchester Ave  
Cardiff by the Sea, CA 92007

Re: Liquid Ferric Chloride

Dear Mr. Trees,

This letter is to confirm California Water Technologies agreement to provide the San Elijo Joint Powers Authority approval to piggyback on the Encina Water Pollutions ferric chloride contract for another year. The effective dates of the renewed contract with the Encina Water Pollution and California Water Technologies will be 7/1/20 – 6/30/21. The price remains the same at \$630/ dry ton FeCl<sub>3</sub> delivered.

We greatly appreciate your business and the opportunity to supply the San Elijo Joint Powers Authority with its ferric chloride requirements for another year.

Sincerely,

Craig Mikkelson  
California Water Technologies

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 8, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: APPROVE SODIUM HYPOCHLORITE PURCHASE AGREEMENT EXTENSION

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to exercise the second optional 1-year service extension with Olin Corporation for the procurement of Sodium Hypochlorite for an amount not to exceed \$80,000; and
2. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) and Encina Wastewater Authority (EWA) operate water pollution control facilities and water reclamation facilities in north coastal San Diego County. Over the last several years, the agencies have partnered to identify opportunities to share resources, collaborate on mutual aid, and create efficiencies to reduce costs and improve service.

In 2016, EWA and SEJPA examined opportunities to reduce cost through bulk purchasing of supplies and services. Staff identified two chemicals (Sodium Hypochlorite and Ferric Chloride) that are common to the operation of both agencies and that are purchased in large quantities, usually through multi-year agreement.

DISCUSSION

In May 2018, SEJPA and EWA staff prepared a bid solicitation for Sodium Hypochlorite, and Olin Corporation submitted the low bid proposal with a unit cost of \$0.744 per gallon. On June 11, 2018, the SEJPA Board authorized the General Manager to enter into agreement with Olin Corporation to supply sodium hypochlorite at a unit price of \$0.744 per gallon and for an amount not to exceed \$62,000. This agreement has the option for two one-year extensions upon mutual agreement by all parties.

On May 20, 2019, SEJPA requested to extend the term of the agreement for an additional year at the same unit price of \$0.744 per gallon, and Olin accepted the request.

On February 25, 2020 SEJPA contacted Olin to extend the term of the agreement for the second additional year and Olin requested a 5% increase in the price per gallon to \$0.781 per gallon. Staff engaged Olin to negotiate a lower increase, however Olin was willing to let the agreement expire if their offer was not accepted. It is staff's opinion that accepting Olin's offer of \$0.781 per gallon is in the best interest of the agency as the next bid received in 2018 was \$0.88 per gallon.

The main use of sodium hypochlorite is for disinfection of recycled water and so the use varies with the recycled water demand and may vary depending upon weather. Staff anticipates similar chemical use for FY 2020-21, with projected usage in the range of \$70,000 to \$80,000. Staff recommends an agreement limit of \$80,000 for FY 2020-21.

#### FISCAL IMPACT

The FY 2020-21 Recommended Budget includes \$80,000 for sodium hypochlorite, which provides allowance for variance in volume use. The proposed agreement extension is for a recommended amount not to exceed \$80,000. If chemical use beyond this agreement value is required, staff will return the item for Board consideration.

It is therefore recommended that the Board of Directors:

3. Authorize the General Manager to exercise the second optional 1-year service extension with Olin Corporation for the procurement of Sodium Hypochlorite for an amount not to exceed \$80,000; and
4. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

Attachment 1: Amendment 2 to Agreement between San Elijo Joint Powers Authority and Olin Corporation for Purchase and Delivery of Sodium Hypochlorite

Attachment 2: Letter dated February 20, 2020 from Olin Corporation offering to extend the terms for an additional 1-year

## Attachment 1

### AMENDMENT 2 TO AGREEMENT

This **AMENDMENT 2** is made and entered into on this 8<sup>th</sup> day of June, 2020, by and between the San Elijo Joint Powers Authority, a joint powers authority organized and operating pursuant to Government Code Sections 6500 et seq., hereinafter referred to as "AUTHORITY", and Olin Corporation, dba Olin Chlor Alkali Products and Vinyl, hereinafter referred to as "SUPPLIER".

#### WITNESSETH:

**WHEREAS**, Encina Wastewater Authority (EWA) and AUTHORITY jointly invited bids for the provision of Sodium Hypochlorite;

**WHEREAS**, on July 1, 2018, AUTHORITY entered into an Agreement with SUPPLIER for such services in the amount of \$62,000; and

**WHEREAS**, on May 20, 2019, AUTHORITY entered into an Amended Agreement with SUPPLIER for such services in the amount of \$82,000; and

**WHEREAS**, the AUTHORITY desires and SUPPLIER is willing extend the term of the AGREEMENT for one additional year for the provision of Sodium Hypochlorite at the same price per unit.

