

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY DECEMBER 14, 2009 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
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR THE NOVEMBER 9, 2009 MEETINGS
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. * SAN ELIJO WATER RECLAMATION PROGRAM – ANNUAL REVIEW
12. * 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

13. CALIFORNIA ENERGY COMMISSION (CEC) LOAN PAYMENT

It is recommended that the Board of Directors:

1. Authorize the use of contingency funding in the amount of \$64,237.99 to pay the first installment of the CEC loan; and

2. Discuss and take action as appropriate.

Staff Reference: Director of Finance/Administration Gregory Lewis

14. ACCEPT AND FILE THE PRELIMINARY DESIGN REPORT FOR THE RECYCLED WATER DEMINERALIZATION PROJECT FOR THE SAN ELIJO WATER RECLAMATION FACILITY

It is recommended that the Board of Directors:

1. Accept and file the Preliminary Design Report for the Recycled Water Demineralization Project for the San Elijo Water Reclamation Facility; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager Michael Thornton

15. ADOPT THE PROPOSED MITIGATED NEGATIVE DECLARATION FOR THE SEJPA RECYCLED WATER PROJECT

It is recommended that the Board of Directors:

1. Adopt the Proposed Mitigated Negative Declaration for the SEJPA Recycled Water Project; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager Michael Thornton

16. GENERAL MANAGER'S REPORT

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

17. GENERAL COUNSEL'S REPORT

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

18. BOARD MEMBER COMMENTS

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

19. CLOSED SESSION

The Board will meet pursuant to Government Code Section 54957 with respect to Public Employee Performance Evaluation. Title: General Manager

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".

20. ADJOURNMENT

The next regular scheduled San Elijo Joint Powers Authority Board Meeting will be January 11, 2010 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: December 9, 2009



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

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON NOVEMBER 9, 2009
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Dave Roberts, Chair

Maggie Houlihan, Vice Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, November 9, 2009, at 9:00 a.m., at the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff by the Sea, California.

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:

Teresa Barth
Thomas Campbell
Maggie Houlihan
Dave Roberts

Others Present:

General Manager
Director of Finance/Administration
Administrative Assistant
Accounting Tech
HR/Safety Administrator
Water Reclamation Supervisor

Michael Thornton
Greg Lewis
Monica Blake
Carrie Cook
Marisa Buckles
Scott Carr

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

John Lemmo

City of Encinitas, Director of Public Works
City of Encinitas,

Larry Watt

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

SDG&E Representatives

Chris Brown & Joe Velasquez

Winzler & Kelly

Mary Grace Pawson

Kennedy/Jenks Consultants

Pat Huston

3. PLEDGE OF ALLEGIANCE

Scott Carr led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

Scott Carr, Water Reclamation Supervisor, was presented with a certificate of recognition by General Manager Michael Thornton, for ten years of service with San Elijo Joint Powers Authority.

SDG&E representative Joe Velasquez, Director of Commercial & Industrial Services, presented General Manager Michael Thornton, the Board of Directors, and SEJPA with an Energy Savings Incentive Grant in the amount of \$70,486 for energy savings from the recently completed Performance Optimization of the Activated Sludge System Project.

6. CONSENT CALENDAR

Moved by Vice Chair Maggie Houlihan and seconded by Board Member Barth to approve the Consent Calendar with unanimous vote of approval.

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the October 12, 2009 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

11. ITEMS REMOVED FROM CONSENT CALENDAR

None

12. APPOINTMENT TO EMPLOYEE COMPENSATION AND BENEFIT AD-HOC COMMITTEE

SEJPA management requested that the SEJPA Board of Directors appoint an Employee Compensation and Benefit Ad-Hoc Committee for the development of a new labor agreement with the SEJPA employees. The current labor agreement expires on June 30, 2010. Vice Chair Maggie Houlihan and Board Member Thomas Campbell volunteered for this committee.

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

1. Appoint an Employee Compensation and Benefit Ad-Hoc Committee consisting of Vice Chair Houlihan and Board Member Campbell.

Motion carried with unanimous vote of approval.

13. SAN ELIJO RECYCLED WATER PROGRAM - 2009 FINANCIAL ASSESSMENT

The General Manager presented the Board of Directors with the 2009 Updated Financial Assessment for the Recycled Water Program. It was stated that the SEJPA has examined options for improving and expanding its recycled water utility. A variety of infrastructure improvements have been identified to improve water quality, increase the serving capacity, and enhance system reliability. Mary Grace Pawson, of Winzler & Kelly, was introduced and answered various questions from the Board of Directors.

Board Member Campbell requested a presentation by the General Manager at the next City of Solana Beach Board meeting.

Moved by Vice Chair Houlihan and seconded by Board Member Campbell to:

1. Accept and file the 2009 Updated Financial Assessment for the Recycled Water Program.

Motion carried with unanimous vote of approval.

14. MEMBER AGENCY CONTRIBUTIONS TO THE SAN ELIJO JOINT POWERS AUTHORITY'S RECYCLED WATER PROGRAM

Director of Finance/Administration Gregory Lewis presented information requested by the Board of Directors regarding repayment of the contributions originally made by the Member Agencies to the Recycled Water Program. As stated in Legal Counsel's memorandum, it was concluded that the repayment of the contributions may not include interest. Gregory Lewis presented a possible payment schedule that would allow the SEJPA to return the Member Agency's contributions with payments beginning in FY 2017-18 and ending in FY 2024-25.

Board Member Campbell asked Legal Counsel if the contributions could be restated as a loan. Legal Counsel responded that it might be possible.

Informational report by the Director of Finance/Administration does not require Board action.

15. CALIFORNIA STATE REVOLVING FUND (SRF) LOAN APPLICATION AUTHORIZATION FOR RECYCLED WATER DEMINERALIZATION PROJECT

The General Manager reported that the State Water Resources Control Board (SWRCB) has a State Revolving Loan Program that provides low interest loans to public agencies for construction of recycled water facilities and improvements. The SRF application process requires obtaining SEJPA Board of Director approval of resolutions to authorize the application, dedicate a source of revenue to repay the loan, and adopt a reimbursement resolution. The General Manager stated that approval of these resolutions does not commit the SEJPA to entering into an agreement with the SWRCB.

Moved by Board Member Campbell and seconded by Vice Chair Houlihan to:

1. Adopt Resolution No. 2010-01, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Authorizing Entering into a Financial Assistance Agreement with the State Water Resources Control Board and Designating a Representative to Sign the Financial Assistance Agreement;
2. Adopt Resolution No. 2010-02, Resolution of the Board of Directors of the San Elijo Joint Powers Authority Dedicating the Source of Revenue for the Recycled Water Demineralization Project; and
3. Adopt Resolution No. 2010-03, Resolution of the Board of Directors of the San Elijo Joint Powers Authority of Intent to Reimburse Expenditures Related to Construction or Reconstruction of Certain Public Facilities.

Motion carried with unanimous vote of approval.

16. ODOR SCRUBBER PERMIT VIOLATION

The General Manager reported the San Elijo Water Reclamation Facility (SEWRF) utilizes two odor scrubbers for purposes of cleansing malodorous air of hydrogen sulfides. Each odor scrubber is regulated by the Air Pollution Control District of San Diego County (APCD) through a permit to operate. On July 31, 2009, APCD conducted an inspection and found Odor Scrubber No. 1 was operating slightly above the permitted level. Adjustments were made to the scrubber and it returned to compliance specifications within 2 hours. The SEJPA was fined \$900 by the APCD in response to this permit violation.

The General Manager stated the scrubber is nearly 19 years old and may be at the end of its useful life. SEJPA has identified this scrubber as being in need of replacement in the next few years.

Informational report by the General Manager does not require Board action.

16. GENERAL MANAGER'S REPORT

None

17. GENERAL COUNSEL'S REPORT

None

18. BOARD MEMBER COMMENTS

The Board of Directors noted that the General Manager's performance review is scheduled for the December Board meeting. As part of this process, the General Manager will submit a self-evaluation to the Board. It was requested that each Board Member complete their own GM review and submit it to SEJPA legal counsel, by November 30, 2009. Legal counsel will prepare a summary of the Board Member reviews, which will be presented at the December 14, 2009 Board meeting in closed session.

Chair Roberts verbally reported to the Board of Directors that the GM Review Sub-Committee meetings have been positive and all topics were addressed as requested by the Board of Directors. It was requested that the continuation of the General Manager Sub-Committee process be addressed at a future Board meeting.

19. CLOSED SESSION

None

20. ADJOURNMENT

The Board of Directors adjourned at 9:58 a.m. The next Board of Directors meeting will be held on December 14, 2009.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE
GENERAL MANAGER PERFORMANCE REVIEW
SUBCOMMITTEE MEETING
HELD ON NOVEMBER 9, 2009
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Dave Roberts, Chair

Teresa Barth, Board Member

A General Manager Performance Review Meeting of the San Elijo Joint Powers Authority (SEJPA) was held Monday, November 9, 2009, at 8:00 a.m., at the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff by the Sea, California.

1. CALL TO ORDER

Chair Roberts called the meeting to order at 8:00 a.m.

2. ROLL CALL

Directors Present:

Teresa Barth
Dave Roberts

Others Present:

General Manager

Michael Thornton

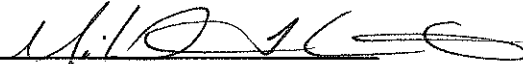
3. CLOSED SESSION

Government Code Section 54957 with respect to Public Employee Performance Evaluation. Title: General Manager.

4. ADJOURNMENT

The Subcommittee adjourned at 8:32 a.m. with no reportable action. The GM Annual Performance Review will be conducted on Monday, December 14, 2009, with the full Board of Directors, including the General Manager's employment agreement for the 2010 year.

