

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

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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 MARCH 12, 2012 MEETING
8. \* APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS
9. \* SAN ELIJO WATER RECLAMATION FACILITY TREATED EFFLUENT FLOWS – MONTHLY REPORT
10. \* SAN ELIJO JOINT POWERS AUTHORITY RECYCLED WATER PROGRAM – MONTHLY REPORT
11. \* 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**

12. PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2012-13 RECOMMENDED BUDGET

It is recommended that the Board of Directors:

1. Review the Fiscal Year 2012-13 Recommended Budget; and
2. Discuss and take action as appropriate.

Staff Reference: Director of Finance/Administration

13. FINAL ARBITRAGE REPORT ON THE REFUNDED 2003 REVENUE BONDS

It is recommended that the Board of Directors:

1. Authorize the General Manager to submit form 8038-T to the Internal Revenue Service along with the \$158,838.86 payment due; and
2. Discuss and take action as appropriate.

Staff Reference: Director of Finance/Administration

14. PARTNERSHIP WITH OLIVENHAIN MUNICIPAL WATER DISTRICT (OMWD) REGARDING LOCAL WATER SUPPLY DEVELOPMENT

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into Agreement with the Olivenhain Municipal Water District for the conveyance, treatment, and recycling or disposal of test water associated with the Proposed San Elijo Valley Groundwater Project (SEVGWP); and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

15. GENERAL MANAGER'S REPORT

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

16. GENERAL COUNSEL'S REPORT

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

17. 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.

18. CLOSED SESSION

A closed session will be held per Government Code Section 54957.6: Labor Negotiations

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".

19. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be May 14, 2012 at 9:00 a.m.

**NOTICE:**

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

The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board is available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at [www.sejpa.org](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: April 4, 2012



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

SAN ELIJO JOINT POWERS AUTHORITY  
MINUTES OF THE BOARD MEETING  
HELD ON MARCH 12, 2012  
AT THE  
SAN ELIJO WATER RECLAMATION FACILITY

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Teresa Barth, Chair

David Roberts, Vice Chair

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A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, March 12, 2012, 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 Barth called the meeting to order at 9:00 a.m.

2. ROLL CALL

*Directors Present:*

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

*Others Present:*

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

Michael Thornton  
Greg Lewis  
Christopher Trees  
Monica Blake  
Marisa Buckles

*SEJPA Counsel:*

Procopio, Cory, Hargreaves & Savitch

Aiko Yamakawa & Karen Ross

City of Encinitas,  
Public Works Management Analyst  
Utility & Maintenance Supervisor

Bill Wilson  
Shawn Atherton

City of Solana Beach,  
City Manager  
Director of Engineering/Public Works

David Ott  
Mohammad "Mo" Sammak

3. PLEDGE OF ALLEGIANCE

Vice Chair Roberts led the Pledge of Allegiance.



4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

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

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the February 13, 2012 meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
Agenda Item No. 9	San Elijo Water Reclamation Facility Treated Effluent Flows – Monthly Report
Agenda Item No. 10	San Elijo Joint Powers Authority Recycled Water Program – Monthly Report
Agenda Item No. 11	San Elijo Joint Powers Authority Audit Process

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. NORTH SAN DIEGO COUNTY REGIONAL RECYCLED WATER PROJECT – APPROVAL FOR FUNDING PROGRAMMATIC ENVIRONMENTAL IMPACT REPORT AND PROJECT FEASIBILITY STUDY

The General Manager reported that the twelve governmental organizations that make up the North San Diego County Regional Recycled Water Project retained the consulting firm RMC Engineering to prepare a Regional Recycled Water Facilities Plan. This engineering report is expected to be completed in May 2012. The General Manager stated that the next step in the planning process is to prepare a project feasibility study and a programmatic environmental impact report (PEIR). With the completion of the feasibility study and the PEIR, greater clarity will be gained for expanding and interconnecting recycled water systems within North San Diego County.

Projects being considered include expanding existing irrigation recycled water projects, industrial use of recycled water, development of regional storage, and purification for

replenishing drinking water supplies. The anticipated cost of the Feasibility Study and PEIR is approximately \$482,000. It is expected that the SEJPA's portion of this cost will not exceed \$60,250 and these funds are available in the Water Reclamation Program Budget. Upon completion of the study and PEIR, project costs can be submitted for full grant reimbursement.

Moved by Board Member Muir and seconded by Vice Chair Roberts to:

1. Approve funding for the Programmatic Environmental Impact Report and Project Feasibility Study, not-to-exceed \$60,250; and
2. Authorize the General Manager to execute a Regional Agreement for joint cost sharing of the Programmatic Environmental Impact Report and Project Feasibility Study, not-to-exceed \$60,250.

Motion carried with unanimous vote of approval.

14. GENERAL MANAGER'S REPORT

The General Manager provided an update on construction activities of the San Elijo Water Reclamation Facility. He stated that there is currently three contractors on site; Southern Contracting Company for the Electrical Upgrades Project, ARB for the City of Encinitas's Olivenhain Force Main Replacement Project, and W.M. Lyles for the Advanced Water Treatment Project. Board Member Campbell requested the SEJPA staff research if the abandoned force main could be of value to the SEJPA in the future. Michael Thornton reported that he will be attending the WaterReuse Annual Conference in Sacramento on Sunday, March 25 through Tuesday, March 27.

16. GENERAL COUNSEL'S REPORT

General Counsel Aiko Yamakawa stated that the FPCC has scheduled a hearing on March 15 in regard to amending the Political Reform Act regulation in reference to appointments to a committee, board or commission of a public agency that would essentially create an exception to the \$250 personal financial effects threshold, by clarifying that such appointments are not deemed to have a material financial effect on the public official's economic interests in his/her personal finances.

Board Member Campbell asked for a future update on the LAFCO issue that was mentioned in the February 2012 meeting.

17. BOARD MEMBER COMMENTS

Chair Barth mentioned her observation of a large amount of construction occurring in the Camp Pendleton base that could have a potential need for recycled water.

Vice Chair Roberts stated that NCTD is considering opening a stop at Camp Pendleton and also at the Convention Center. Also, the California Coastal Commission has approved environmental water initiatives at the Del Mar Fairgrounds.

18. CLOSED SESSION

The Board of Directors adjourned to closed session at 9:40 a.m., with Labor Negotiators Michael Thornton and Greg Lewis, per Government Code Section 54957.6: Labor Negotiations.

19. ADJOURNMENT

The Board of Directors came out of closed session at 10:14 a.m. with no reportable action and adjourned at 10:15 a.m. The next Board of Directors meeting will be held on April 9, 2012.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