**WHEREAS**, the AUTHORITY and SUPPLIER agree that the additional services related to this AMENDMENT 2 shall not exceed \$80,000 unless otherwise agreed to by both parties in writing.

**NOW THEREFORE**, the AUTHORITY and SUPPLIER agree to amend Section 1 and the first paragraph of Section 3 of the AGREEMENT as follows:

1. TERM. The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until June 30, 2021, with the option of one (1) additional year term at the request of AUTHORITY.
2. AUTHORITY'S OBLIGATIONS. For furnishing services or supplies as specified in the Agreement, AUTHORITY will pay and SUPPLIER shall receive compensation for Sodium Hypochlorite at the unit price of \$0.781 per gallon. The total amount of Sodium Hydroxide to be purchased under this Agreement has been estimated to be 102,000 gallons per year, but actual usage may be considerably less. In no case will total compensation exceed \$224,000. The unit cost and total cost shall include all delivery, tax, and shipping charges.

All other provisions of the AGREEMENT shall remain unchanged.

**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**

**OLIN CORPORATION, DBA OLIN  
CHLOR ALKALI PRODUCTS AND  
VINYLS**

By: \_\_\_\_\_  
Michael T. Thornton  
General Manager

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attachment 2



26700 South Banta Road, Tracy, California 95304  
Phone: 209/835-7204 • Fax: 209/835-9760  
Internet Address: [www.olinchloralkali.com](http://www.olinchloralkali.com)

February 26, 2020

Mr. Chris Trees  
Director of Operations  
San Elijo Joint Powers Authority  
2695 Manchester Avenue | Cardiff by the Sea, California 92007-7077  
Office (760) 753-6203 x70 | Fax (760) 753-5935  
[treesc@SEJPA.org](mailto:treesc@SEJPA.org) | [www.SEJPA.org](http://www.SEJPA.org)

Re: San Elijo JPA Sodium Hypochlorite Contract Amendment 1 for 2020/21

Dear Chris:

Olin sincerely appreciates our supplier relationship with SEJPA. As requested, Olin would also like to extend our supply agreement for the next fiscal year beginning July 1, 2020.

Olin requests a five (5%) percent annual price adjustment as allowed for in the original supply agreement. Costs of bleach raw materials, chlorine and caustic soda, are increasing this year (see attached independent market documentation) as are fuel and transportation costs. This price adjustment is the first Olin has requested since July 2018 and new pricing will be firm through June 2021.

<b>Pricing/gal.</b>	<b><u>2018 – 20</u></b>	<b><u>2020/21 Proposal</u></b>	<b><u>Var. %</u></b>
	\$0.744	\$0.781	5%

Olin sincerely thanks the San Elijo JPA for your business again this coming annual term.

Please feel free to contact me at 209.221.8265 or Chuck Hogan if you should have any questions.

Sincerely,

A handwritten signature in blue ink, reading 'John M. Schabacker'.

John M. Schabacker  
Business Director

cc: Chuck Hogan, Account Manager

Attachments

# ECU NORTH AMERICA

## MARKET UPDATE February 12, 2020

**Olin** is increasing off-schedule prices for diaphragm- and membrane-grade caustic soda by \$30 per dry short ton (dst) in the U.S. and C\$45 per dry metric ton in Canada effective immediately, or as contract terms permit.

Olin says increased demand from its primary customer end-use segments coupled with upcoming planned production outages has significantly reduced the availability of caustic soda across its supply network.

**ECU NA** will provide further market analysis in the February 15, 2020 issue.

# ECU NORTH AMERICA

## MARKET UPDATE February 13, 2020

Market sources report **Westlake Chemical** will increase the price for all grades of liquid caustic soda by \$40 per dry short ton in the U.S. and by C\$45 per dry metric ton in Canada effective immediately, or as contract terms permit.

**ECU NA** will provide further market analysis in the February 15, 2020 issue.

# ECU NORTH AMERICA

## MARKET UPDATE

February 19, 2020

Market sources report **OxyChem** will increase the price for all grades of liquid caustic soda by \$40 per dry short ton in the U.S. and by C\$50 per dry metric ton in Canada effective immediately, or as contract terms permit.

**ECU NA** will provide further market analysis in the February 29, 2020 issue.





490 Stuart Road, NE, Cleveland, Tennessee 37312  
Phone: 423/336-4850 • Fax: 423/336-4830  
Internet Address: [www.olinchloralkali.com](http://www.olinchloralkali.com)

February 13, 2020

Dear Customer:

Effective immediately, or as contract terms permit, Olin Corporation's Chlor Alkali Products and Vinyls Division (Olin) is increasing the price of chlorine by \$30.00 per short ton in the U.S. and by CAD \$45.00 per metric ton in Canada, not to exceed our List Price of \$585 per short ton (CAD \$855 per metric ton).

Demand for Olin's chlorine and derivatives in the first quarter is significantly higher than anticipated and exceeding our ability to supply.