Respectfully submitted,


Michael T. Thornton, P.E.
General Manager

PAYMENT OF WARRANTS

10-12

30-Nov-09

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
10-12 WARRANTS		
ABPA Southern CA Chapter	Annual conference - M. Piper	\$65.00
AccuDiagnostics	Employee background check	\$111.00
AG Tech, LLC	Biosolids hauling - August	\$5,687.01
Airgas West	Equipment rental - lab	\$204.45
Airgas West	Repair parts for conveyor belt - plant	\$145.25
American Backflow Prevention	Membership renewal - S. Carr	\$75.00
APCO Valve & Primer Corp.	Parts for grit pump valve #3 - plant	\$1,006.37
Aquatic Bioassay	Lab testing - kelp germination - lab	\$960.00
Arrowhead	Kitchen and lab supplies	\$215.61
A T & T	Alarm service - November	\$380.84
Atlas Pumping Service	Grease and scum pumping - October	\$554.88
Atlas Pumping Service	Grease and scum pumping - November	\$277.44
Automation General Inc.	Repair front gate - plant	\$94.00
BHA, Inc.	Advanced water treatment - plant	\$38.40
Bay City Electric Works	Preventative maintenance - Cardiff P. S. and plant	\$1,871.87
Bay City Electric Works	Preventative maintenance - Solana Beach P. S.	\$748.75
Best Best & Krieger	SRF loan application legal letter	\$1,054.50
Blake, Monica	Expense report - mileage	\$33.06
Blue Skies Landscape	Landscape service - July, August, September and October	\$4,800.00
Buckles, Marisa	Expense report - meeting, mileage and job advertising	\$179.60
CA-NV Section AWWA	Membership - S. Carr	\$65.00
CWEA Membership	Membership - J. Hernandez	\$132.00
CWEA Membership	Membership - S. Carr	\$132.00
CWEA - TCP	Membership and certificate - R. Chea	\$211.00
CWEA - TCP	Certificate - mechanical technologist - J. Hernandez	\$74.00
CWEA - TCP	Certificate - laboratory analyst - K. Regnier	\$69.00
Chi Epsilon	Membership - M. Thornton	\$25.00
Coast Waste Management	Grit and screening stormdrain - Encinitas and Solana P. S.	\$464.13
Complete Office	Office supplies - October	\$79.84
Complete Office	Office supplies - November	\$398.84
Conocophillips Fleet	Vehicle fuel - October	\$1,412.93
Cor-o-van Records Mgmt., Inc.	Record storage - October	\$61.08
County-Air PCD	Notice of violation - plant	\$900.00
Covad	T-1 service - November	\$359.00
Creative Printing	Business cards - G. Lewis, note pads - J. Hernandez	\$196.65
Del Mar Blue	Blue print for construction of ocean outfall - ocean outfall	\$69.49
Don Hubbard Contracting Corp.	Replace angle meter stop - water reclamation	\$883.72
Edco Waste and Recycling Service	Trash and recycling service - October	\$184.01
El Camino Rental	Beam lift rental - 18' - WAS meter replacement	\$67.20
Environmental Water Solution	Parts for flame arrester - boiler #1 - plant	\$2,587.16
Environmental Water Solution	Parts for flame arrester - boiler #1 - plant	\$24.18
Ferguson Waterworks	Piping for WAS flow meter - plant	\$679.04
Furgerson's Garage	Vehicle maintenance	\$631.70
Gate Masters	Changed the front gate entry system with new area code	\$110.00
Global Technology & Engineer	5m sutorbilt blower - #4 dig gas compressor - plant	\$3,695.30
Green Valley Landscape	Pruning trees - plant and water reclamation	\$900.00
Green Valley Landscape	Retrofit expenses at Ocean Knoll Elementary	\$448.00
Green Valley Landscape	Retrofit expenses at Ocean Knoll Elementary	\$448.00
Grainger	Water filter cartridge, plastic filter - Eden Gardens P. S.	\$128.68
Grainger	Electrical tape - plant	\$61.93

PAYMENT OF WARRANTS

10-12

30-Nov-09

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
Grainger	Sump pump 1/2, supplies - Moonlight P. S. and plant	\$803.87
Harbor Freight Tools	Containers, files, ratchet, felling wedge, screw driver - plant	\$76.02
Harrington Industrial Plastics	2" x 3/4" bushing - #2 odor scrubber - plant	\$24.51
Harrington Industrial Plastics	Piping supplies - #2 odor scrubber - plant	\$194.06
Henke, Michael	Expense report - bug zapper - plant	\$21.74
Henke, Michael	Expense report - fuel for pump run truck	\$103.75
Hernandez, Joe	Expense report - electrical troubleshooting books - plant	\$155.35
Home Depot	Piping supplies - Eden Gardens P. S.	\$70.66
Hydrologix	November and December - grease reduction - Cardiff P. S.	\$700.00
Hydro-Scape	Piping supplies - water reclamation	\$35.63
Ingersoll Rand	Air compressor inspection - water reclamation	\$421.31
Jani-King	Janitorial service - November	\$882.64
Kennedy / Jenks Consultants	Advanced water treatment project	\$18,238.67
Kennedy / Jenks Consultants	State and federal funding - AWT	\$1,843.70
Konica	Monthly copier maintenance	\$79.09
Larsen, Casey	Expense report - electrical supplies for WAS flow meter	\$78.78
Larsen, Casey	Expense report - CWEA membership	\$132.00
Lewis, Greg	Expense report - DVD player and monitor for training - plant	\$545.59
Lomas Santa Fe Country Club	Deposit for holiday luncheon	\$300.00
MBC Applied Environmental	Lab testing - outfall	\$9,508.53
O.M.W.D.	Manchester - 09/09/09 - 10/07/09	\$34.67
Olin	Sodium hypochlorite - water reclamation	\$3,815.12
OneSource Distributors, LLC	Electrical supplies - v.f.d. replacement - Olivenhain P. S.	\$200.61
OneSource Distributors, LLC	2 serial port - v.f.d. replacement - Olivenhain P. S.	\$394.65
PERS - Health	Health - November 2009	\$10,883.34
PERS - Retirement	Retirement premium - 11/06/2009	\$11,829.08
PERS - Retirement	Retirement premium - 11/20/2009	\$11,842.30
Pacific Pipeline Supply	Parts for force main - water reclamation	\$1,093.98
Preferred Benefit	Dental and vision insurance - November	\$1,527.44
Probuild	Repairs, shop and field supplies - October	\$364.97
Procopio	Legal services - general - October	\$4,735.96
Rupe's Hydraulics	Repair leaks on truck	\$192.27
San Diego Gas and Electric	Gas and electric - 09/04 - 10/06	\$15,368.90
San Diego Gas and Electric	Gas and electric - 10/06 - 11/04	\$39,435.14
San Dieguito Water District	Manchester - 09/29 - 10/29	\$2,236.16
San Dieguito Water District	Manchester - 09/29 - 10/29	\$159.37
San Dieguito Water District	Manchester - 09/29 - 10/29	\$318.74
San Dieguito Water District	Manchester - 09/29 - 10/29	\$222.97
San Dieguito Water District	Manchester - 09/29 - 10/29	\$333.58
San Elijo Payroll Account	Payroll - 11/06/09	\$66,517.21
San Elijo Payroll Account	Payroll - 11/20/09	\$66,190.38
Santa Fe Irrigation District	Water service - Highland Dr. - 08/18 - 10/19	\$129.58
Santa Fe Irrigation District	Water service - Valley - 09/30 - 10/29	\$33.59
Siemens Water Technologies Corp.	Hydrogen peroxide - Olivenhain P. S.	\$3,069.68
Smart & Final	Kitchen supplies	\$56.81
Sprint	Cellular phone service	\$654.66
Terra Renewal / Fleet	Biosolids hauling - October	\$10,162.53
Test America	Lab testing - October	\$750.25
Test America	Lab testing - November	\$108.00
Thornton, Michael	Expense report - interview meeting	\$27.11
UPS	Shipping - lab samples	\$50.42
Underground Service Alert	Dig alert - October	\$134.50

PAYMENT OF WARRANTS
10-12
30-Nov-09

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
Unifirst Corporation	Uniform service - October	\$68.78
Unifirst Corporation	Uniform service - November	\$137.56
VWR International, Inc.	Lab supplies - gloves, cap membrane kit, tubes, buffer filling	\$752.10
VWR International, Inc.	Lab supplies - buffer ph 10 blue	\$87.84
VWR International, Inc.	Lab supplies - brain heart infusions, tubes, reagent, gloves	\$759.71
VWR International, Inc.	Autoclave for coliform analyses - ocean outfall	\$7,397.72
WEF	Membership - M. Thornton	\$217.00
WaterReuse	Annual dues - water reclamation	\$669.50
Winzler & Kelly	Financial Assessment	\$5,901.36
	Total 10-12 Warrants:	<u>\$337,083.35</u>


SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

30-Nov-09

PAYMENT OF WARRANTS		\$337,083.35
Reference Number	10-12	

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

30-Nov-09

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND <i>(SEPTEMBER 2009 YIELD 0.90%)</i>	
SELF INSURANCE RESERVE	\$ 300,000.00
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 5,751,039.61
 CALIFORNIA BANK AND TRUST <i>(SEPTEMBER 2009 YIELD 0.10%)</i>	
REGULAR CHECKING	\$ 13,382.60
PAYROLL CHECKING	\$ 5,000.00
 TOTAL RESOURCES	 \$ 6,699,422.21

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SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 14, 2009

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 October 2009. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). Treatment levels for CBOD and TSS exceeded monthly percent removal requirements (as shown in Figure 1 and Figure 2).