PAYMENT OF WARRANTS

12-04

30-Mar-12

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
<b><u>12-04 Warrants</u></b>		
AG Tech, LLC	Biosolids hauling - February	\$9,992.60
AT&T	Alarm service	\$380.11
AT&T	Phone service - 01/13/12 - 02/12/12	\$374.88
AT&T - Eden Garden	DSL - 01/20/12 - 02/19/12	\$73.23
AT&T - Olivenhain	DSL - 01/10/12 - 03/09/12	\$73.41
Advanced Air & Vacuum	Replacement parts - water reclamation	\$167.50
Aetna Resources for Living	Employee assistance program - March	\$351.12
Alliant Insurance Services, Inc.	Insurance - liability	\$121.00
Alliant Insurance Services, Inc.	CSRMA - renewal - 04/01/12 - 04/01/13	\$1,167.00
American Water Works Assoc.	Membership dues - M. Piper	\$238.00
Aquatic Bioassay	Lab testing - lab	\$960.00
Arrowhead	Kitchen and lab supplies	\$228.03
Atlas Pumping Service	Grease and scum pumping - March	\$554.88
Atlas Pumping Service	Grease and scum pumping - February	\$751.40
BankCard Center	Office supplies, tools, and advertising	\$1,757.61
Barracuda Networks, Inc.	Network - back-up servers - March	\$50.00
Barrett Engineered Pumps	Hydromatic submersible sewage pump - plant	\$732.70
Bavco	Plumbing supplies and control repair kit - water rec.	\$337.49
Bay City Electric Works	150kW generator rental - plant	\$728.39
Blake, Monica	Expense report - mileage	\$43.83
Brenntag Pacific, Inc.	Sodium Hydroxide - odor control - plant	\$1,637.74
Buckles, Marisa	Expense report - mileage and seminar	\$52.45
Buckles, Marisa	Expense report - meeting and employee benefit	\$70.95
CFM San Diego, Inc.	Chlorine analyzer and parts - water reclamation	\$2,584.92
CS - Amsco	Parts for digester - plant	\$4,282.26
CWEA - TCP	Certificates - C. Larsen	\$88.00
California Water Technologies	Ferric chloride - plant	\$6,031.83
Calscience Environmental Lab	Lab testing - lab	\$576.00
Coast Waste Management, Inc.	Grit and screening - storm drains	\$584.34
Complete Office	Office supplies - February	\$180.88
Complete Office	Office supplies - March	\$184.24
Corodata	Record storage - February	\$66.57
County - Air Pollution Control	Permit - San Elijo Hills P. S.	\$325.00
County - Air Pollution Control	Permit - Moonlight Beach P. S.	\$1,347.00
County - Air Pollution Control	Permit - Solana Beach P. S.	\$372.00
Crown Point Embroidery	Uniform logo	\$69.50
DMV	Trailer	\$10.00
DMV	Safety records - 01/01/12 - 02/29/12	\$7.00
Department of Public Health	Recycled water fees - 07/2010 - 06/2011	\$8,290.80
EDCO Waste & Recycling	Trash service - February	\$187.77
Fiber Reinforced Product	Repairs to secondary baffles - plant	\$4,253.97
Golden Bell Products	Lift station degreaser - Coast Blvd. P. S.	\$200.42
Golden State Overnight	Mailing compliance reports	\$54.61
Guardian	Dental - March	\$1,375.99
Harrington Industrial Plastics	Plumbing parts - water reclamation	\$423.31
Home Depot Credit Services	Painting supplies - plant	\$856.23
Hydroscape Products, Inc.	Plumbing supplies - water reclamation	\$4.63



PAYMENT OF WARRANTS

12-04

30-Mar-12

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
Hydroscape Products, Inc.	Landscape plumbing parts	\$854.41
Hydrotex, Inc.	Diesel fuel conditioner - plant	\$274.07
JCI Jones Chemicals, Inc.	Hypochlorite - bleach	\$3,186.87
Jani-King	Janitorial service - March	\$882.64
Jani-King	Janitorial supplies	\$430.45
Konecny Biological Services	Gnatcatcher survey for the AWT project	\$2,540.00
Konica	Monthly copier maintenance	\$120.78
Marine Taxonomic Services	Ocean offshore monitoring - outfall - March	\$740.00
MegaPath Inc.	T-1 service - March	\$278.13
North County Times	Subscription - annual	\$201.00
OMWD	Manchester - 01/10/12 - 02/08/12	\$65.64
PERS - Health	Health - April	\$18,633.85
PERS - Retirement	Retirement premium - 03/09/12	\$16,224.89
PERS - Retirement	Retirement premium - 03/23/12	\$15,706.35
Pacific Green Landscape	Landscape service - March	\$1,150.00
Pestguard Termite & Pest	Pest control - February	\$288.00
Piper, Michael	Expense report - mileage	\$19.25
Polydyne Inc.	Clarifloc @ WE-1251 - plant	\$509.12
Preferred Benefits Insurance	Vision insurance - March	\$338.48
Probuild	Repair, shop and field supplies - February	\$207.70
Procopio,Cory,Hargreaves	General - February	\$940.50
Rain For Rent, Inc.	Hose and pipe rental - Olivenhain P. S.	\$308.78
Rising Tide Partners	Consulting services	\$495.00
Rising Tide Partners	Consulting services	\$705.00
Rising Tide Partners	Consulting services	\$893.00
Rohan & Sons, Inc.	Heat pump condensing unit - plant	\$3,675.00
San Diego Gas and Electric	Gas and electric - 02/07/12 - 03/08/12 - Cardiff	\$1,208.72
San Diego Gas and Electric	Gas and electric - 02/07/12 - 03/08/12 - Valley	\$1,904.81
San Diego Pooled Insur. Auth.	3E company chemical inventory management - MSDS	\$1,449.00
San Dieguito Water District	Manchester RWM 1 - 01/31/12 - 02/29/12	\$115.67
San Dieguito Water District	Manchester RWM 3 - 01/31/12 - 02/29/12	\$277.07
San Dieguito Water District	Manchester RWM 4 - 01/31/12 - 02/29/12	\$129.12
San Dieguito Water District	Manchester RWM 5 - 01/31/12 - 02/29/12	\$416.95
San Dieguito Water District	Manchester RWM 6 - 01/31/12 - 02/29/12	\$3,432.44
San Elijo Payroll Account	Payroll - 03/09/2012	\$74,051.86
San Elijo Payroll Account	Payroll - 03/23/2012	\$76,680.38
Santa Fe Irrigation District	Highland Dr. - 12/16/11 - 02/16/12	\$287.96
Santa Fe Irrigation District	Seabright Ln. - 01/04/12 - 03/05/12	\$58.11
Santa Fe Irrigation District	Valley - 01/31/12 - 02/29/12	\$120.40
Smart & Final	Kitchen and office supplies	\$163.46
So. Cal Pipeline Welding, Inc.	K-blower - welding - plant	\$570.00
Southern Contracting Company	Electrical Upgrades Capital Project - February	\$247,530.38
Specter Instruments	Upgrade alarm system - all pump stations	\$1,512.80
Sprint	Cellular phone service - Jan 2012 / Feb 2012	\$580.64
Sun Life Financial	Life and disability insurance - March	\$1,347.15
Sun Life Financial	Life and disability insurance - April	\$1,360.66
Terminix Processing Center	Pest control - February	\$81.00
Terminix Processing Center	Pest control - March	\$81.00
Terra Renewal, LLC	Biosolids hauling - February	\$2,038.02

PAYMENT OF WARRANTS

12-04

30-Mar-12

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
Trees, Christopher	Expense report - meeting	\$48.75
Trussell Technologies, Inc.	Treatment operations improvement	\$5,010.00
UPS	Mailing parts - plant	\$32.71
USA Bluebook	Tools for shop and field - plant	\$33.36
Underground Service Alert	Dig alert - February	\$52.50
Unifirst Corporation	Uniform service - February	\$174.18
Unifirst Corporation	Uniform service - March	\$263.09
Union Bank of CA	2003 refunding revenue bonds service fee	\$760.00
Whitaker Bros.	Repair office equipment - plant	\$193.30
Wright Express FSC	Fuel - February	\$884.04
<b>Total 12-04 Warrants</b>		<b>\$545,720.03</b>




SAN ELIJO JOINT POWERS AUTHORITY  
PAYMENT OF WARRANTS SUMMARY

30-Mar-12

PAYMENT OF WARRANTS		\$545,720.03
Reference Number	12-04	

I hereby certify that the demands listed and covered by warrants are correct and just to the best of my knowledge, and that the money is available in the proper funds to pay these demands. The cash flows of 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-Mar-12

<u>FUNDS ON DEPOSIT WITH</u>	<u>AMOUNT</u>
<b>LOCAL AGENCY INVESTMENT FUND</b> <i>(JANUARY 2012 YIELD 0.385%)</i>	
SELF INSURANCE RESERVE	\$ 300,000.00
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 6,441,934.39
ADVANCED WATER TREATMENT LOAN PROCEEDS	\$ 2,000,000.00
<b>CALIFORNIA BANK AND TRUST</b> <i>(JANUARY 2012 YIELD 0.05%)</i>	
REGULAR CHECKING	\$ 12,325.62
PAYROLL CHECKING	\$ 5,000.00
<b>TOTAL RESOURCES</b>	<b>\$ 9,389,260.01</b>

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

April 9, 2012

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

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

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Plant Performance and Evaluation

Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all NPDES ocean effluent limitation requirements for the month of February 2012. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for CBOD and TSS were 98.1 percent and 96.7 percent, respectively, for February (as shown in Figure 1 and Figure 2).