Your account manager will be in contact with you to answer any questions you may have regarding this price announcement.

Thank you for your business. We appreciate the confidence you have placed in Olin as your supplier.

Sincerely,

A handwritten signature in black ink, appearing to read "Wesley Smith".

Wesley Smith  
Sr. Business Director – Chlorine  
Olin Chlor Alkali Products and Vinyls

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 8, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: APPROVE ALUMINUM SULFATE AND CITRIC ACID PURCHASE  
AGREEMENT EXTENSION

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to exercise the second optional 1-year service extension with Thatcher Company of California, Inc. for the procurement of Aluminum Sulfate for an amount not to exceed \$16,200; and
2. Authorize the General Manager to exercise the second optional 1-year service extension with Thatcher Company of California, Inc. for the procurement of Citric Acid for an amount not to exceed \$20,600; and
3. Discuss and take action as appropriate.

BACKGROUND

Each year the San Elijo Joint Powers Authority solicits bids for chemical purchases. Aluminum Sulfate is used as a coagulant to enhance filtration in the sand filters used to produce recycled water. Citric Acid is used to clean scaling from the microfiltration process, also in the production of recycled water. Bid packages were prepared in 2018 for procurement of both of these chemicals for a 1-year term with two 1-year extension options and Thatcher Company of California was the low bidder in each package. A contract for each chemical was executed on July 1, 2018 at the low bid price of \$540 per liquid ton for Aluminum Sulfate and \$7.49 per gallon for Citric Acid. On May 1, 2019 a contract extension was issued for both contracts to extend the term at the same pricing for an additional year through June 30, 2020.

DISCUSSION

Thatcher Company of California has offered to extend the term of both agreements for the final 1-year optional term at the same pricing that was originally offered in 2018. This would be the final contract extension through June 30, 2021 and keeps the cost of Aluminum Sulfate and Citric Acid constant for a third straight year.

## FISCAL IMPACT

The FY 2020-21 Recommended Budget includes \$63,000 for miscellaneous chemicals, which provides allowance for variance in volume use and chemical types. The proposed agreement extension is for a recommended amount not to exceed \$16,200 for Aluminum Sulfate and \$20,600 for Citric Acid, which is well within the budget allowance.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to exercise the second optional 1-year service extension with Thatcher Company of California, Inc. for the procurement of Aluminum Sulfate for an amount not to exceed \$16,200; and
2. Authorize the General Manager to exercise the second optional 1-year service extension with Thatcher Company of California, Inc. for the procurement of Citric Acid for an amount not to exceed \$20,600; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

- Attachment 1: Amendment 2 to Agreement between San Elijo Joint Powers Authority and Thatcher Company of California, Inc. for Purchase and Delivery of Aluminum Sulfate
- Attachment 2: Amendment 2 to Agreement between San Elijo Joint Powers Authority and Thatcher Company of California, Inc. for Purchase and Delivery of Citric Acid
- Attachment 3: Letter dated April 29, 2020 from Thatcher Company of California, Inc. offering terms for an additional 1-year

## Attachment 1

### AMENDMENT 2 TO AGREEMENT

This **AMENDMENT 2** is made and entered into on this 8<sup>th</sup> day of June, 2020, by and between the San Elijo Joint Powers Authority, hereinafter referred to as "AUTHORITY", and Thatcher Company of California, Inc., hereinafter referred to as "SUPPLIER".

#### **WITNESSETH:**

**WHEREAS**, on March 16, 2018, AUTHORITY invited bids for the provision of Aluminum Sulfate per Specification No. SE2019-AS;

**WHEREAS**, on July 1, 2018, AUTHORITY entered into an Agreement with SUPPLIER for such services in the amount of \$16,200; and

**WHEREAS**, on May 1, 2019, AUTHORITY entered into an Amended Agreement with SUPPLIER for such services in the amount of \$16,200; and

**WHEREAS**, the AUTHORITY desires and the SUPPLIER is willing extend the term of the AGREEMENT for one additional year for the provision of Aluminum Sulfate at the same price per unit.

**WHEREAS**, the AUTHORITY and SUPPLIER agree that the additional services related to this AMENDMENT 2 shall not exceed \$16,200 unless otherwise agreed to by both parties in writing.

**NOW THEREFORE**, the AUTHORITY and SUPPLIER agree to amend Section 1 and the first paragraph of Section 3 of the AGREEMENT as follows:

1. **TERM.** The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until June 30, 2021.
3. **AUTHORITY'S OBLIGATIONS.** For furnishing services or supplies as specified in the Agreement AUTHORITY will pay and SUPPLIER shall receive compensation for Aluminum Sulfate at the unit price of \$540 per liquid ton. The total amount of Aluminum Sulfate to be purchased under this Agreement has been estimated to be thirty (30) liquid tons per year, but actual usage may be considerably less. In no case will total compensation exceed \$48,600. The unit cost and total cost shall include all deliver, tax, and shipping charges.