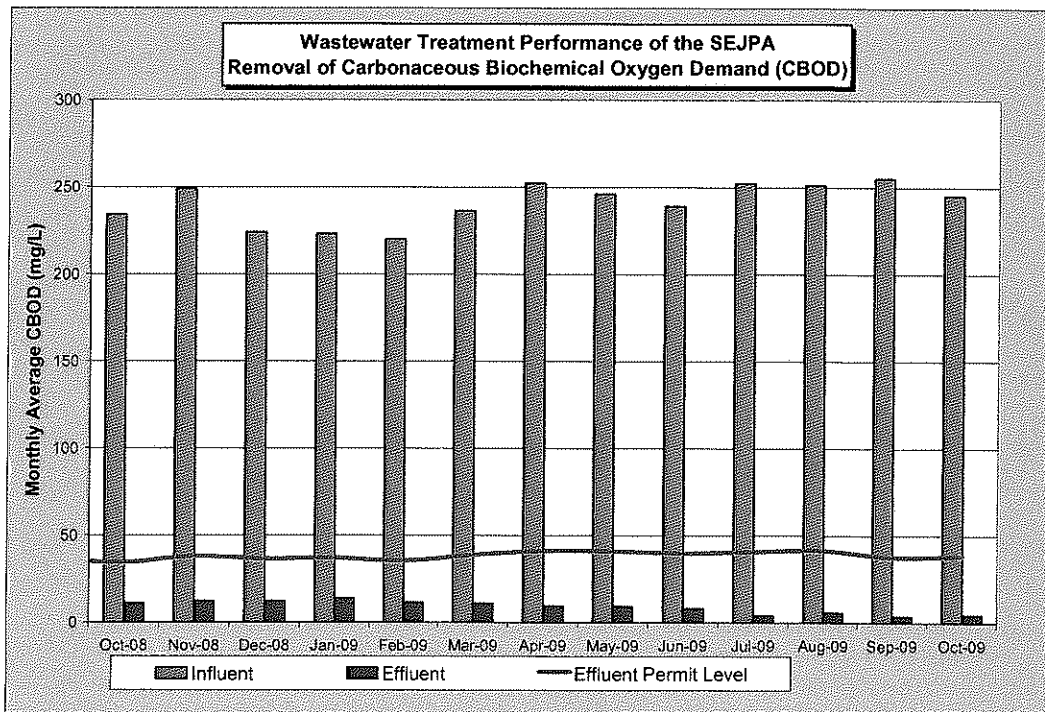


FIGURE 1

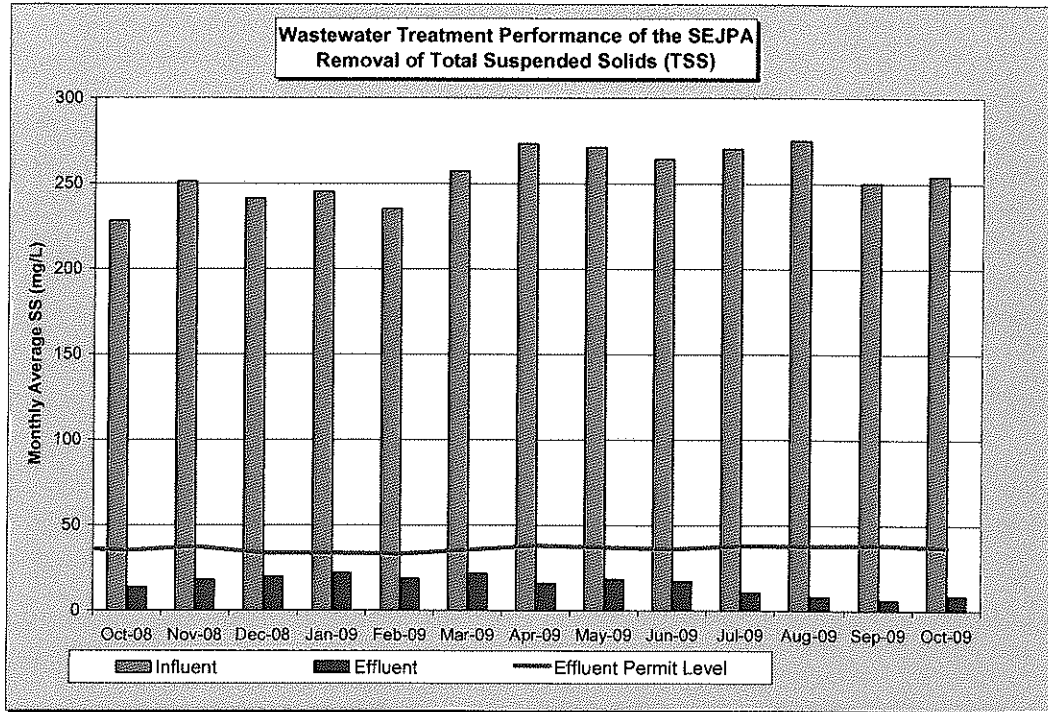


FIGURE 2

Member Agency Flows

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

	October	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.375	0.744
City of Solana Beach	1.332	0.721
Rancho Santa Fe SID	0.108	0.058
Total San Elijo WRF Flow	2.815	1.523

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.

The attached table presents the historical average, maximum, and unit influent and effluent flow rates per month for each of the Member Agencies. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time period.

The attached figure 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 on the figure, 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.

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 flows are reported by the City of Escondido for the month of October:

	October (mgd)
Escondido (Average flow rate)	9.5
Escondido (Peak flow rate)	18.4

Connected Equivalent Dwelling Units

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

	October (EDU)
Cardiff Sanitary Division	8,187
Rancho Santa Fe SID	468
City of Solana Beach	7,428
San Diego (to Solana Beach)	300
Total EDUs to System	16,383

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachments: Table: SEWRF Monthly Report – Flows and EDUs
 Figure: Average Daily Flow

SAN ELIJO WATER RECLAMATION FACILITY MONTHLY REPORT - FLOWS AND EDUS

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)			AVERAGE DAILY EFFLUENT FLOW RATE (MGD)			TOTAL PLANT			CONNECTED EDUS			AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)		
	CSD	RSF	SB	CSD	RSF	SB	CSD	RSF	SB	CSD	RSF	SB	CSD	RSF	SB
Jan-06	1.515	0.139	1.310	1.410	0.129	1.219	2.758	8.044	423	7,659	16,126	188	329	171	184
Feb-06	1.499	0.139	1.313	1.268	0.118	1.111	2.497	8,044	423	7,659	16,126	186	329	171	183
Mar-06	1.542	0.144	1.309	1.475	0.137	1.252	2.864	8,044	424	7,659	16,127	192	340	171	186
Apr-06	1.523	0.139	1.288	1.400	0.128	1.184	2.712	8,044	424	7,728	16,196	189	328	167	182
May-06	1.480	0.134	1.299	0.979	0.089	0.859	1.927	8,066	429	7,728	16,223	183	312	168	180
Jun-06	1.471	0.130	1.350	0.762	0.068	0.699	1.529	8,080	430	7,728	16,238	182	302	175	182
Jul-06	1.490	0.135	1.436	0.719	0.065	0.693	1.477	8,087	431	7,728	16,248	184	313	186	188
Aug-06	1.456	0.144	1.392	0.748	0.074	0.715	1.537	8,088	432	7,728	16,248	180	333	180	184
Sep-06	1.403	0.138	1.327	0.744	0.072	0.704	1.520	8,092	432	7,728	16,252	173	319	172	176
Oct-06	1.414	0.132	1.286	0.943	0.088	0.857	1.888	8,092	432	7,728	16,252	175	306	166	174
Nov-06	1.408	0.135	1.284	1.100	0.105	1.003	2.208	8,094	434	7,728	16,256	174	311	166	174
Dec-06	1.429	0.138	1.275	1.296	0.126	1.156	2.578	8,099	436	7,728	16,263	176	317	165	175
Jan-07	1.419	0.128	1.282	1.205	0.109	1.089	2.403	8,100	441	7,728	16,277	176	291	166	174
Feb-07	1.425	0.129	1.277	1.284	0.116	1.150	2.550	8,106	443	7,728	16,277	177	290	165	174
Mar-07	1.421	0.118	1.285	1.014	0.085	0.917	2.016	8,112	444	7,728	16,284	175	266	166	173
Apr-07	1.386	0.122	1.267	0.868	0.076	0.794	1.738	8,115	447	7,728	16,290	171	273	164	170
May-07	1.411	0.106	1.281	0.763	0.058	0.693	1.514	8,116	448	7,728	16,292	174	237	166	172
Jun-07	1.438	0.104	1.304	0.697	0.051	0.632	1.380	8,117	449	7,728	16,294	177	232	169	175
Jul-07	1.461	0.109	1.364	0.657	0.049	0.613	1.319	8,119	450	7,728	16,297	180	242	177	180
Aug-07	1.442	0.110	1.365	0.571	0.044	0.541	1.156	8,120	450	7,728	16,298	178	244	177	179
Sep-07	1.410	0.107	1.270	0.596	0.046	0.537	1.179	8,124	452	7,728	16,303	174	237	164	171
Oct-07	1.335	0.096	1.222	0.777	0.056	0.712	1.545	8,124	452	7,728	16,303	164	213	158	163
Nov-07	1.430	0.113	1.235	1.122	0.088	0.969	2.179	8,138	453	7,728	16,318	176	250	160	170
Dec-07	1.443	0.143	1.225	1.380	0.137	1.171	2.688	8,144	453	7,728	16,324	177	316	159	172
Jan-08	1.491	0.144	1.268	1.488	0.144	1.266	2.898	8,146	454	7,728	16,327	183	318	164	178
Feb-08	1.620	0.162	1.355	1.499	0.150	1.254	2.903	8,150	456	7,728	16,334	199	356	175	192
Mar-08	1.569	0.149	1.365	1.261	0.119	1.097	2.477	8,151	456	7,728	16,335	192	326	177	189
Apr-08	1.493	0.125	1.318	1.154	0.097	1.019	2.270	8,151	456	7,728	16,335	183	274	171	180
May-08	1.487	0.136	1.339	0.755	0.069	0.680	1.504	8,153	456	7,728	16,337	182	299	173	181
Jun-08	1.649	0.131	1.270	0.647	0.052	0.498	1.197	8,161	456	7,728	16,345	202	288	164	187
Jul-08	1.713	0.131	1.324	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	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	0.813	0.064	0.724	1.601	8,165	457	7,728	16,354	189	264	178	186
Oct-08	1.478	0.111	1.319	0.671	0.051	0.599	1.321	8,170	459	7,728	16,358	181	242	171	178
Nov-08	1.511	0.118	1.329	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	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	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	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	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	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	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	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	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	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	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	0.744	0.058	0.721	1.523	8,187	468	7,728	16,383	168	231	172	172