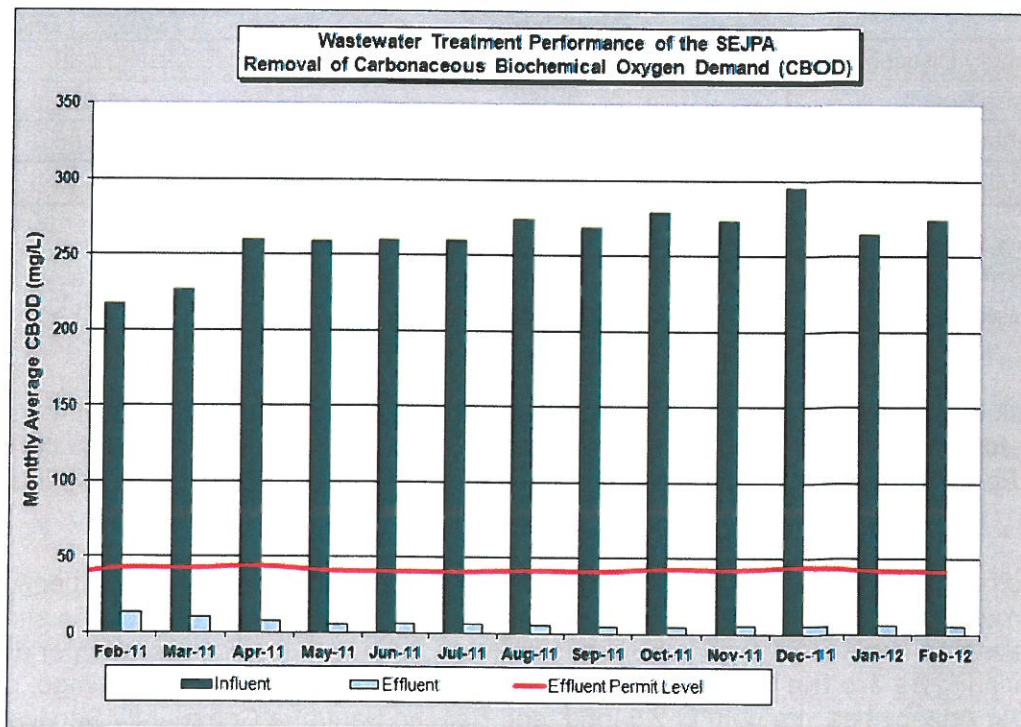


FIGURE 1

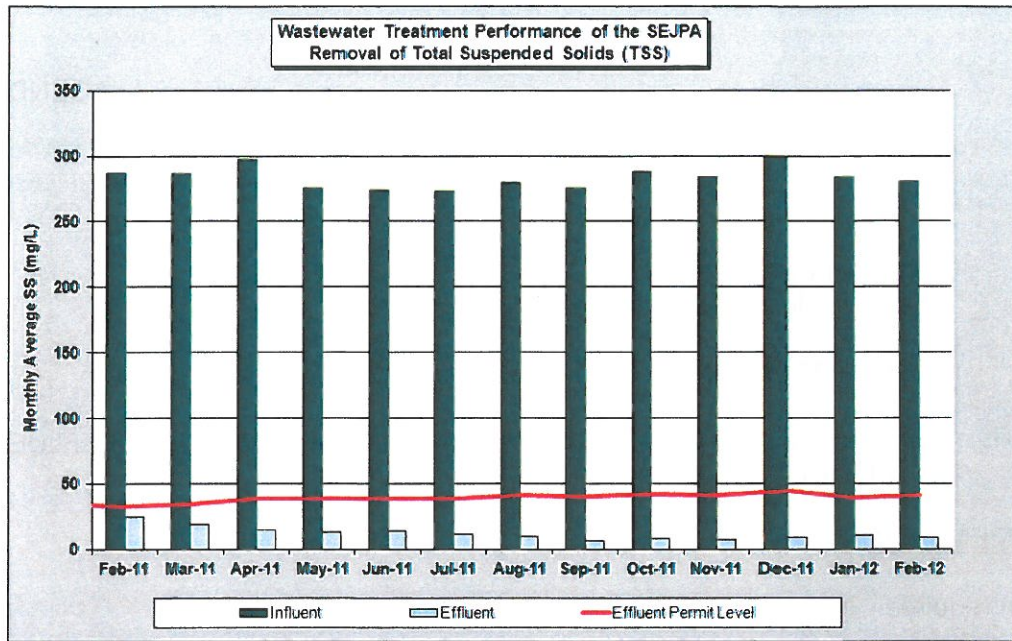


FIGURE 2

Member Agency Flows

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

	February	
	Influent (mgd)	Effluent (mgd)*
Cardiff Sanitary Division	1.290	1.030
City of Solana Beach	1.283	1.025
Rancho Santa Fe SID	0.106	0.085
<b>Total San Elijo WRF Flow</b>	<b>2.679</b>	<b>2.140</b>

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

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

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

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



APRIL

SAN ELIJO WATER RECLAMATION FACILITY MONTHLY REPORT - FLOWS AND EDUS

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

REVISION BASED ON REVISED RSF DATA

CSD: Cardiff Sanitary Division  
 RSF CSD: Ranch Santa Fe Community Service District  
 SB: Solana Beach  
 EDU: Equivalent Dwelling Unit

ASSUMPTIONS: SB average flow includes San Elijo Hills flow of 0.131 mgd  
 SB Connected EDUs includes 300 EDUs for the City of San Diego

TABLE 1

## Adam Hoch

---

**From:** Paula Melendrez [pmelendrez@dudek.com]  
**Sent:** Thursday, April 05, 2012 9:54 AM  
**To:** Adam Hoch (hoch@sejpa.org)  
**Subject:** EDU reports from RSFCSD  
**Attachments:** FEB 2012.xlsx; JAN 2012.xlsx; MAR 2012.xlsx

Adam,

Please see attached reports. I have resent you the reports for Jan and Feb, as I discovered an error in a formula I was using.

**Paula Melendrez**  
District Administrator, District Management Group

**DUDEK**  
750 Second Street  
Encinitas, CA 92024  
T: 760 . 479 . 4150  
F: 760 . 942 . 5206

[www.Dudek.com](http://www.Dudek.com)

PLEASE NOTE: Dudek uses an email filter to clean viruses and filter Spam. Please take the time to verify receipt of any important or time-sensitive email sent to us.