All other provisions of the AGREEMENT shall remain unchanged.

**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**

**THATCHER COMPANY OF CALIFORNIA,  
INC.**

By: \_\_\_\_\_  
Michael T. Thornton  
General Manager

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Attachment 2

### AMENDMENT 2 TO AGREEMENT

This **AMENDMENT 2** is made and entered into on this 8<sup>th</sup> day of June, 2020, by and between the San Elijo Joint Powers Authority, hereinafter referred to as "AUTHORITY", and Thatcher Company of California, Inc., hereinafter referred to as "SUPPLIER".

#### **WITNESSETH:**

**WHEREAS**, on March 16, 2018, AUTHORITY invited bids for the provision of Citric Acid 50% per Specifications No. SE2019-CA;

**WHEREAS**, on July 1, 2018, AUTHORITY entered into an Agreement with SUPPLIER for such services in the amount of \$20,597.50; and

**WHEREAS**, on May 1, 2019, AUTHORITY entered into an Amended Agreement with SUPPLIER for such services in the amount of \$20,597.50; and

**WHEREAS**, the AUTHORITY desires and the SUPPLIER is willing extend the term of the AGREEMENT for one additional year for the provision of Citric Acid 50% at the same price per unit, not to exceed 20,600 unless otherwise agreed to by both parties in writing.

**NOW THEREFORE**, the AUTHORITY and SUPPLIER agree to amend Section 1 and the first paragraph of Section 3 of the AGREEMENT as follows:

1. TERM. The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until June 30, 2021.
3. AUTHORITY'S OBLIGATIONS. For furnishing services or supplies as specified in the Agreement, AUTHORITY will pay and SUPPLIER shall receive compensation for Citric Acid 50% at the unit price of \$7.49 per gallon. The total amount of Citric Acid 50% to be purchased under this Agreement has been estimated to be 2,750 gallons per year, but actual usage may be considerably less. In no case will total compensation exceed \$61,795. The unit cost and total cost shall include all delivery, tax, and shipping charges.

All other provisions of the AGREEMENT shall remain unchanged.

**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**

**THATCHER COMPANY OF CALIFORNIA,  
INC.**

By: \_\_\_\_\_  
Michael T. Thornton  
General Manager

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Attachment 3

### **THATCHER COMPANY OF CALIFORNIA, INC.**

8625 Unsworth Avenue  
Sacramento, CA 95828



Phone (916) 389-2520

Dear Mr. Chris Trees,

Thatcher Company of California, Inc. is pleased to offer an extension of the previous contract with the same pricing and terms for another year 7/1/2020 to 6/30/2020.

- Aluminum Sulfate-Liq 8.3%AL2O3: \$540 per liquid ton
- Citric Acid 50% Solution: \$7.49 per gallon.

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 8, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY  
FISCAL YEAR 2020-21 BUDGET, INVESTMENT POLICY, APPOINTMENT OF  
TREASURER, AND AUTHORIZE PUBLIC AGENCIES POST-EMPLOYMENT  
BENEFITS TRUST FUNDING

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2020-05, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2020-21;
2. Adopt Resolution No. 2020-06, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Amy Chang as SEJPA Treasurer;
3. Authorize SEJPA Treasurer to deposit any surplus FY 2019-20 budgeted funds not expended or otherwise encumbered by June 30, 2020 into the SEJPA PARS Public Agencies Post-Employment Benefits Trust Program; and
4. Discuss and take action as appropriate.

DISCUSSION

The Fiscal Year (FY) 2020-21 Recommended Budget (Budget) was presented publicly to the Board of Directors at the May 2020 Board meetings for discussion, comments, and direction. Staff has presented the budget to staff of both Member Agencies, and the other participating government agencies served by SEJPA for comments. In addition, the Budget was posted on SEJPA's website for public access. No comments or requested changes have been received; therefore, the Budget is being presented to the Board of Directors for adoption under Resolution No. 2020-05.

The Budget is anticipated to be adequate to fulfill the mission of SEJPA, and is consistent with the sewer rate structures of both Member Agencies. The total recommended operating budget for FY 2020-21 is \$7,706,394, and is presented below in Table 1:

**Table 1. Operating Expense**

<b>Service</b>	<b>FY 2020-21 Recommended Budget</b>
<b>Wastewater and Laboratory</b>	<b>\$ 3,794,964</b>
<b>Ocean Outfall</b>	<b>1,007,168</b>
<b>Pump Stations</b>	<b>974,176</b>
<b>Storm Water and Urban Runoff</b>	<b>49,113</b>
<b>Other</b>	<b>13,694</b>
<b>Total Operating Expense before Recycled Water</b>	<b>\$ 5,839,115</b>
<b>Recycled Water</b>	<b>1,867,279</b>
<b>Total Operating Expense</b>	<b>\$ 7,706,394</b>

The recommended FY 2020-21 Capital Program request is \$1,730,000, which is comprised of the following:

- Wastewater Treatment \$1,070,000
- Ocean Outfall \$185,000
- Cardiff Pump Station \$170,000
- Solana Beach Pump Station \$25,000
- Recycled Water \$280,000

Debt Service for FY 2020-21 is \$2,514,361; and includes \$1,516,533 for Wastewater and \$997,828 for Recycled Water.