CSD: Cardiff Sanitary Division

RSF CSD: Ranch Santa Fe Community Service District

SB: Solana Beach

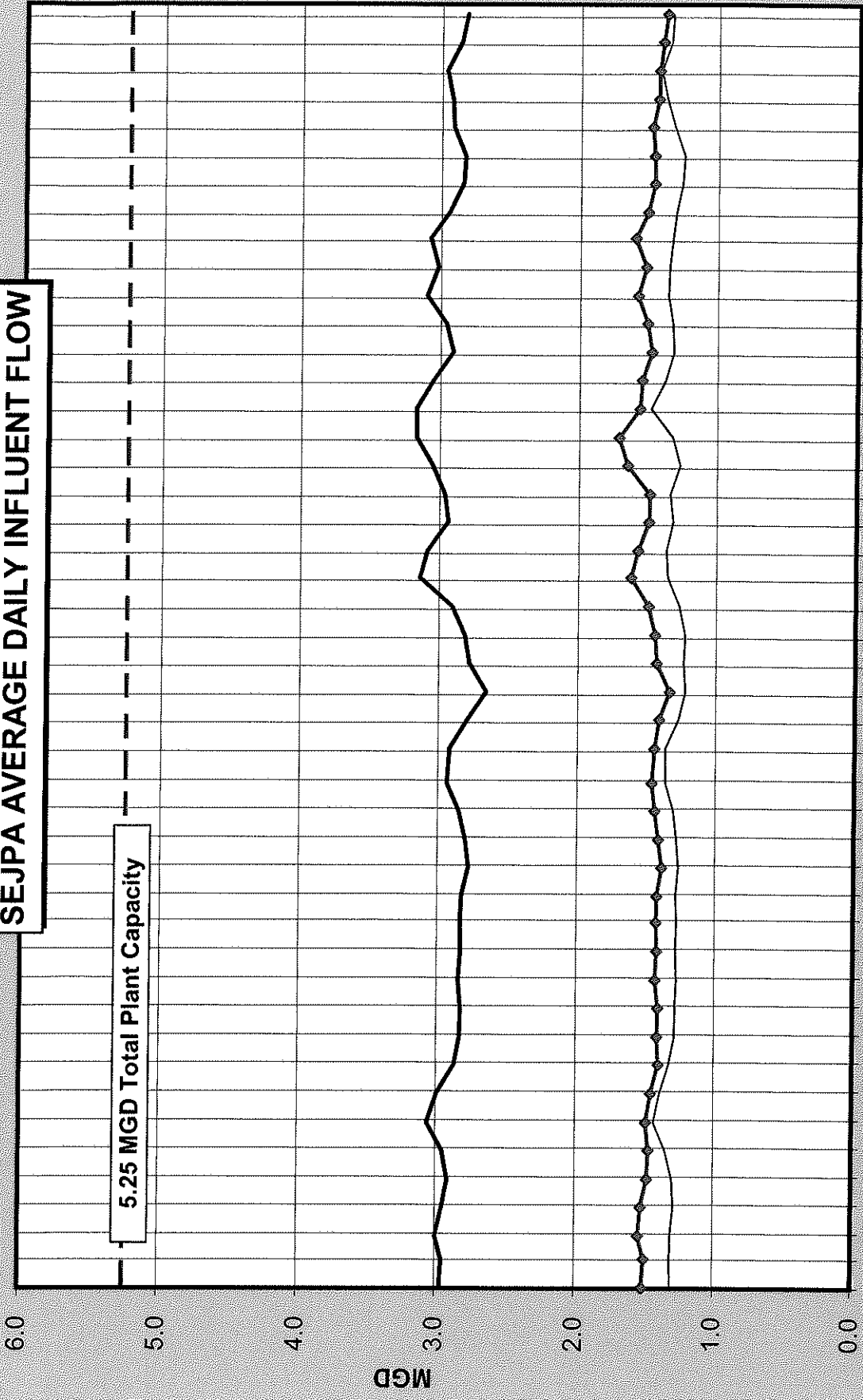
EDU: Equivalent Dwelling Unit

ASSUMPTIONS: SB average flow includes San Elijo Hills flow of .131 mgd

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

SEJPA AVERAGE DAILY INFLUENT FLOW

5.25 MGD Total Plant Capacity



— TOTAL PLANT - - - PLANT DESIGN CAPACITY —◆— SB —◆— CSD

*

AGENDA ITEM NO. 10

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 14, 2009

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 October 2009, recycled water demand was 121.46 acre-feet (AF), which was met using 120.48 AF of recycled water and 0.98 AF of supplementation with potable water. This equates to a blend mix for October of 99.2 percent recycled water and 0.8 percent potable water supplementation.

The attached Figure 1 provides monthly supply demands for recycled water since the inception of the program. The attached Figure 2 provides a graphical view of annual recycled water demand spanning the last nine 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