**SAN ELIJO WATER RECLAMATION FACILITY MONTHLY REPORT - FLOWS AND EDUS**

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)				AVERAGE DAILY EFFLUENT FLOW RATE (MGD)				CONNECTED EDUs				AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)				TOTAL PLANT	
	CSD	RSF	CSD	SB	TOTAL PLANT	CSD	RSF	CSD	SB	CSD	RSF	CSD	SB	CSD	RSF	CSD		SB
Jul-08	1.713	0.131	1.324	1.324	3.168	0.722	0.055	0.558	0.558	1.335	8.163	456	7,728	16,347	210	288	171	194
Aug-08	1.562	0.125	1.483	1.483	3.170	0.608	0.048	0.577	0.577	1.233	8,165	457	7,728	16,350	191	274	192	186
Sep-08	1.547	0.121	1.378	1.378	3.046	0.813	0.064	0.724	0.724	1.501	8,167	459	7,728	16,354	189	264	178	188
Oct-08	1.478	0.111	1.319	1.319	2.908	0.671	0.051	0.599	0.599	1.321	8,170	460	7,728	16,358	181	242	171	178
Nov-08	1.511	0.118	1.329	1.329	2.958	1.080	0.084	0.950	0.950	2.114	8,171	462	7,728	16,361	185	256	172	181
Dec-08	1.580	0.156	1.362	1.362	3.098	1.446	0.143	1.246	1.246	2.835	8,172	462	7,728	16,362	193	338	176	189
Jan-09	1.522	0.141	1.354	1.354	3.017	1.256	0.116	1.117	1.117	2.489	8,177	462	7,728	16,367	186	306	175	184
Feb-09	1.599	0.145	1.330	1.330	3.074	1.408	0.128	1.171	1.171	2.707	8,179	462	7,728	16,369	196	314	172	188
Mar-09	1.510	0.124	1.307	1.307	2.941	1.030	0.085	0.892	0.892	2.007	8,180	463	7,728	16,371	185	268	169	180
Apr-09	1.463	0.116	1.262	1.262	2.841	0.731	0.058	0.630	0.630	1.419	8,183	463	7,728	16,374	179	251	163	174
May-09	1.465	0.117	1.247	1.247	2.829	0.712	0.057	0.606	0.606	1.375	8,185	464	7,728	16,377	179	252	161	173
Jun-09	1.479	0.115	1.319	1.319	2.913	0.712	0.056	0.635	0.635	1.403	8,185	465	7,728	16,378	181	248	171	178
Jul-09	1.437	0.109	1.376	1.376	2.922	0.599	0.045	0.573	0.573	1.217	8,186	467	7,728	16,381	176	234	178	181
Aug-09	1.431	0.113	1.419	1.419	2.963	0.603	0.047	0.598	0.598	1.248	8,186	467	7,728	16,381	175	242	184	178
Sep-09	1.404	0.108	1.346	1.346	2.858	0.690	0.053	0.661	0.661	1.404	8,187	468	7,728	16,383	171	231	174	174
Oct-09	1.375	0.108	1.332	1.332	2.815	0.744	0.058	0.721	0.721	1.523	8,187	468	7,728	16,383	168	231	172	172
Nov-09	1.366	0.111	1.323	1.323	2.800	0.843	0.069	0.816	0.816	1.728	8,189	469	7,728	16,386	167	237	171	171
Dec-09	1.401	0.127	1.322	1.322	2.850	1.149	0.104	1.084	1.084	2.337	8,193	469	7,728	16,390	171	271	171	174
Jan-10	1.532	0.155	1.372	1.372	3.059	1.271	0.128	1.138	1.138	2.537	8,196	472	7,728	16,396	187	329	178	187
Feb-10	1.487	0.148	1.382	1.382	3.017	1.371	0.136	1.274	1.274	2.781	8,197	474	7,728	16,399	181	313	179	184
Mar-10	1.455	0.145	1.398	1.398	2.998	1.108	0.110	1.064	1.064	2.282	8,198	474	7,728	16,400	177	306	181	183
Apr-10	1.451	0.137	1.391	1.391	2.979	1.058	0.100	1.014	1.014	2.172	8,201	474	7,728	16,400	177	289	180	182
May-10	1.379	0.128	1.385	1.385	2.892	0.672	0.063	0.675	0.675	1.410	8,202	474	7,728	16,403	168	270	179	176
Jun-10	1.437	0.122	1.453	1.453	3.012	0.650	0.055	0.657	0.657	1.362	8,202	474	7,728	16,404	175	258	188	184
Jul-10	1.375	0.119	1.466	1.466	2.960	0.694	0.061	0.740	0.740	1.495	8,204	475	7,728	16,407	168	251	190	180
Aug-10	1.366	0.125	1.451	1.451	2.942	0.585	0.053	0.621	0.621	1.259	8,205	475	7,728	16,408	166	263	188	179
Sep-10	1.346	0.114	1.342	1.342	2.802	0.827	0.053	0.626	0.626	1.306	8,207	475	7,728	16,410	164	240	174	171
Oct-10	1.413	0.123	1.311	1.311	2.847	1.177	0.102	1.092	1.092	2.371	8,207	477	7,728	16,412	172	258	170	173
Nov-10	1.399	0.117	1.297	1.297	2.813	1.090	0.091	1.011	1.011	2.192	8,209	478	7,728	16,415	170	245	168	171
Dec-10	1.605	0.215	1.375	1.375	3.195	1.417	0.189	1.214	1.214	2.820	8,212	478	7,728	16,418	195	450	178	195
Jan-11	1.452	0.158	1.338	1.338	2.948	1.272	0.139	1.172	1.172	2.583	8,227	478	7,728	16,433	176	331	173	179
Feb-11	1.413	0.156	1.339	1.339	2.908	1.176	0.130	1.114	1.114	2.420	8,228	480	7,728	16,436	172	325	173	177
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Apr-11	1.320	0.181	1.323	1.323	2.824	0.867	0.118	0.869	0.869	1.854	8,248	482	7,728	16,458	180	376	171	172
May-11	1.327	0.162	1.320	1.320	2.809	0.564	0.069	0.561	0.561	1.194	8,248	483	7,728	16,459	181	336	171	171
Jun-11	1.343	0.156	1.390	1.390	2.889	0.545	0.063	0.564	0.564	1.172	8,249	483	7,728	16,460	183	323	180	176
Jul-11	1.293	0.151	1.430	1.430	2.874	0.425	0.050	0.470	0.470	0.945	8,250	484	7,728	16,462	157	312	185	175
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Oct-11	1.260	0.142	1.303	1.303	2.705	0.730	0.082	0.755	0.755	1.567	8,260	486	7,728	16,474	153	292	169	164
Nov-11	1.338	0.167	1.307	1.307	2.812	1.099	0.137	1.074	1.074	2.310	8,261	486	7,728	16,475	162	344	169	171
Dec-11	1.299	0.164	1.305	1.305	2.768	1.103	0.139	1.108	1.108	2.350	8,264	487	7,728	16,479	157	337	169	168
Jan-12	1.323	0.113	1.303	1.303	2.739	1.058	0.090	1.042	1.042	2.190	8,266	488	7,728	16,482	160	232	169	166
Feb-12	1.290	0.106	1.283	1.283	2.679	1.030	0.085	1.025	1.025	2.140	8,268	488	7,728	16,484	156	217	166	163

**TABLE 1**

ASSUMPTIONS: SB average flow includes San Eljo Hills flow of 0.431 mgd  
 SB Connected EDUs includes 300 EDUs for the City of San Diego

CSD: Cardiff Sanitary Division  
 RSF CSD: Ranch Santa Fe Community Service District  
 SB: Solana Beach  
 EDU: Equivalent Dwelling Unit