SEJPA management has carefully reviewed the proposed budget including debt financing to control costs without impacting the agency's ability to perform its vital functions. The proposed operating budget for all programs will increase by \$765,039, which includes expanded services to the City of Del Mar, and additional resources to increase recycled water and stormwater reuse. The proposed Budget is in line with the Member Agencies FY 2020-21 expectations. The Recycled Water Program represents the largest increase of \$332,270 or 21.6%. This increase includes an analysis of storage and conveyance improvements, a potable reuse regional study, and a \$100,000 retrofit loan program to provide financial assistance to new customers for costs associated with converting from potable water to recycled water. The Wastewater Treatment Program is proposed to increase \$92,883 or 3.1% primarily as a result of increases with biosolids hauling, IT support and software licensing, and insurance premiums. The Laboratory program is recommended to increase \$123,852 or 21.9% due to additional supplies, testing, and personnel required to comply with new Environmental Laboratory Accreditation Program (ELAP). An additional position in Laboratory Program was approved by the Board in December 2019. The Ocean Outfall Program is recommended to increase by \$171,243 or 20.5% for a plume tracking study to comply with new National Pollutant Discharge Elimination System (NPDES) permit regulations. All other programs are budgeted to increase \$44,791 or 4.5%.



The recommended FY 2020-21 Budget is now ready for Board consideration for adoption as presented in the attached Resolution No. 2020-05.

### *Investment Policy*

State law requires that the Investment Policy be reviewed and adopted annually. No changes are recommended to SEJPA's investment policy at this time. SEJPA's investment policy allows for investment in the State Local Agency Investment Fund (LAIF) and in the San Diego County Investment Pool. These two tools have been the basis of all investment activity since SEJPA became independent from the County of San Diego.

In addition, State law requires that a SEJPA Treasurer be appointed annually. The current SEJPA Treasurer is Amy Chang, Director of Finance/Administration. The General Manager recommends reappointing Amy Chang as SEJPA's Treasurer.

### *Public Agencies Post-Employment Benefits Trust Funding*

On August 20, 2018, the Board adopted the PARS Public Agencies Post-Employment Benefits Trust (Trust) program for the purpose of pre-funding pension obligations and/or OPEB obligations, and appointed the General Manager or his successor or designee as the Plan Administrator for the PARS program. This program is an irrevocable, locally controlled trust that is dedicated to either pension expense or OPEB expense. It provides investment flexibility (conservative to aggressive), control over the contribution from the Trust to CalPERS Unfunded Actuarial Liability (UAL), and easier monitoring of investment performance.

Funding an irrevocable trust will provide restricted funds that may be used at the Board's discretion to smooth pension expense that can fluctuate due to changes in investment market conditions and CalPERS policies, in addition to making additional contributions to reduce the UAL or pre-fund the OPEB liability in the future. The Trust's investments will be invested pursuant to a Board investment policy rather than CalPERS investment policy.

As SEJPA nears the completion of FY 2019-20, Staff anticipates finishing the year more than \$300,000 under budget. Staff recommends applying unspent operational funds to PARS. Funding PARS will increase the current irrevocable trust balance that may be used at the Board's discretion to reduce the UAL or CalPERS pension expense to manage annual cash demands.

It is therefore recommended that the Board of Directors:

1. Adopt Resolution No. 2020-05, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2020-21;
2. Adopt Resolution No. 2020-06, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Amy Chang as SEJPA Treasurer;
3. Authorize SEJPA Treasurer to deposit any surplus FY 2019-20 budgeted funds not expended or otherwise encumbered by June 30, 2020 into the SEJPA PARS Public Agencies Post-Employment Benefits Trust Program; and

4. 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

- Attachment 1: Resolution No. 2020-05, "Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2020-21"
- Attachment 2: Resolution No. 2020-06, "Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of SEJPA Treasurer"

## Attachment 1

### RESOLUTION NO. 2020-05

#### RESOLUTION APPROVING THE SAN ELIJO JOINT POWERS AUTHORITY OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR 2020-21

WHEREAS, the San Elijo Joint Powers Authority (SEJPA) General Manager has submitted the proposed SEJPA Operating and Capital Projects Budgets for Fiscal Year 2020-21 to SEJPA's Board of Directors for consideration;

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

1. The Board of Directors has reviewed the Recommended Operating Budgets and Capital Projects Budget, and the funds included herein for the period of July 1, 2020 through June 30, 2021 and hereby finds that such budgets, as reviewed, are sound plans for the financing of required SEJPA operations and capital improvements during Fiscal Year 2020-21. Such budgets are hereby adopted.