MONTHLY RECYCLED WATER DEMAND

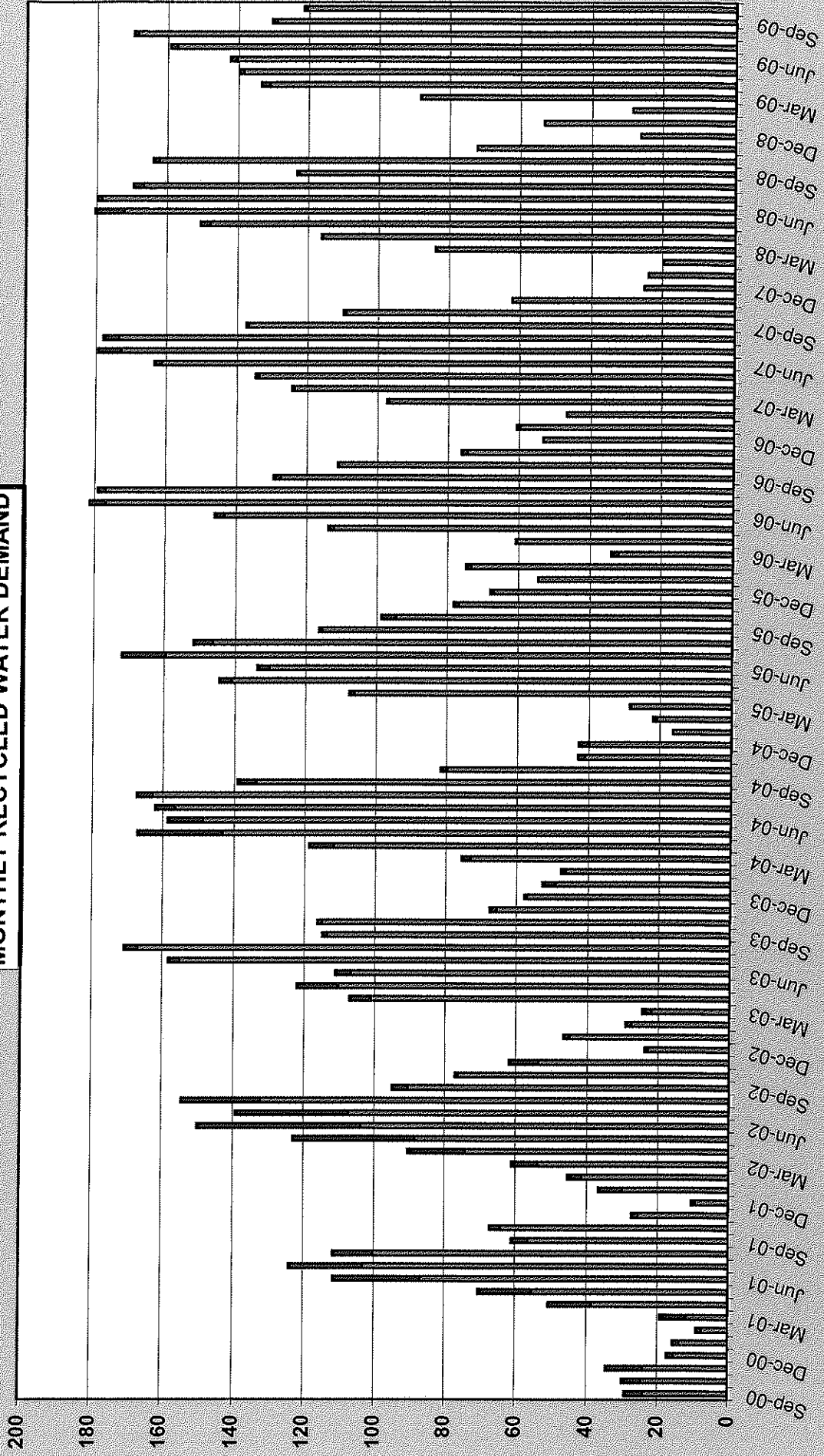


Figure 1

ANNUAL RECYCLED WATER DEMAND

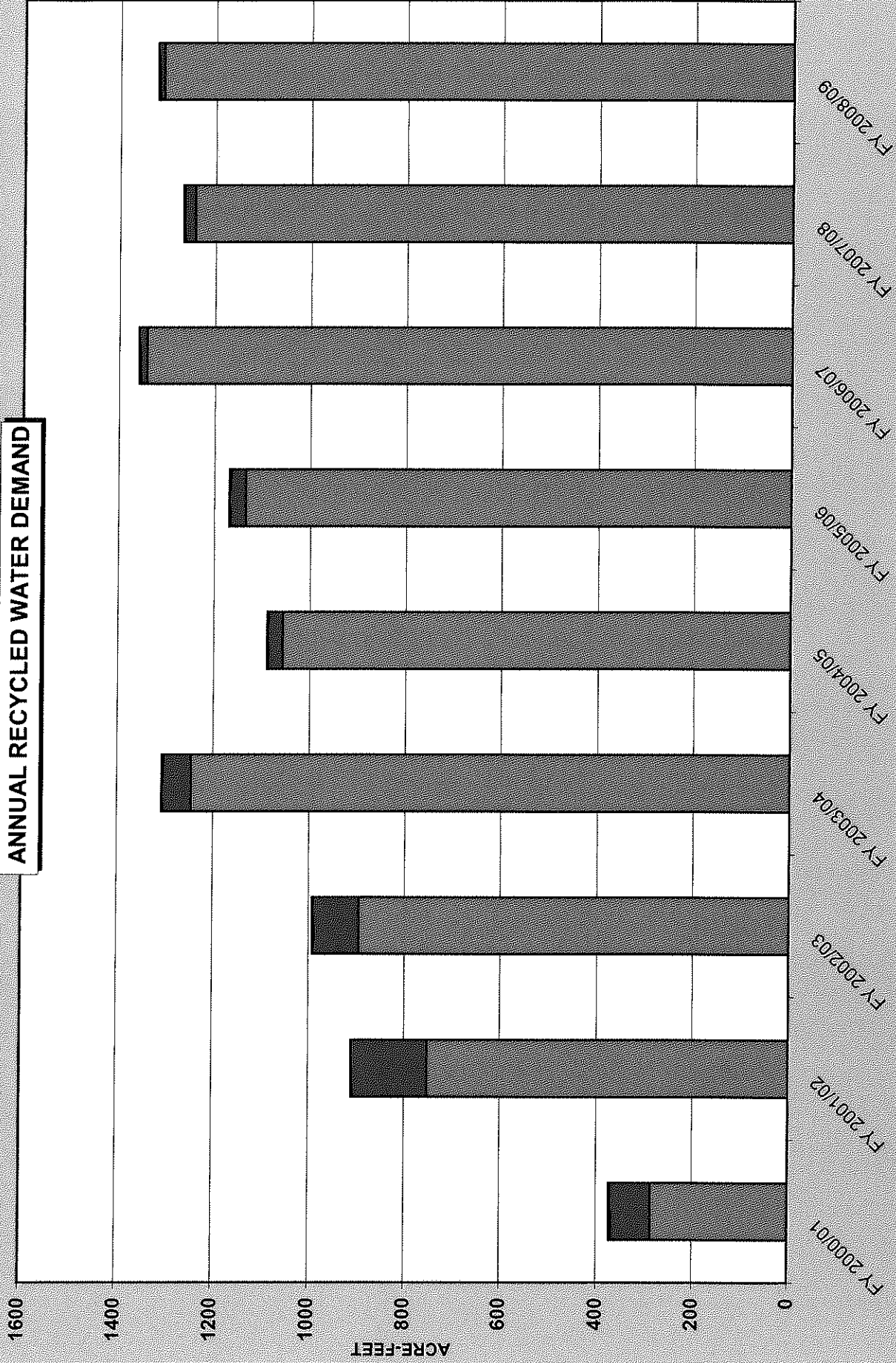


Figure 2

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 14, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECLAMATION PROGRAM – ANNUAL REVIEW

RECOMMENDATION

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

BACKGROUND

The San Elijo Water Reclamation Program began operations in September 2000. In the first year, the program served 25 irrigation meters and produced approximately 500 acre-feet (AF) of recycled water. Nine years later, the program has grown to serve 117 meters and produces between 1,300 AF and 1,350 AF of recycled water per year. The program has achieved many successes such as providing a reliable and sustainable local water supply for our communities, obtaining more than \$4.3 million in grant funding, and reducing effluent disposal to the ocean. The program has also had its share of challenges including the financial hurdles associated with funding necessary infrastructure, public outreach and education necessary to market recycled water, and developing the program while adhering to strict regulatory requirements.

In 2003, the San Elijo Joint Powers Authority (SEJPA) retained the engineering consulting firm, PBS&J, to prepare the San Elijo Recycled Water Optimization & Expansion Study (Study). The Study was undertaken to assess the recycled water program and determine opportunities to improve efficiencies of the program, to identify new customers, and to provide recommendations for increasing program revenues. Recommendations from the Study were then used to develop a 5-Year Management Plan for the program.

The 5-Year Management Plan was presented to the SEJPA Board of Directors in September 2005. One of the Plan's goals was to present an annual report on the financial performance and outlook of the program; this report addresses these items.

DISCUSSION

FINANCIAL ASSESSMENT

In 2009, the SEJPA retained the professional services of Winzler & Kelly to prepare an independent financial assessment of the Water Reclamation Program. The driving force for conducting the assessment was to determine if the program could support additional capital debt for constructing identified improvements. The Winzler & Kelly study reviewed the

program's current debt level, its financial performance, and the program's market growth potential. The scope of work for this assessment included:

- Conduct a third party review of the program's current financial situation and provide observations and recommendations that stem from the review,
- Perform a financial analysis of future planning scenarios in order to guide decisions around investments in proposed capital improvement activities, and
- Provide an economic justification for the proposed capital improvements.

The study also includes discussion on potential risks and risk mitigation strategies for the recycled water program. The report provided seven modeled scenarios that ranged from investing \$2.8 million to \$7.8 million in near-term capital projects. The goal was to develop a series of planning scenarios that book-end the probable financial outcome of the program given the capital investments and corresponding likely market growth being considered.

Winzler & Kelly's study concluded that *"The recycled water program's recent history indicates that it is in a good financial position. Revenues regularly outpace costs and the available fund balance exceeds annual expenses. Because approximately one-half of the program's expenditures (debt service) are a fixed cost, inflation-based increases to water rates are likely to outpace inflation-based increases to expenditures. The program has some capacity to make careful, planned investments."* Currently, the SEJPA is pursuing the design of a 0.5 mgd demineralization facility that has an estimated total project cost of approximately \$4.8 million.

CUSTOMER BASE

A key element for the financial stability of the recycled water program is developing a strong customer base. Revenue is primarily derived from water sales, both in sales revenue and financial assistance. Since the program revenue is critically tied to recycled water produced and sold, an important means of increasing revenue is through expanding recycled water sales. New recycled water customers to the distribution system for fiscal year (FY) 2008-09 include the following and represent a potential 8 to 12 AF per year of new usage:

1. San Elijo Lagoon Nature Center
2. Oak Crest Park
3. City of Encinitas, Public Works meter at the SEWRF
4. Encinitas Boulevard Street Medians (east of Quail Drive/Westlake Drive)

New customers online or scheduled to be online in FY 2009-10 include the following and represent a potential 27 to 36 AF per year of new usage.

1. Quail Pointe HOA
2. Quail Park HOA
3. Seaside Cardiff HOA
4. Sunset Continuation School
5. Ocean Knoll Elementary School
6. San Dieguito Academy (Phase 4 - Baseball field)

Expanding the customer base often requires coordinated efforts with the water purveyor, city planning and engineering departments, San Diego County Department of Health Services, and the customer. Without approval from these entities, a customer can not come online.

REVENUES

Over the last six years, the financial strength of the recycled water program has continued to

increase (see Figure 1). Last year, revenues increased from \$1.82 million in FY 2007-08 to \$2.06 million in FY 2008-09, a 13.4 percent increase. This increase in revenues was a result of increases in potable water rates (to which the recycled water rate is indexed).

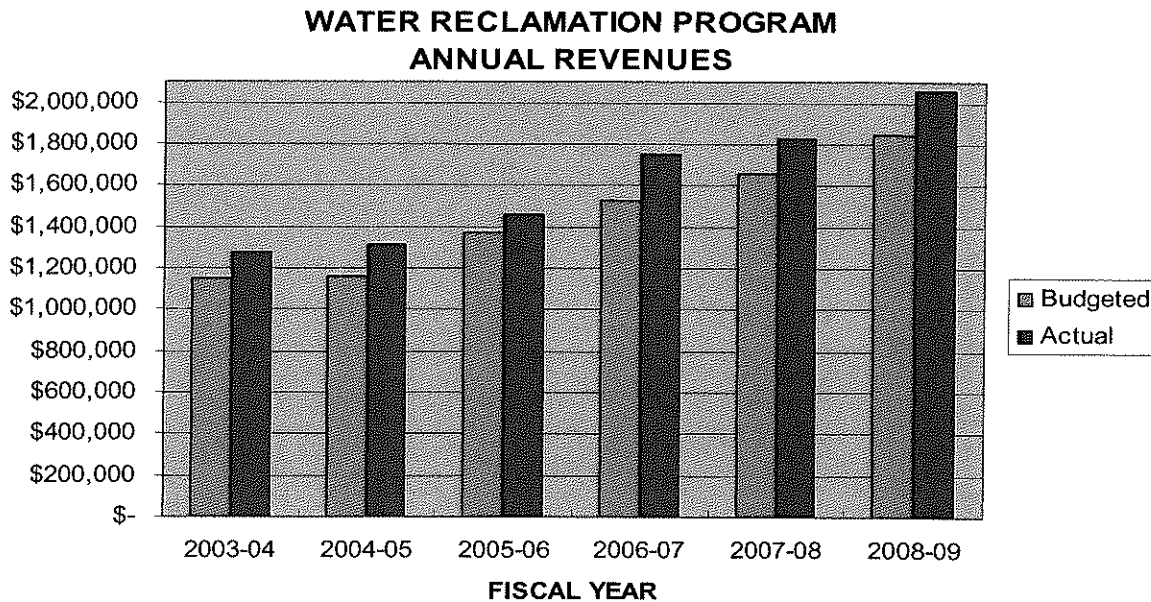


Figure 1

EXPENDITURES

In addition to growing revenues, managing expenditures is essential to developing a financial foundation for the reclamation program. In this regard, program expenditures can be categorized as either fixed or variable. Fixed expenditures are typically non-operation expenditures and include debt service on infrastructure, feasibility studies, capital improvement projects, and lobbying expenses incurred as part of grant funding pursuits. When examining fixed expenditures, most were acquired prior to the startup of the program and were necessary to fund the base infrastructure. The most significant of these debts is the \$12.6 million loan from the State Water Resources Control Board, which is a 20-year, 2.5 percent fixed interest loan with an annual loan payment of \$834,675. The loan has a very favorable interest rate which provides great value to the program; however, the 20-year term is a double edged sword as compared to a more traditional 30-year term. The 20-year term maximizes the principle to interest ratio and provides for earlier debt retirement, but at the cost of higher annual payments. This places greater financial burden on the reclamation program during the early years of the program when the program's cash flow has not matured, but provides the best value to the program over the long term. Currently the SEJPA owes \$7.9 million of the original \$12.6 million and has 11 remaining annual payments.