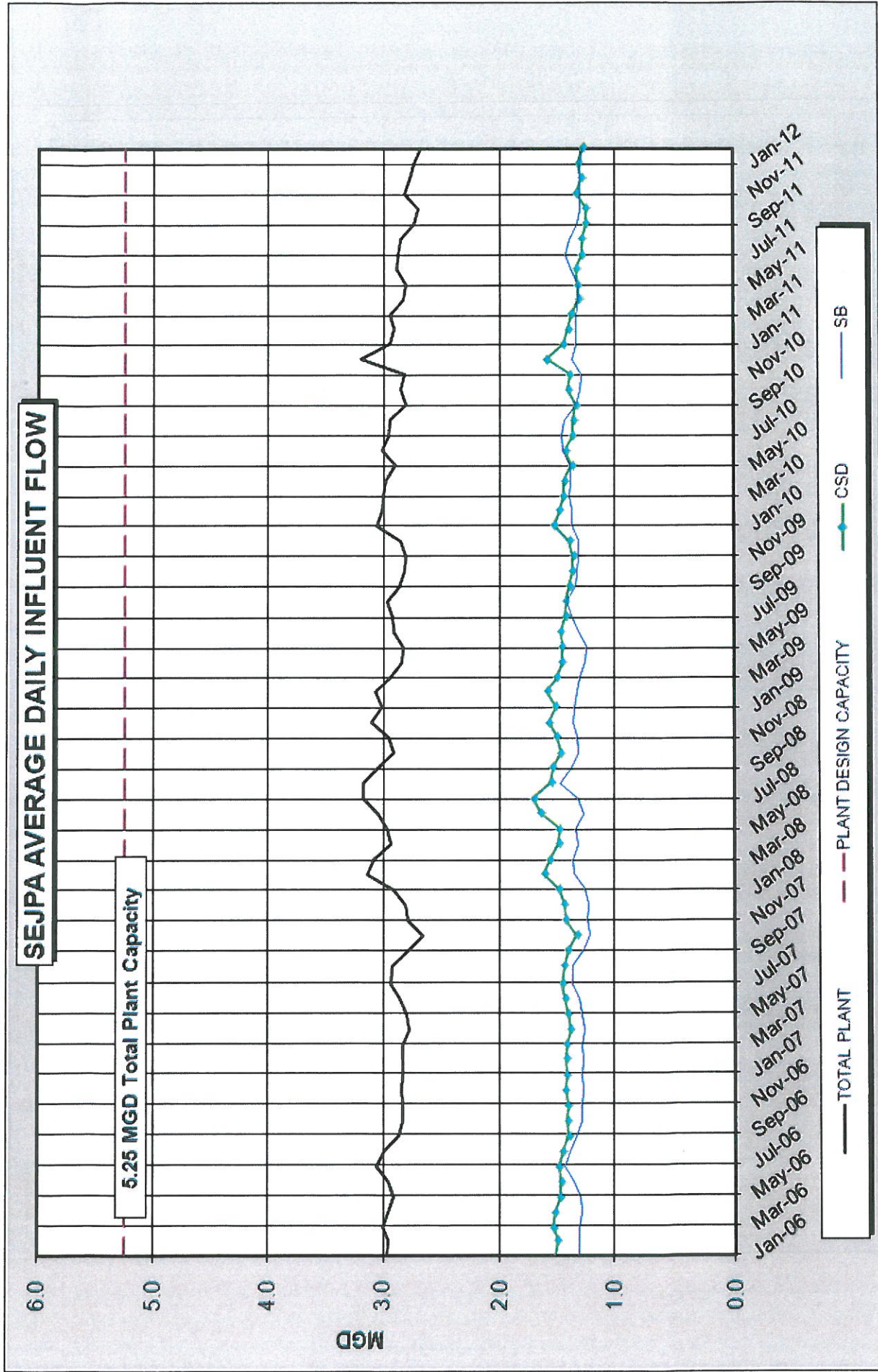


Figure 3

City of Escondido Flows

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

	February (mgd)
Escondido (Average flow rate)	11.7
Escondido (Peak flow rate)	17.7

Connected Equivalent Dwelling Units

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

	February (EDU)
Cardiff Sanitary Division	8,268
Rancho Santa Fe SID	488
City of Solana Beach	7,428
San Diego (to Solana Beach)	300
<b>Total EDUs to System</b>	<b>16,484</b>

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager

\*

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

April 9, 2012

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECLAMATION PROGRAM – MONTHLY REPORT

RECOMMENDATION

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

DISCUSSION

*Recycled Water Production*

For the month of February 2012, recycled water demand was 43.26 acre-feet (AF), which was met using 43.26 AF of recycled water and 0.00 AF of supplementation with potable water. This equates to a blend mix for February of 100.0 percent recycled water and 0.0 percent potable water supplementation.