San Elijo JPA Operations and Maintenance Fund	\$ 7,302,260
San Elijo JPA Water Reclamation Operating Fund	2,865,107
San Elijo JPA Capital Projects Fund	1,730,000
Total	<u>\$ 11,897,367</u>

2. The Board of Directors authorizes carrying forward unexpended capital project appropriations and encumbered operating funds for the Fiscal Year 2020-21.
3. The Board of Directors authorizes the SEJPA Treasurer to deposit any surplus Fiscal Year 2020-21 budgeted funds, meaning appropriated funds that are not expended or otherwise encumbered by June 30, 2021, into the SEJPA PARS Public Agencies Post-Employment Benefits Trust Program.

PASSED AND ADOPTED this 8<sup>th</sup> day of June, 2020, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

ABSTAIN: Board members:

---

Jody Hubbard, Chairperson  
SEJPA Board of Directors

ATTEST:

---

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

**Attachment 2**

**RESOLUTION NO. 2020-06**

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

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

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

1. SEJPA's Treasurer has prepared an Investment Policy and Guidelines, attached hereto as Exhibit A, and incorporated herein by reference as if set forth in full. In order to comply with prudent financial management practices, these guidelines are reviewed and approved on an annual basis in conjunction with the annual budget adoption.
2. The policy is intended to provide guidelines for the prudent investment of SEJPA's temporary idle cash and outline the policies for maximizing the efficiency of SEJPA's cash management system.
3. The investment goal is to enhance the economic condition of SEJPA while insuring the safety of funds invested.
4. The assignment of Amy Chang as SEJPA Treasurer for the 2020-21 fiscal year.
5. The Board of Directors of the San Elijo Joint Powers Authority does hereby approve the Investment Policy and Guidelines attached hereto as Exhibit A.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the San Elijo Joint Powers Authority, California, held on this 8<sup>th</sup> day of June, 2020 by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

ABSTAIN: Boardmembers:

---

Jody Hubbard, Chairperson  
SEJPA Board of Directors

ATTEST:

---

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

## Attachment 2

### EXHIBIT A TO RESOLUTION NO. 2020-06

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

##### 1. PURPOSE

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

##### 2. OBJECTIVE

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

##### 3. POLICY

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

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

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

## Attachment 2

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

### 4. INVESTMENT INSTRUMENTS

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

- A) Local Agency Investment Fund (LAIF). Investment of funds in the California LAIF which allows the State Treasurer to invest through the Pooled Money Investment Account. Maximum investment is subject to state regulation.
- B) County of San Diego County Treasury. Investment of funds in the Treasury of the County of San Diego that allows the County Treasurer to invest through the Pooled Money Investment Account.

### 5. SAFEKEEPING

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

### 6. INVESTMENT REPORTS

- A) SEJPA's Treasurer shall submit a monthly investment report to SEJPA's General Manager Board of Directors containing the following information:
  - Financial institution
  - Type of investment
  - Amount of deposit
  - Rate of interest
- B) SEJPA's Treasurer shall annually render a Statement of Investment Policy to the Board of Directors.

### 7. INVESTMENT OF BOND FUNDS

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

\* \* \* End of Policy \* \* \*

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

June 8, 2020

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: PROPOSITION 1, INTEGRATED REGIONAL WATER MANAGEMENT, GRANT  
UPDATE

RECOMMENDATION

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

BACKGROUND

Integrated Regional Water Management (IRWM) is aimed at developing long-term water supply reliability, improving water quality, and protecting natural resources in California. The Statewide IRWM Program is supported by bond funding provided by the California Department of Water Resources (DWR) to fund competitive grants for projects that improve water resource management.

California IRWM grant funding was originally derived from Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. Since then, California voters approved Proposition 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act) in 2006 and then Proposition 1 (Water Quality, Supply, and Infrastructure Improvement Act) in 2014, both of which provide funding for IRWM grants.

The IRWM planning process is a local water management approach embraced by the Governor, DWR, and the State Water Resources Control Board. It is aimed at securing long-term water supply reliability within California by first recognizing the inter-connectivity of water supplies and the environment, then pursuing projects yielding multiple benefits for water supply, water quality, and natural resources.