The SEJPA has eliminated two other fixed expenditures. In FY 2006-07, the agency paid \$95,926 to the North San Diego County Recycling Agencies for lobbying efforts that had been incurred in previous years and \$12,597 to the San Diego County Water Authority (SDCWA) for debt payment on recycled water planning efforts during the early 1990's.

As can be seen in Figure 2, revenues have exceeded expenditures five of the last six years.

WATER RECLAMATION PROGRAM REVENUES & EXPENDITURES

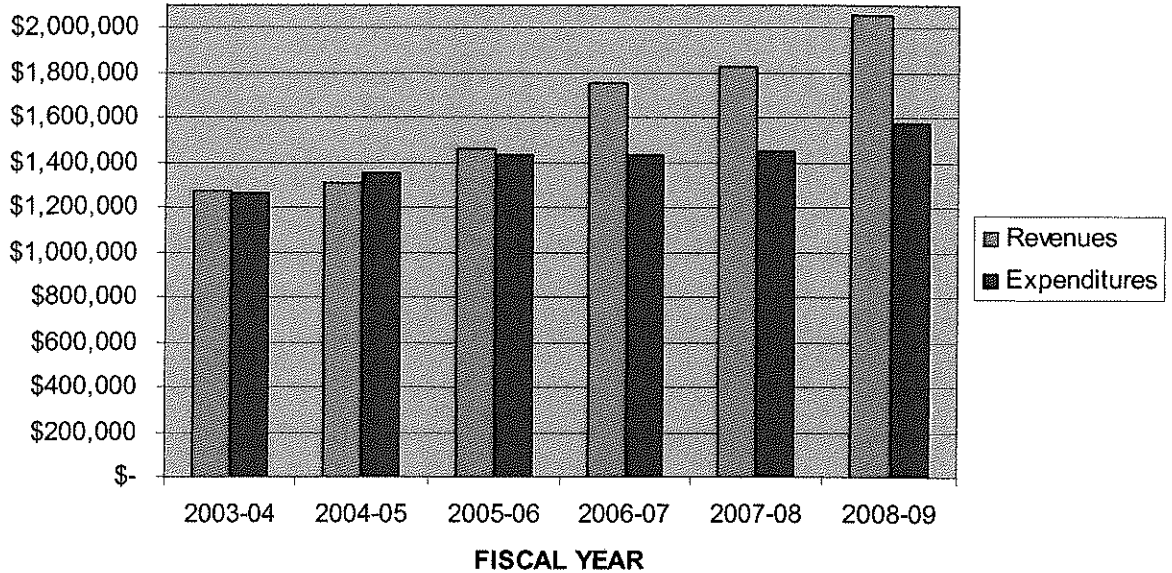


Figure 2

When examining variable expenditures, the focus is on recurring expenses typically associated with the operations and maintenance (O&M) of the program. Major O&M expenditures include personnel, electricity, chemicals, repair parts, and retrofit costs. O&M expenditures for FY 2008-09 were budgeted at \$886,280 and actual O&M expenditures were \$744,135, a savings of \$142,145 or 16.0 percent. Figure 3 depicts O&M expenditures for the last six years.

WATER RECLAMATION PROGRAM ANNUAL O&M EXPENDITURES

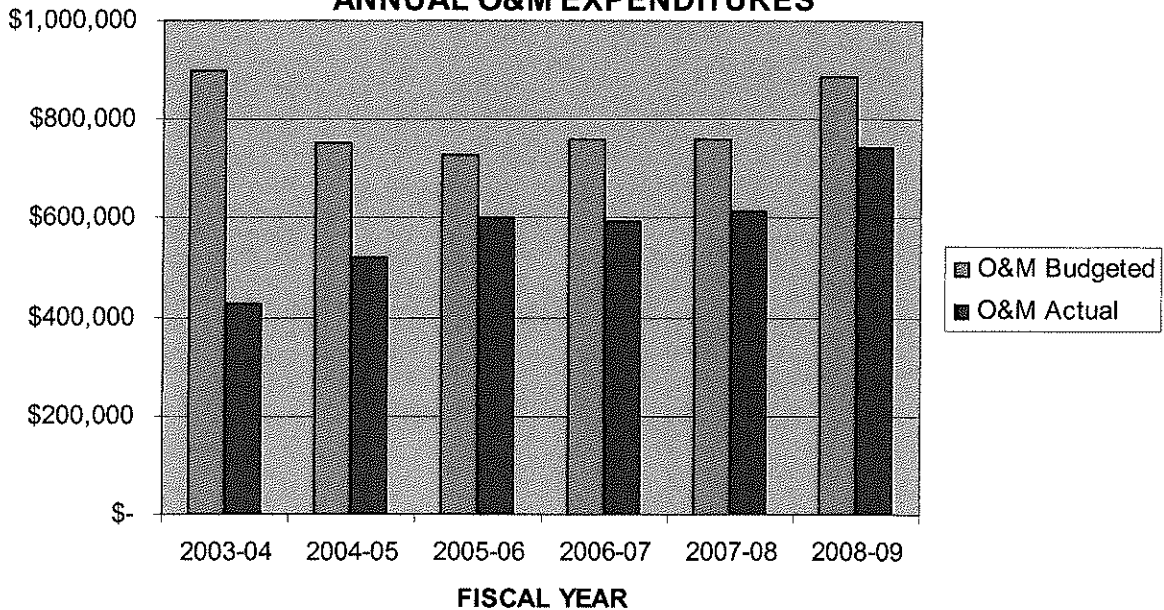


Figure 3

LOOKING FORWARD

The SEJPA's recycled water program plays an important role of providing a locally produced, drought resistant water supply. Recycled water is embraced by many government and nongovernmental organizations as an important element of a diverse water portfolio. Currently, California's water supplies have been severely impacted due to drought and ecological concerns. On December 1, 2009, the Department of Water Resources (DWR) announced an initial allocation of five percent of total contracted water deliveries to the State Water Project (SWP) contractors for 2010. Five percent is the lowest initial allocation percentage since the SWP began delivering water in 1967. Such actions by DWR further reinforce the need and importance of locally produced and controlled water sources.

POTENTIAL NEW CUSTOMERS TO THE EXISTING SYSTEM

Working collaboratively with the local water districts, several potential customers for recycled water use have been identified. The majority of these potential sites would require converting their landscape irrigation from potable to recycled water. Currently, the local water districts do not require existing potable water customers to convert to recycled water, instead it is offered as an elective process. To facilitate the process, the SEJPA provides assistance to the customer for the planning, designing, and constructing of onsite irrigation improvements. The SEJPA has also provided financing for some large projects through a retrofit loan program. Potential new customers for recycled water include:

Site Name	Water Purveyor	Estimated Use (AF/yr)
1. Solana Beach Presbyterian Church	SFID	6
2. Solana Beach Towne Center	SFID	13
3. Lomas Santa Fe Plaza	SFID	7
4. Skyline Elementary School	SFID	7
5. Earl Warren Middle School (Phase 2)	SFID	2
6. San Dieguito Park (Phase 2)	SFID	59
7. Rancho Santa Fe Estate Properties*	SFID	49
8. Dram & Echer Greenhouse	SDWD	55
9. Bethlehem Lutheran Church	SDWD	2
10. Scripps Hospital	SDWD	16
11. Oak Crest Middle School	SDWD	12
12. Park Place HOA (Phase 2)	SDWD	7
13. Quail Botanical Gardens (expansion)	SDWD	8
14. Cardiff Apartments	SDWD	7
15. Saxony Medical Buildings	SDWD	10
16. Cardiff Sports Park*	SDWD	17
17. Encinitas Ranch Expansion (four sites on Paseo de Las Flores)*	SDWD	27
18. Hall Property	SDWD	25
19. Poinsettia Park HOA	SDWD	10
20. North Coast Business Park	SDWD	5
21. Del Mar Fairgrounds (Phase 2)	Del Mar	15
22. Hawk View Park	OMWD	7

* Requires extension of the distribution system piping for service.

POTENTIAL NEW DISTRIBUTION SYSTEM

In years past, the SEJPA and SFID studied the possibility of constructing a new distribution system to serve the Rancho Santa Fe Golf Course and other areas in Rancho Santa Fe community. SFID is still interested in pursuing recycled water for the Rancho Santa Fe Golf Course; however, the SEJPA is not their preferred recycled water provider for this site. The SEJPA and SFID are in discussions on the design of a pipeline extension from the SEJPA's south distribution system to serve the San Dieguito Park (Phase II) and surrounding estate properties to the east.

WATER RECLAMATION CAPITAL IMPROVEMENTS

DEMINERALIZATION TREATMENT

The SEJPA has prioritized adding demineralization treatment as a reliable means improving water quality to meet or exceed water quality requirements. The conceptual and preliminary design reports have been completed. The project is now ready to move into final design. The estimated project cost for completing the project is approximately 4.8 million.

RECYCLED WATER RESERVOIR

The SEJPA has completed several studies to evaluate and assess the performance, reliability, and expansion of the recycled water program. Many of these studies have highlighted the benefits of adding additional water storage. Although staff concurs with these findings, recycled water storage has been ranked below the need of demineralization treatment.

Table 1 identifies near term capital projects for the San Elijo Water Reclamation Facility.