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

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager



**MONTHLY RECYCLED WATER DEMAND**

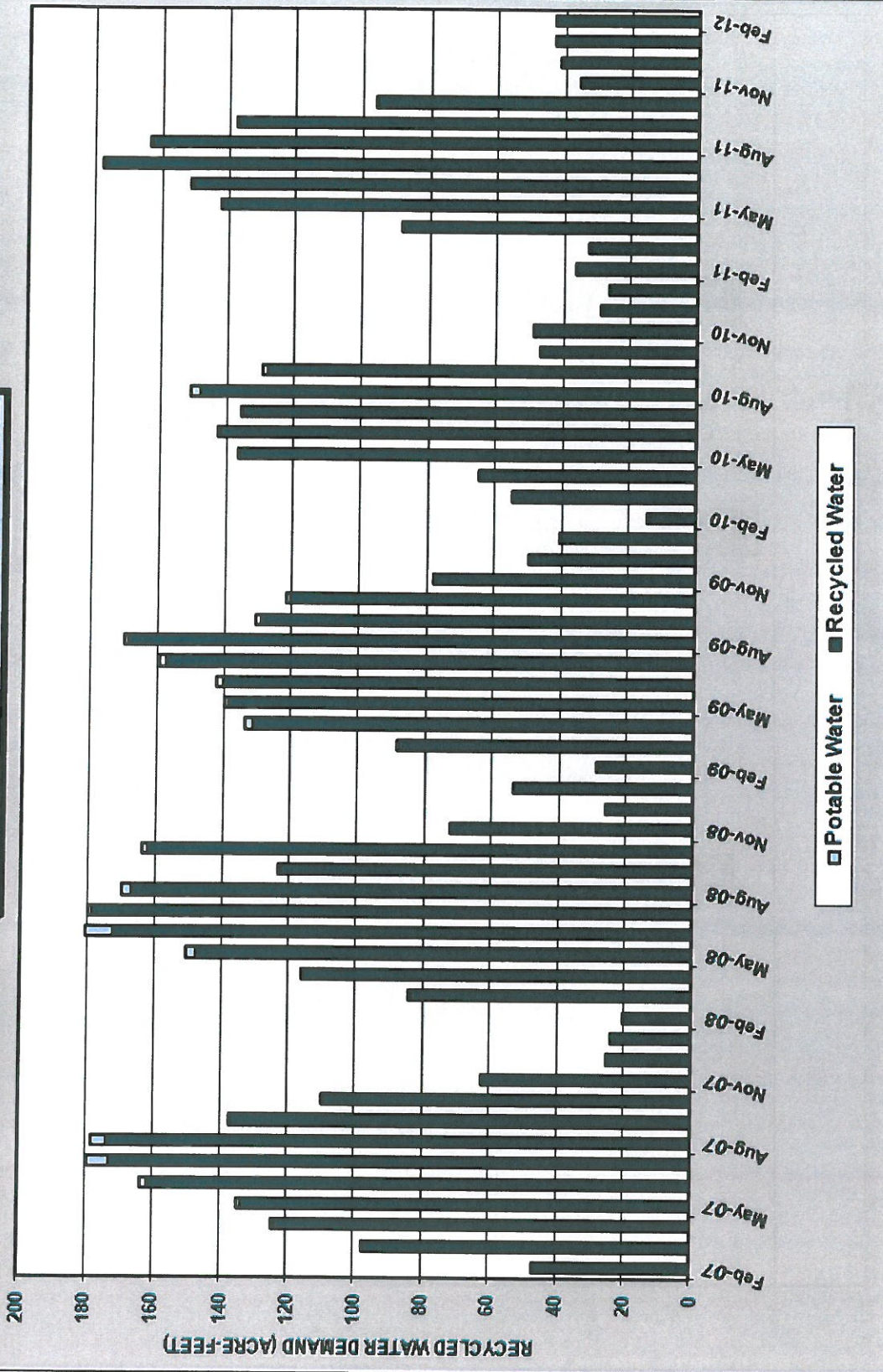


Figure 1

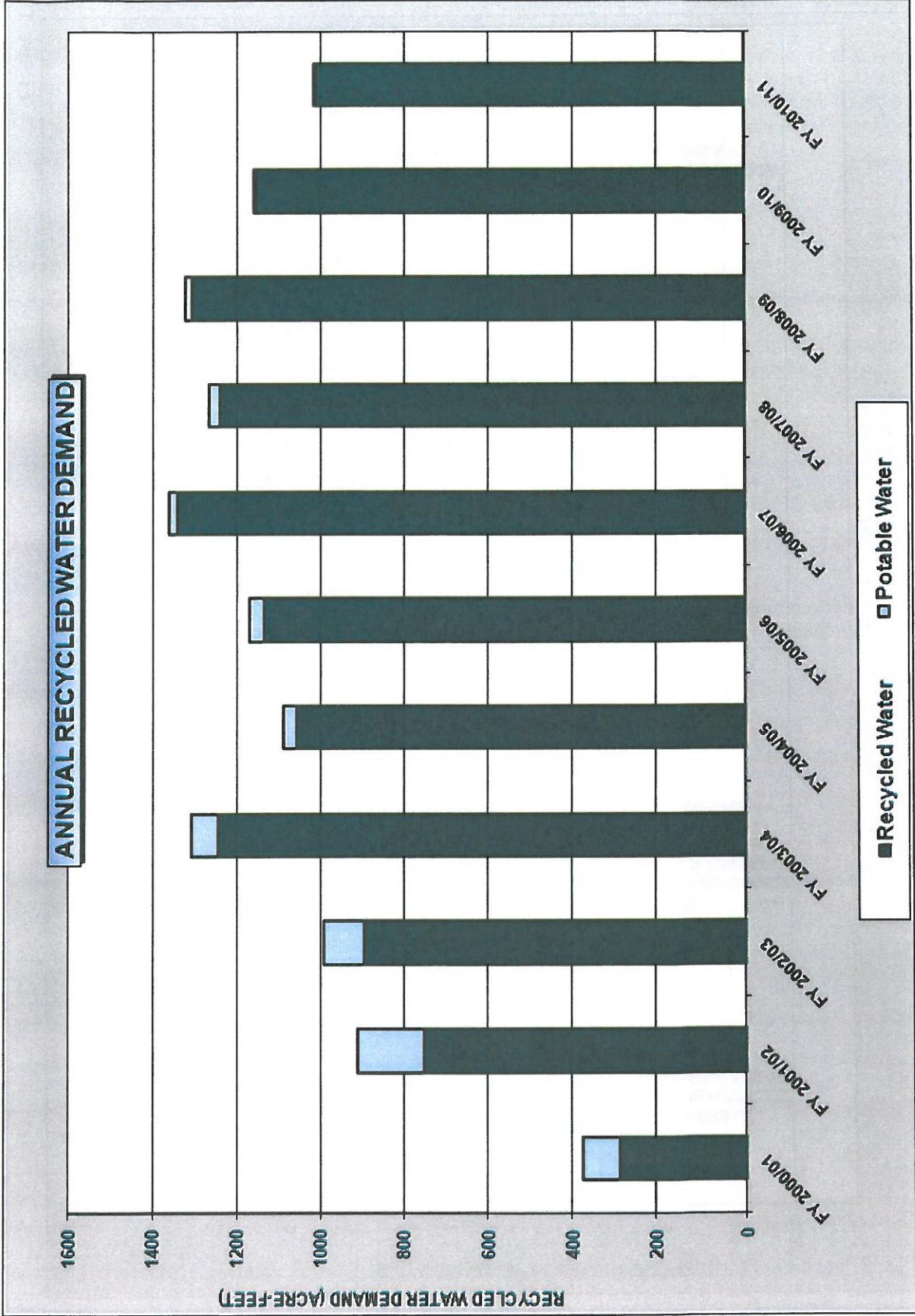


Figure 2



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

April 9, 2012

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: Director of Finance/Administration

SUBJECT: PRESENTATION OF THE SAN ELIJO JOINT POWERS AUTHORITY  
FISCAL YEAR 2012-13 RECOMMENDED BUDGET

RECOMMENDATION

It is recommended that the Board of Directors:

1. Review the Fiscal Year 2012-13 Recommended Budget; and
2. Discuss and take action as appropriate.

DISCUSSION

The Fiscal Year (FY) 2012-13 San Elijo Joint Powers Authority (SEJPA) Recommended Budget has been prepared in accordance with the SEJPA formation agreement and the SEJPA's existing service agreements with other government entities. The budget estimates all expenditures necessary to provide wastewater treatment, waste disposal, water reclamation, laboratory, ocean outfall, and pump station services.

The total recommended Fiscal Year (FY) 2012-13 budget for the Wastewater Treatment Fund (which includes operations and maintenance for wastewater, laboratory, outfall, and pump stations, as well as bond debt for the 2011 Revenue bonds for the SEJPA is \$5,374,877, a 4.7 percent decrease from a year ago. Revenues to support the Wastewater Treatment Fund come from the users of the provided services. The total recommended FY 2012-13 operating budget for the Water Reclamation Fund (which includes operations and maintenance, as well as debt service expenses) is \$1,957,028, a 7.2 percent increase from a year ago. The entire increase is attributable to the additional debt service payment for the Advanced Water Treatment Project. Water Reclamation Fund revenues come from the sale of recycled water. Future recycled water sales are forecasted to be adequate to fund this new debt. The FY 2012-13 appropriation for the Capital Project Fund is \$1,032,000, up from \$942,000 and is funded based on ownership or leased capacity of the facilities being improved or constructed.

The proposed operations budget, which includes services for the Member Agencies, the cities of Del Mar and Escondido, the San Dieguito Water District and Santa Fe Irrigation

District, and the Rancho Santa Fe Community Service Districts, will decrease nearly \$40,000, or 0.8 percent. These are the day to day costs of operating and maintaining the facilities managed by the SEJPA and exclude debt service and capital projects.

SEJPA management has reviewed in detail all aspects of operations to control costs without impacting the agency's ability to perform the vital functions it is tasked to do. The two largest programs, Wastewater Treatment, and Recycled Water, decreased 1.7 percent and 1.8 percent respectively. The Laboratory Program and Outfall Program were the only programs with an increase in their respective budgets. All other programs had decreases in their budgets. When capital project funding and debt service are added to this, the services provided to the cities of Encinitas and Solana Beach are proposed to decrease 6.9 percent and 3.4 percent, respectively.