DISCUSSION

SEJPA has a history of participating in the San Diego IRWM grant process and has secured grant funding for previous projects as both the lead and partnering agency, receiving approximately \$2.2 million for the SEJPA and \$8.5 million for north San Diego county cities and agencies. Past grant successes for the SEJPA include the construction of recycled water distribution pipelines,

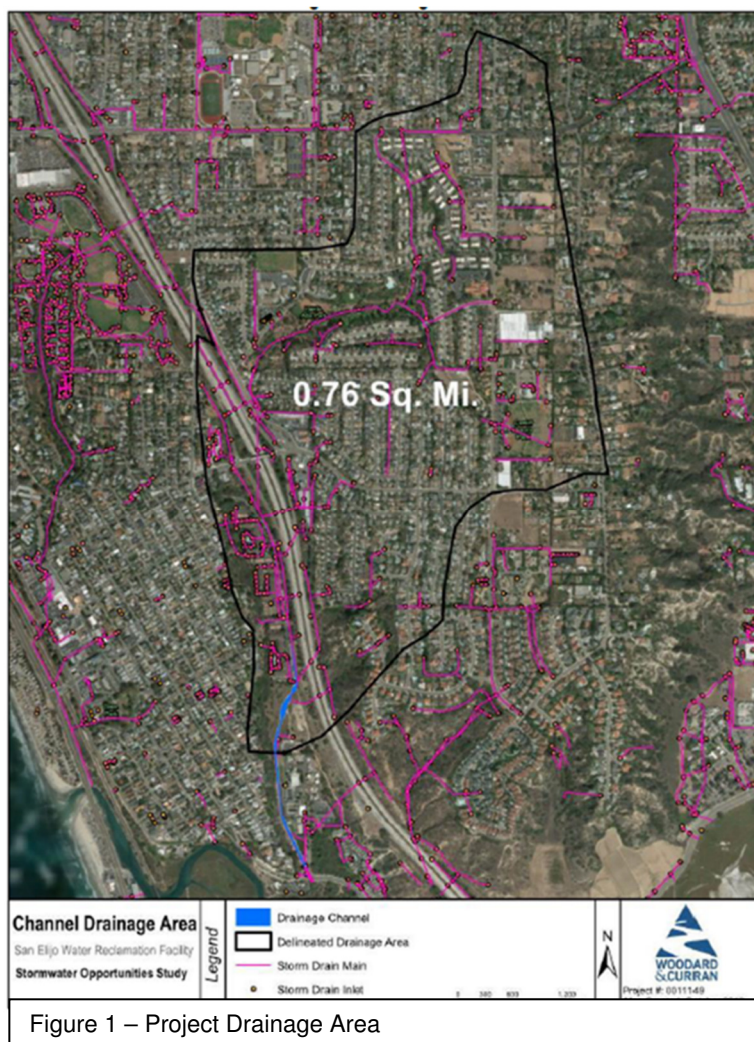
storage improvements, and advanced water treatment, as part of building an integrated regional recycled water system. SEJPA supplies recycled water to four water purveyors (San Dieguito Water District, Santa Fe Irrigation District, Olivenhain Municipal Water District (OMWD), and the City of Del Mar) and has a direct retail agreement with the Encinitas Ranch Golf Authority.

In 2019, SEJPA applied for two IRWM grants under Proposition 1, and recently received confirmation of award. The first grant is for regional recycled water system improvements in north coastal San Diego county. SEJPA is the lead agency for this grant, with the City of Oceanside and OMWD as project partners. The grant value is \$2.82 million, with roughly \$370,000 allotted to SEJPA's component focused on expanding recycled water storage. Increasing recycled water storage has multiple benefits including greater service reliability, improved customer water pressure, allowance to store recycled stormwater, and as pressure relief to the outfall system during heavy storm events.

The second grant is for stormwater capture and reuse at the San Elijo Water Campus. SEJPA is the lead agency for this grant with the Nature Collective as a project partner. The grant value is \$1.195 million, of which SEJPA will receive just over \$1.1 million.