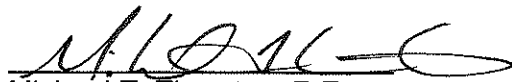
**TABLE 1
NEAR TERM CAPITAL IMPROVEMENT**

Capital Project	Program Benefit	Priority	Actions Taken	Cost Range
Demineralization Treatment	Improves water quality to meet permit and contractual obligations for total dissolved solids.	High	Preliminary Design Completed- Final Design Pending	\$4 million to \$5 million
Recycled Water Storage	Improves distribution operations, reduces pump cycling, improves energy use, and improves filter maintenance. Also improves outfall management during storm events.	High	Conceptual Design Completed	Based on tank size
Upgrade Filter Feed Pumping Capacity	Improves reliability of the filtration system. Current pumps & motors are 10 yrs old.	Medium/ High	Evaluating upgrade options FY 2009-10	\$120,000 to \$180,000
Upgrade Filter Feed Pump Controls	Improves distribution system operations, reduces pump cycling, and improves energy use.	Medium	Planned for FY 2009-10	\$40,000 to \$60,000
Modify Filter Influent Channel & Add Emergency Overflow	Reduces biological growth in channel resulting in more stable water quality. Overflow drain will help prevent channel spills and will facilitate filter maintenance.	Medium	Filter Channel Covers Installed; Emergency overflow drain still needed.	\$50,000 to \$65,000

SUMMARY

Since the preparation of the 5-Year Management Plan in September 2005, the SEJPA recycled water project has developed into a financially stable program. Program revenues have increased from \$1.31 million in FY 2004-05 to \$2.06 million in FY 2008-09, a 57.3 percent increase. O&M expenditures for FY 2008-09 were budgeted at \$886,280, while actual O&M expenditures were \$744,135, a savings of \$142,145 or 16.0 percent. Debts to the North San Diego County Recycling Agencies and to the SDCWA have been paid in full. The SEJPA is actively engaged with the Del Mar Fairgrounds, San Diego County, City of Encinitas, City of Solana Beach, OMWD, SFID, SDWD, and the SDCWA to best position the water reclamation program for current and future opportunities. As outlined in Table 1, it is expected that capital improvements will be necessary for continued success and growth of the program. Under the SEJPA Board of Directors' guidance and direction, SEJPA management and staff will continue to operate, maintain, and manage the recycled water program to produce and distribute safe, high quality water to the communities we serve.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 14, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance/Administration

SUBJECT: CALIFORNIA ENERGY COMMISSION (CEC) LOAN PAYMENT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the use of contingency funding in the amount of \$64,237.99 to pay the first installment of the CEC loan; and
2. Discuss and take action as appropriate.

BACKGROUND

In 2007, the San Elijo Joint Powers Authority (SEJPA) was developing a project designed to significantly improve energy efficiency of the treatment process at the San Elijo Water Reclamation Facility. The \$1.9 million project, which was titled the Performance Optimization of the Activated Sludge System, had the goal of reducing energy use while at the same time improving treatment process. The project included mechanical, electrical, and automation improvements, coupled with biological and chemical process changes that would result in a more stable biological treatment process that requires less energy and that is substantially more automated. The project was successfully completed in early 2009 and is on track to reduce facility energy use by 800,000 kW-hours per year.

To finance the project, the SEJPA funded approximately \$700,000 and negotiated a low-interest loan (3.95%) with the California Energy Commission for \$1,193,500. The term of the loan is 12 years, with an annual payment equal to roughly the reduction in energy costs.

DISCUSSION

The California Energy Commission (CEC) provided the SEJPA a low-interest loan for an amount of \$1,193,500 for the construction of the Performance Optimization of the Activated Sludge System. The first loan payment was to be due in December of the year following completion of the project; the year being defined as ending on May 31st. Originally, the project had a completion date of June 2009, which made the first payment due in December 2010. However, the project

was completed early (March 2009), thereby making the first payment due in December 2009.

In reviewing the situation, the SEJPA could argue to the CEC that the intent of the loan was for the SEJPA to make the first payment in December 2010. The SEJPA's documents are clear on this fact. However, there is a financial advantage to the SEJPA for complying with the early loan payment request which should be considered. In paying the first payment in December 2009, one year early, the SEJPA will save over \$47,000 in avoided interest. This is a fairly substantial savings as the first payment is only \$64,237.99. Although this CEC loan payment was not planned, it appears feasible that this payment could be paid with contingency funds. Based on review of the SEJPA's current operating expenditures, all programs are operating on or below budget. Based on these facts, SEJPA management is recommending the use of contingency funding for making the first CEC loan payment as requested in December 2009.

It is therefore recommended that the Board of Directors:

1. Authorize the use of contingency funding in the amount of \$64,237.99 to pay the first installment of the CEC loan; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Gregory Lewis
Director of Finance/Administration

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 14, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: ACCEPT AND FILE THE PRELIMINARY DESIGN REPORT FOR THE RECYCLED WATER DEMINERALIZATION PROJECT FOR THE SAN ELIJO WATER RECLAMATION FACILITY

RECOMMENDATION

It is recommended that the Board of Directors:

1. Accept and file the Preliminary Design Report for the Recycled Water Demineralization Project for the San Elijo Water Reclamation Facility;
2. Authorize the General Manager to negotiate with Kennedy Jenks Consultants an Engineering Services Agreement for Final Design of the Recycled Water Demineralization Project; and
3. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) owns and operates a recycled water utility that includes tertiary filtration of secondary effluent to produce up to 2.5 million gallons per day (mgd) of recycled water. The SEJPA's recycled water program currently delivers approximately 1,300 acre-feet per year of recycled water to the Santa Fe Irrigation District, the San Dieguito Water District, and the City of Del Mar.

Over the last two years, the SEJPA has examined options to improve and expand the recycled water utility. These improvements included improving water quality, increasing water storage, expanding distribution piping to new customers, and increasing distribution pumping capacity. SEJPA staff has recommended that improving water quality should be the agency's first priority.

Currently, the SEJPA recycled water meets all state and federal water quality requirements consistently, except for one, Total Dissolved Solids (TDS). TDS is a measurement of dissolved salts and minerals (e.g. calcium, magnesium, sulfate, chloride, sodium, etc.), similar to table salt

with particles too small to see with the naked eye. The SEJPA has observed an increase in TDS loading in the wastewater treated by the agency. This loading is most likely a result of recent reductions in imported water (low in TDS) from northern California, an increase in local water (high in TDS), and the use of water softeners within the service area of the SEJPA. Since 2008, the SEJPA has violated its daily maximum TDS limit on 29 occasions. As a result, staff has recommended that the SEJPA construct treatment facilities to remove TDS so that the recycled water program can reliably meet all required water quality objectives.

DISCUSSION

In July 2009, the SEJPA Board of Directors awarded the professional engineering agreement to Kennedy Jenks Consultants for preliminary design of the Recycled Water Demineralization Project.

The primary goals of the project are as follows:

- Improve water quality to meet or exceed state and federal requirements
- Increase production capacity of the recycled water system to meet future demands
- Improve treatment system reliability

Secondary goals of the project are as follows:

- Improve operational efficiency of the recycled water system
- Provide limited allowances to Member Agencies for groundwater discharge to sewer system
- Provide limited allowances to Member Agencies for diverting dry weather urban runoff to sewer system

The secondary project goals provide benefits to the Member Agencies through the use of water treatment for non-wastewater flows. These flows may be related to construction dewatering needs or as part of storm water pollution prevention plans. The SEJPA is currently unable to accept such flows due to TDS concerns. With the addition of advanced treatment, limited discharges could be permissible to the Member Agencies' sanitary sewer systems. The purpose of adding these secondary goals were to capture the maximum public benefit of the project.

The preliminary design report has been completed and reviewed by SEJPA staff. Staff endorses the facility design recommendations and concepts as presented in the report. The objective of the preliminary design report is to develop the basis of design for the project and develop facility and site layout drawings to the 30 percent design level. The report includes the following:

- The recommended treatment processes to meet the project objectives
- Design criteria and preliminary civil, architectural, mechanical, electrical, and instrumentation drawings of the facility
- Evaluation of cost savings alternatives
- Evaluation of incorporating solar power into the project design
- Engineer's opinion of probable construction cost

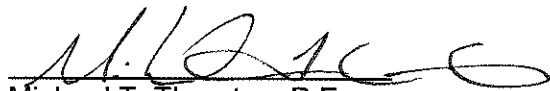
The estimated construction cost of the project (excluding solar) is approximately \$4 million. In addition, final design engineering, permitting services, geotechnical investigations, and construction management is estimated at 14 percent of the construction cost or approximately \$560,000. The estimated cost of adding solar power to the project ranged from \$270,000 to \$510,000 based on

square footage to be added. The SEJPA is currently pursuing a \$4 million low-interest loan through the Clean Water State Revolving Fund and has cash reserves to fund approximately an additional \$1 million. SEJPA staff is concurrently evaluating other options for installing the solar power including using a purchase power agreement.

It is therefore recommended that the Board of Directors:

1. Accept and file the Preliminary Design Report for the Recycled Water Demineralization Project for the San Elijo Water Reclamation Facility;
2. Authorize the General Manager to negotiate with Kennedy Jenks Consultants an Engineering Services Agreement for Final Design of the Recycled Water Demineralization Project; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 14, 2009

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: ADOPT THE PROPOSED MITIGATED NEGATIVE DECLARATION FOR THE
SEJPA RECYCLED WATER PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt the Proposed Mitigated Negative Declaration for the SEJPA Recycled Water Project; and
2. Discuss and take action as appropriate.

BACKGROUND

The SEJPA owns and operates a recycled water utility that through the local water districts serves the residents and businesses of Del Mar, Encinitas, and Solana Beach. The SEJPA has examined options to improve and expand this utility as the need and value of recycled water has grown. Through previously completed engineering efforts, the SEJPA has identified improvements to the treatment process, expansion of the distribution pipelines, increasing water storage, and expanding distribution pumping capacity as recommended actions. Although it is envisioned that these improvements will likely be completed in several phases with treatment improvements being completed first, the attached report examines the impacts of all proposed improvements as one project.

DISCUSSION

The SEJPA retained the professional services of Dudek to prepare the California Environmental Quality Act (CEQA) reporting requirements for the proposed recycled water project. Based on the findings of the Initial Study Environmental Checklist, the SEJPA and Dudek have determined that a Mitigated Negative Declaration (MND) is the appropriate environmental document for project compliance with CEQA.

This final MND has been prepared by Dudek with the SEJPA as the lead agency and is in conformance with Section 15070(a) of the CEQA Guidelines. The purpose of the MND and the Initial Study Checklist is to determine any potentially significant impacts associated with the proposed project and to incorporate mitigation measures into the project design as necessary to reduce or eliminate the significant or potentially significant effects.

In addition to standard CEQA compliance, the SEJPA has applied for the State Revolving Funds (SRF) Loan Program, which is partially funded by the U.S. Environmental Protection Agency

(USEPA). This makes the project subject to federal environmental regulations guiding the General Conformity Rule for the Clean Air Act, the Endangered Species Act, and the National Historic Preservation Act. USEPA has allowed a modified CEQA, called CEQA-PLUS, to be the compliance basis for projects applying for SRF funds. This draft MND has been prepared in compliance with the CEQA-PLUS requirements for SRF funding.