The cost for wastewater treatment and disposal services borne by the ratepayers of the Member Agencies are allocated based on use, indicated by measured flows or level of effort, as appropriate. Flows are averaged over a 12 month period and vary from year to year, impacting the level of participation for each agency. On the basis of 15,992 connected equivalent dwelling units (EDU's) through December 2011, the services provided to the Member Agencies by the SEJPA for wastewater treatment and disposal will cost an average of \$153.14 per EDU. This represents an decrease of 4.7 percent from a year ago. In historic terms, the proposed EDU rate reflects an annualized increase of *less than 1.2 percent* since the facility was upgraded to secondary treatment twenty years ago (average EDU rate was \$127 in Fiscal Year 1993-94).

Contingency funding for each program area has been reviewed and budgeted on the basis of potential for unforeseen events within each program area. For all programs, the amount of contingency funding is \$118,630, a \$41,960 decrease from a year ago. This is a predetermined percentage of each program's supplies and services budget. Beginning this year, the Recycled Water Program will no longer budget contingency funds.

The Water Reclamation Program has completed its eleventh full year of recycled water sales. Water sales revenues are expected to increase approximately 5.0 percent from the current fiscal year. It is anticipated that sales volume will be about 1,150 acre-feet (AF) in the upcoming fiscal year. The program is projected to generate \$2.07 million in recycled water revenues for FY 2012-13. Expenses are projected to be \$1.96 million, which includes the \$834,675 loan payment to the State Revolving Fund and the \$148,153 annual payment for the Advanced Water Treatment loan.

The SEJPA Capital Improvement Program includes both new and ongoing projects for improvements to the wastewater treatment, ocean outfall, pumping stations, and the water reclamation programs. For the wastewater treatment program, capital projects include (1) the completion of the electrical system upgrades, which include replacing outdated electrical equipment and emergency power systems; (2) Headworks and Grit Chamber Rehabilitation Project, (3) Biosolids Upgrade Reserve, (4) energy efficiency improvements, (5) hydraulic management of the outfall, and (6) digester rehabilitation and upgrades. For the Olivenhain Pump Station, funding is being requested from the Cardiff Sanitary Division to implement an ozone treatment process for odor control at that station. Funding is being requested for the Ocean Outfall Program to create a reserve for an ocean outfall reballast project which is generally done about every seven years. All of these projects were listed in the Water Reclamation Facility Master Plan prepared by Corollo Engineers in 2007.



Debt service for the SEJPA is budgeted at \$2,493,645, which is a 3.8 percent decrease from last year. Even though additional debt was incurred to complete the construction of the Advanced Water Treatment Project significant savings will be realized due to refinancing the 2003 Revenue bonds and the California Energy Commission loan. The annual debt consists of the 2011 Revenue Bond payment of \$1,480,817 for the construction of the Secondary Treatment Upgrades Project in 1991, a State Revolving Fund loan payment of \$834,675 for the construction of the Recycled Water System in 2000, and the Advanced Water Treatment loan payment of \$148,153 for the construction of treatment improvements to recycled water system.

All issues related to the FY 2012-13 recommended budget are discussed in detail in the budget document, along with information regarding the contribution requirements of the various agencies served by the SEJPA.

### SUMMARY

The total recommended FY 2012-13 budget for the Wastewater Treatment Fund for the SEJPA is \$5,374,877, which is a 4.7 percent decrease from a year ago. Revenues to support the Wastewater Treatment Fund come from the users of the provided services. The total recommended FY 2012-13 budget for the Water Reclamation Fund is \$1,957,028, which is a 7.2 percent increase from a year ago (all of which is attributable to new debt service). Water Reclamation Fund revenues come from the sale of recycled water. The FY 2012-13 appropriation for the Capital Project Fund is \$1,032,000, which will fund Capital Infrastructure associated with upgrading the San Elijo Water Reclamation Facility sludge digester system, Headworks and Grit Chamber Rehabilitation Project, additional funding to the ocean outfall system, energy efficiency, and continued funding for the biosolids facility upgrade reserve.

The budget document has been prepared to provide detailed information regarding each program and the cost of services to the Member Agencies and other contracted service recipients.

It is therefore recommended that the Board of Directors:

1. Review the Fiscal Year 2012-13 Recommended Budget; and
2. Discuss and take action as appropriate.

Respectfully submitted,

  
\_\_\_\_\_  
Gregory Lewis  
Director of Finance/Administration

SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

April 9, 2012

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: Director of Finance/Administration

SUBJECT: FINAL ARBITRAGE REPORT ON THE REFUNDED 2003 REVENUE BONDS

RECOMMENDATION

1. Authorize the General Manager to submit form 8038-T to the Internal Revenue Service along with the \$158,838.86 payment due; and
2. Discuss and take action as appropriate.

BACKGROUND

In December 2011, the SEJPA refinanced two existing debts into one single debt for the benefit of lowering interest payment costs and for shortening the term of the bonds. The two debts refinanced were the 2003 Refunding Revenue Bonds and the California Energy Commission (CEC) loan both of which financed capital projects for wastewater treatment improvements. The debt refinanced included \$11,360,000 of bonds with a remaining life of approximately 8 years at an average annual interest rate of 4.88 percent and an outstanding CEC loan of \$1,009,328 with a remaining life of 11 years at an interest rate of 3.95%.

The new refinanced debt, now called the 2011 Refunding Revenue Bonds, sold on December 7, 2011. The bonds had a total principal amount of \$9,235,000, with an average annual interest rate of 2.46 percent. The majority of this debt will be paid off in 7 years, with the remainder in 9 years.

DISCUSSION

The next and final step in refunding the 2003 Bonds is to complete the federal arbitrage report to ensure the tax exempt status of the bonds was not compromised by excess earnings on the reserve account during the life of the bonds. The bonds cannot earn more than the 3.847 percent arbitrage yield calculated for the bonds. As part of the refunding, the SEJPA negotiated a settlement with the reserve account investor, Wells Fargo Bank to end the forward purchase agreement the bond reserves were invested in when the reserve was established in 2003. Due to the interest rate being paid on these investments, which was above the current market rate, Wells Fargo was willing to pay a premium to terminate the

contract. This premium is considered interest earnings for the purpose of arbitrage and is added to the earnings of the reserve over its life. This caused the reserve to earn in excess of the arbitrage yield for the period 2003 through 2011. The final arbitrage report requires earnings in excess of the arbitrage yield be relinquished to the Internal Revenue Service to maintain the tax exempt status of the bonds. The final arbitrage report was completed by Willdan Financial Service in March 2012 and the report concluded that the SEJPA reserve fund earnings exceeded the arbitrage yield calculation by \$158,838.86.

#### FINANCIAL IMPACT

The cost of \$158,838.86 due the Internal Revenue Service to rebate excess earnings on the reserve fund of the bonds has no impact on the SEJPA or Member Agencies' budget's since the rebate is taken from the proceeds paid to the SEJPA by Wells Fargo Bank. The payment will be made by the SEJPA, and a request will be made to the City of Solana Beach and the City of Encinitas for \$84,184.60 and \$74,654.26 respectively, as their pro-rata share of the amount due.

#### RECOMMENDATION

1. Authorize the General Manager to submit form 8038-T to the Internal Revenue Service along with the \$158,838.86 payment due; and
2. Discuss and take action as appropriate.