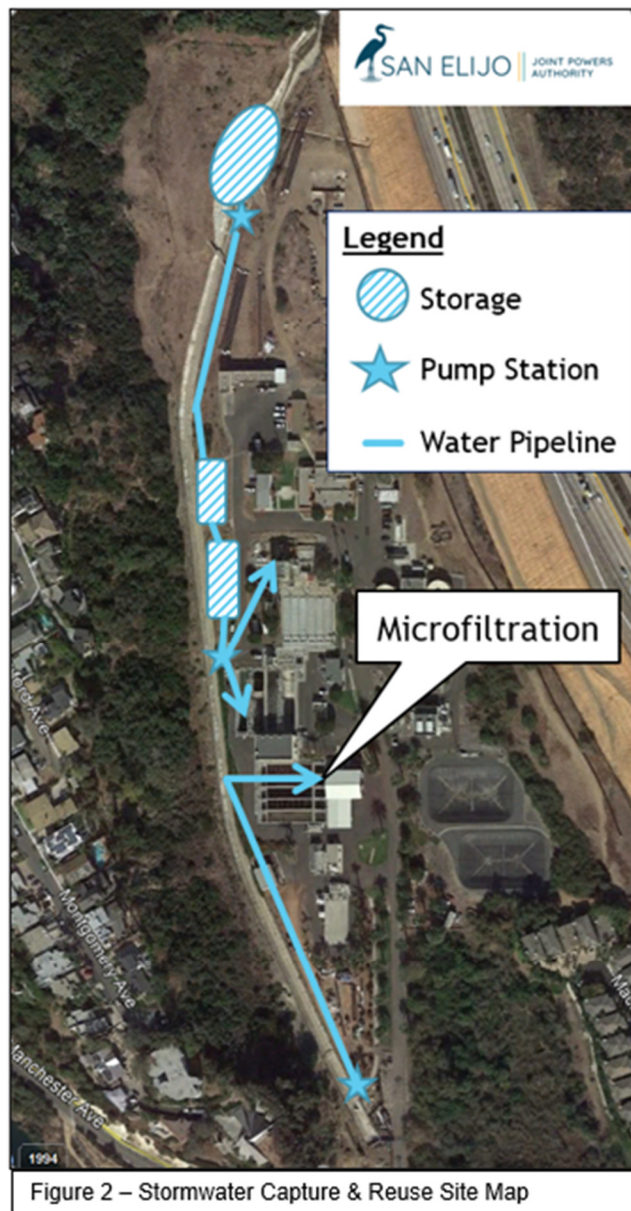
SEJPA is interested in capturing and reusing stormwater flows, as these waters are often a major source of pollution for streams, lagoons, and the ocean. Our intent is to develop a phased project that will first focus on capturing surface stormwater flows for treatment, storage within existing tankage, then reuse. The watershed that drains into this regional storm channel is 0.76 square miles within the community of Cardiff by the Sea (Figure 1). Phase 2 is intended to advance Phase 1 and create additional local supply through the construction of stormwater infiltration ponds on SEJPA property for groundwater recharge and wells to extract stored groundwater for reuse.

The Regional Water Boards are actively involved in initiatives to improve the management of stormwater as a resource and the recently awarded SEJPA grant will provide important funding to implement the needed infrastructure to capture and reuse this resource, while protecting downstream waterways from pollution.





The proposed Stormwater Capture and Reuse project (Figure 2) couples existing stormwater, wastewater, and recycled water infrastructure with new proposed infrastructure to capture and divert local stormwater for treatment and reuse.



Stormwater Sediment Reduction Basin – San Elijo Water Campus Southwest view dry season.



Stormwater sediment reduction basin (north view) after a storm event. The drainage channel discharges into the San Elijo Lagoon that is impaired by excessive sediment and bacteria.

## FINANCIAL IMPACT

There is no financial impact associated with this staff report, nor financial commitment by SEJPA to accept the proposed grant award. The grant agreement will be presented to the Board of Directors for acceptance consideration at a future Board meeting.

The May 2020 DWR recommended funding list for the San Diego region (Figure 3) identifies two SEJPA-led projects for a total of \$4,015,000. Of this amount, the approximate grant distribution is \$1,485,000 for SEJPA projects, \$1,700,000 for the City of Oceanside, \$750,000 for the Olivenhain Municipal Water District, and \$80,000 for the Nature Collective.



 		<b>Recommended Funding List - Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Solicitation</b>				
IRWM Region: San Diego		Applicant: San Diego County Water Authority*			Proposal Notes: B	
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Funding Requested	General Implementation Funding Request	Project Notes
San Diego Grant Administration	San Diego County Water Authority	Public Agency			\$920,180	-
2020 Regional Water Use Efficiency Programs	San Diego County Water Authority	Public Agency	Water Conservation		\$1,440,000	-
Paradise Valley Creek Water Quality and Community Enhancement	City of National City	Public Agency	Flood Damage Reduction	\$3,681,056		A1
North City Pure Water Facility Influent Pump Station and Conveyance Pipeline	City of San Diego	Public Agency	Water Supply - Recycled Water		\$1,477,600	-
Lower Santa Margarita River Indirect Potable Reuse Pilot Project	Fallbrook Public Utility District	Public Utility	Water Supply - Recycled Water		\$687,500	-
Pure Water Oceanside	City of Oceanside	Public Agency	Water Supply - Groundwater		\$3,115,000	-
North County Recycled Water Project	San Elijo Joint Powers Authority	Public Agency	Water Supply - Recycled Water		\$2,820,000	-
San Elijo Stormwater Capture & Reuse	San Elijo Joint Powers Authority	Public Agency	Water Supply - Recycled Water		\$1,195,000	-
<b>Total Request:</b>				\$3,681,056	\$11,655,280	
<b>Total Recommended Award:</b>				\$1,732,028	\$13,604,308	
<b>General Proposal Score:</b>		<b>DAC Proposal Score:</b>				
27		27				

Figure 3 – DWR Recommended Funding List

Respectfully submitted,



Michael Thornton, P.E.  
General Manager