The SEJPA and Dudek find that the project will not have a significant adverse effect on the environment based on the Initial Study/Mitigated Negative Declaration. Some potentially significant effects have been identified and mitigation measures have been incorporated into the project to ensure that these effects remain at less than significant levels. The MND therefore satisfies the requirements of CEQA (PRC 21000 et. seq.; 14 CCR 15000 et. seq.). These conclusions are supported by the findings in the attached San Elijo Recycled Water Project, Mitigated Negative Declaration.

The MND was distributed Monday, September 21, 2009 through Wednesday, October 21, 2009 for a 30-day public review period. One comment letter was received from the State Water Resources Control Board. Based on that letter, minor revisions were made to the Final MND and a series of technical studies were sent to that agency for their review. No substantive comments that change the determination of impacts or mitigation measures were received.

CEQA guidelines require that before approving a project, the decision-making body shall consider the proposed MND together with any comments received during the public review process. The SEJPA only received one comment letter (attached) and the concerns raised have been addressed.

Adoption of the proposed MND will complete the public review process required by CEQA and NEPA (through CEQA-PLUS documentation).

It is therefore recommended that the Board of Directors:

1. Adopt the Proposed Mitigated Negative Declaration, California Environmental Quality Act (CEQA), for the SEJPA Recycled Water Project; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

ATTACHMENT 1: Public Comment Letter – Governor’s Office of Planning and Research

Note: The Recycled Water Project – Mitigated Negative Declaration is posted on the SEJPA website at the following link: www.sejpa.org under Capital Projects / Engineering Reports

ATTACHMENT 1



ARNOLD SCHWARZENEGGER
GOVERNOR

October 22, 2009

STATE OF CALIFORNIA
GOVERNOR'S OFFICE of PLANNING AND RESEARCH
STATE CLEARINGHOUSE AND PLANNING UNIT



CYNTHIA BRYANT
DIRECTOR

Michael Thornton
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff, CA 92007

Subject: San Elijo Joint Powers Authority Recycled Water Expansion Improvement Project
SCH#: 2009091078

Dear Michael Thornton:

The State Clearinghouse submitted the above named Negative Declaration to selected state agencies for review. On the enclosed Document Details Report please note that the Clearinghouse has listed the state agencies that reviewed your document. The review period closed on October 20, 2009, and the comments from the responding agency (ies) is (are) enclosed. If this comment package is not in order, please notify the State Clearinghouse immediately. Please refer to the project's ten-digit State Clearinghouse number in future correspondence so that we may respond promptly.

Please note that Section 21104(c) of the California Public Resources Code states that:

"A responsible or other public agency shall only make substantive comments regarding those activities involved in a project which are within an area of expertise of the agency or which are required to be carried out or approved by the agency. Those comments shall be supported by specific documentation."

These comments are forwarded for use in preparing your final environmental document. Should you need more information or clarification of the enclosed comments, we recommend that you contact the commenting agency directly.

This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act. Please contact the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process.

Sincerely,

for: Scott Morgan
Acting Director, State Clearinghouse

Enclosures
cc: Resources Agency

**Document Details Report
State Clearinghouse Data Base**

SCH# 2009091078
Project Title San Elijo Joint Powers Authority Recycled Water Expansion Improvement Project
Lead Agency San Elijo Joint Powers Authority

Type Neg Negative Declaration
Description The project proposes to create an additional 600 ac ft (AF) per year of new water supply; improve water quality, reliability and operational efficiency of the recycled water produced at the facility; add treatment to allow the facility to accept and treat urban runoff; and create new opportunities to protect coastal water quality.

Project improvements would include (1) constructing 0.5 MGD of advanced wastewater treatment, (2) converting an existing tank to store recycled water, (3) constructing a new recycled water distribution pumping station, (4) convert existing tanks to store treated wastewater from the Escondido Land Outfall for emergency outfall pressure equalization, and (5) construct new distribution pipelines to serve additional customers. Items 4 through 4 will be activities performed at the San Elijo Water Reclamation Facility. Item 5 would provide offsite recycled water extension pipelines along Encinitas Boulevard (from 3rd Street to Saxony Road, ~0.61 mile in length) and Paseo de Las Flores (from Quali Gardens Drive to Lynwood Drive, ~0.56 mile in length).

Lead Agency Contact

Name Michael Thornton
Agency San Elijo Joint Powers Authority
Phone 760-753-6203 **Fax**
email
Address 2695 Manchester Avenue
City Cardiff **State** CA **Zip** 92007

Project Location

County San Diego
City Encinitas
Region
Lat / Long
Cross Streets multiple
Parcel No.

Township	Range	Section	Base
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Proximity to:

Highways Hwy 101
Airports
Railways
Waterways San Elijo Lagoon
Schools
Land Use PLU: San Elijo Water Reclamation Facility
Public Utility

Project Issues Air Quality; Archaeologic-Historic; Noise; Public Services; Traffic/Circulation; Vegetation; Water Quality

Reviewing Agencies Resources Agency; California Coastal Commission; Department of Conservation; Department of Fish and Game, Region 5; Office of Historic Preservation; Department of Parks and Recreation; Department of Water Resources; California Highway Patrol; Caltrans, District 11; Department of Health Services; Integrated Waste Management Board; State Water Resources Control Board, Division of Financial Assistance; Regional Water Quality Control Board, Region 9; Native American Heritage Commission

**Document Details Report
State Clearinghouse Data Base**

Date Received 09/21/2009

Start of Review 09/21/2009

End of Review 10/20/2009

Note: Blanks in data fields result from insufficient information provided by lead agency.



State Water Resources Control Board



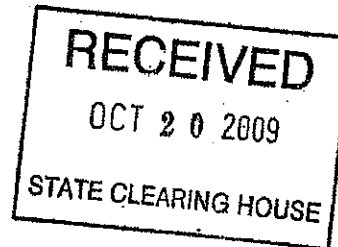
Linda S. Adams
Secretary for
Environmental Protection

Division of Financial Assistance
1001 I Street • Sacramento, California 95814 • (916) 341-5700 FAX (916) 341-5707
Mailing Address: P.O. Box 944212 • Sacramento, California • 94244-2120
Internet Address: <http://www.waterboards.ca.gov>

Arnold Schwarzenegger
Governor

OCT 20 2009

Mr. Michael Thornton
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff, CA 92007



Dear Mr. Thornton:

INITIAL STUDY/MITIGATED NEGATIVE DECLARATION (IS/MND) FOR THE SAN ELIJO JOINT POWERS AUTHORITY (SEJPA); RECYCLED WATER PROJECT (PROJECT); SAN DIEGO COUNTY; STATE CLEARINGHOUSE (SCH NO. 2009091078)

We understand SEJPA is pursuing Clean Water State Revolving Fund (CWSRF) financing for the proposed Project (C-06-7095-110). As a funding agency and a state agency with jurisdiction by law to preserve, enhance, and restore the quality of California's water resources, the State Water Resources Control Board (State Water Board) is providing the following information for the environmental document to be prepared for the Project.

Please provide us with the following documents applicable to the proposed Project: (1) Two copies of the Draft and Final IS/MND, (2) the resolution adopting the MND and the Mitigation Monitoring and Reporting Program (MMRP) and making California Environmental Quality Act (CEQA) findings, (3) all comments received during the review period and SEJPA's response to those comments, (4) the adopted MMRP, and (5) the Notice of Determination filed with the Governor's Office of Planning and Research. In addition, we would appreciate notice of any hearings or meetings held regarding environmental review of any projects to be funded by the State Water Board.

The CWSRF Program is partially funded by the U.S. Environmental Protection Agency and requires additional "CEQA-Plus" environmental documentation and review. Although the IS/MND discusses "CEQA-Plus", three information sheets are included that further explain the environmental review process and additional federal requirements in the CWSRF program. In addition, an environmental form is included for SEJPA to submit should it pursue State Water Board funding. The State Water Board can consult directly with agencies responsible for implementing federal environmental laws and regulations. Any environmental issues raised by federal agencies or their representatives will need to be resolved prior to State Water Board approval of a CWSRF funding commitment for the proposed Project. For further information on the CWSRF program please contact Ms. Michelle L. Lobo at (916) 341-6983.

It is important to note that prior to a CWSRF funding commitment, projects are subject to provisions of the Federal Endangered Species Act and must obtain approval from the U.S. Fish and Wildlife Service (USFWS), and/or National Marine Fisheries Service (NMFS) for any potential effects to special status species.

California Environmental Protection Agency

OCT 20 2009

The following are my specific comments for the IS/MND:


1. Mitigation Measure BIO-1 states a nesting bird survey should be conducted by a qualified biologist within 72 hours of tree removal if trees are to be removed between January 1 and August 15. Please change "should" to "shall," as "should" is defined in the CEQA guidelines (Article 1, Section 15005) as an advisory element, whereas "shall" is mandatory. Please correct this error throughout the rest of the proposed mitigation measures.
2. There are two references contained in the IS/MND to a cultural resources report from ASM Affiliates dated April 2009, and a biological resources report from Dudek dated April 2009, that should be attached as appendices. The copy of the IS/MND we received does not have any appendices attached. Please send us these appendices.

Additional federal requirements pertinent to the Project under the CWSRF Program include the following:

- A. Protection of Wetlands: Identify whether or not the Project or construction activities will impact stream, flood control channels, or wetlands.
- B. Coastal Zone Management Act: Identify whether or not the proposed Project is in the Coastal Zone.

Thank you once again for the opportunity to review SEJPA's environmental document. If you have any questions regarding my comments, please feel free to contact me at (916) 341-5686 or e-mail to jhockenberry@waterboards.ca.gov.

Sincerely,


for James Hockenberry
Environmental Scientist

Enclosures (4)

cc: State Clearinghouse w/o enclosures
(Re: SCH# 2009091078)
P.O. Box 3044
Sacramento, CA 95812-3044

California Environmental Protection Agency

Recycled Paper