Respectfully submitted,

  
\_\_\_\_\_

Gregory Lewis  
Director of Finance/Administration

Attachment: Form 8038-T, Internal Revenue Service



**Arbitrage Rebate, Yield Reduction  
 and Penalty in Lieu of Arbitrage Rebate**  
 ▶ Under Sections 143(g)(3) and 148(f)  
 and Section 103(c)(6)(D) of the Internal Revenue Code of 1954

OMB No. 1545-1219

<b>Part I Reporting Authority</b>		Check box if Amended Return ▶ <input type="checkbox"/>
1 Issuer's name <b>San Elijo Joint Powers Authority</b>		2 Issuer's employer identification number (EIN) <b>33 0319590</b>
3 Number and street (or P.O. box no. if mail is not delivered to street address) <b>2695 Manchester Avenue</b>	Room/suite	4 Report number (For IRS Use Only) <b>7</b>
5 City, town, or post office, state, and ZIP code <b>Cardiff by the Sea, California 92007</b>		6 Date of issue <b>04/29/2003</b>
7 Name of issue <b>2003 Refunding Revenue Bonds (San Elijo Wastewater Treatment Facilities)</b>		8 CUSIP number <b>797544 CC5</b>
9 Name and title of officer of the issuer or other person whom the IRS may call for more information <b>Mr. Greg Lewis, Director of Finance/Administration</b>		10 Telephone number of officer or other person <b>760-753-6203</b>
11 Type of issue ▶ <b>Environment</b>		Issue price ▶ <b>11</b> <b>19,460,367.80</b>

<b>Part II Arbitrage Rebate and Yield Reduction Payments</b>		<b>Amount</b>
12 Computation date to which this payment relates (MM/DD/YYYY) . . . . .	<b>03/01/2012</b>	
13 Arbitrage rebate payment (see instructions) <input type="checkbox"/> check box if less than 100% of rebate amount . . . . .	<b>13</b>	<b>158,838.86</b>
14 Yield reduction payment (see instructions) <input type="checkbox"/> check box if less than 100% of yield reduction amount . . . . .	<b>14</b>	<b>0.00</b>
15 Rebate payment from Qualified Zone Academy Bond (QZAB) defeasance escrow (see instructions) . . . . .	<b>15</b>	<b>0.00</b>

<b>Part III Penalty in Lieu of Arbitrage Rebate</b>		
16 Number of months since date of issue: <input type="checkbox"/> 6 mos <input type="checkbox"/> 12 mos <input type="checkbox"/> 18 mos <input type="checkbox"/> 24 mos <input type="checkbox"/> Other. No. of mos ▶ _____		
17 Penalty in lieu of rebate . . . . .	<b>17</b>	
18 Date of termination election (MM/DD/YYYY) . . . . .		
19 Penalty upon termination . . . . .	<b>19</b>	

<b>Part IV Late Payments</b>		
20 Does failure to pay timely qualify for waiver of penalty (see instructions) . . . . . Yes <input type="checkbox"/> No <input type="checkbox"/>		
21 Penalty for failure to pay on time (see instructions) . . . . .	<b>21</b>	
22 Interest on underpayment (see instructions) . . . . .	<b>22</b>	

<b>Part V Total Payment</b>		
23 Total payment. Add lines 13, 14, 15, 17, 19, 21, and 22. Enter total here . . . . .		<b>23</b> <b>158,838.86</b>

<b>Part VI Miscellaneous</b>		
24 Unspent proceeds as of this computation date . . . . .	<b>24</b>	<b>0.00</b>
25 Proceeds used to redeem bonds . . . . .	<b>25</b>	<b>17,479,142.10</b>
26 Gross proceeds used for qualified administrative costs for guaranteed investment contracts (GICs) and defeasance escrows . . . . .	<b>26</b>	<b>0.00</b>
27 Fees paid for a qualified guarantee . . . . .	<b>27</b>	<b>75,633.34</b>
28 Is the issue a variable rate issue? . . . . .	<b>28</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
29 Did the issuer enter into a hedge? Name of provider _____ Term of hedge _____	<b>29</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
30 Were gross proceeds invested in a GIC? Name of provider _____ Term of GIC _____	<b>30</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
31 Were any gross proceeds invested beyond an available temporary period? . . . . .	<b>31</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
32 Calculations for filing of this form prepared by: <input type="checkbox"/> Issuer <input checked="" type="checkbox"/> Preparer: <b>Willdan Financial Services</b>		

**Signature and Consent**

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative \_\_\_\_\_ Date \_\_\_\_\_ Type or print name and title \_\_\_\_\_

**Paid Preparer Use Only**

Print/Type preparer's name **Darcy McDonald** Preparer's signature *Darcy McDonald* Date **3/19/12** Check  if self-employed PTIN **P01478672**

Firm's name ▶ **Willdan Financial Services** Firm's EIN ▶ **33-0302345**

Firm's address ▶ **27368 Via Industria, Suite 110, Temecula, California 92590** Phone no. **951-587-3500**



SAN ELIJO JOINT POWERS AUTHORITY  
MEMORANDUM

April 9, 2012

TO: Board of Directors  
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: PARTNERSHIP WITH OLIVENHAIN MUNICIPAL WATER DISTRICT (OMWD)  
REGARDING LOCAL WATER SUPPLY DEVELOPMENT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into Agreement with the Olivenhain Municipal Water District for the conveyance, treatment, and recycling or disposal of test water associated with the Proposed San Elijo Groundwater Project (SEVGP); and
2. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) and the Olivenhain Municipal Water District (OMWD) are individually developing water supply, treatment, and enhancement projects for the benefit of their respective ratepayers. The SEJPA has experienced strong success in owning and operating a recycled water utility that serves residents and businesses in the cities of Encinitas, Solana Beach, and Del Mar. Similarly, OMWD has achieved success in developing its own recycled water utility which has allowed the agency to diversify its water supply portfolio.

Over the last several years, the SEJPA and OMWD have partnered on Integrated Regional Water Management (IRWM) projects to improve and expand local water supplies. Success has been achieved in this area including a \$1.5 million grant for the North San Diego County Regional Recycled Water Projects and a \$1.05 million grant for the North San Diego County Cooperative Demineralization Project.

DISCUSSION

As part of the North San Diego County Cooperative Demineralization Project, OMWD is currently studying the feasibility of a brackish water purification project known as the San Elijo Valley Groundwater Project (SEVGP). To determine the water quality and quantity in a deep aquifer beneath the San Elijo Lagoon, a test well needs to be constructed and a three-day pump

test performed. To maximize the scientific benefits, OMWD has partnered with the United States Geological Survey to construct the test well and to study the geophysical traits, water quality, and water availability in the aquifer. The test well is planned for a depth of up to 1,200 feet, well below the influence of the lagoon to prevent any potential negative environmental effects. OMWD is working with the city of Solana Beach, the city of Encinitas, and the California Department of Transportation to acquire encroachment permits for the project, and it is also coordinating with the San Elijo Lagoon Conservancy and County of San Diego Department of Parks and Recreation.

OMWD has contacted the SEJPA to inquire if treatment and disposal of the water extracted from the three-day test could be provided. The flow rate is estimated to be 200 gallons per minute for up to 72 hours.

SEJPA staff has evaluated this request and has determined that the San Elijo Water Reclamation Facility could treat and either recycle or dispose of this water and therefore supports the acceptance of the test water. In addition, the SEJPA will review the agreement with the engineering staff from the Member Agencies to ensure consensus on the project approach and to determine if additional control parameters need to be incorporated to protect all parties.

#### FINANCIAL IMPACTS

OMWD will provide full cost recovery to the SEJPA for conveyance, treatment, and disposal associated with the proposed three-day pump test. Furthermore, it will be required that OMWD agrees to defend, indemnify and hold harmless the SEJPA and its Member Agencies against any costs, damages, or liabilities arising out of such operations. Therefore, it is expected that this is a cost neutral project to the SEJPA.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to enter into Agreement with the Olivenhain Municipal Water District for the conveyance, treatment, and recycling or disposal of test water associated with the Proposed San Elijo Valley Groundwater Project (SEVGWP); and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.  
General Manager